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ACC MONTHLY REPORT

FEB. 1944 - MAR. 1945

CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION
APO 394

Ref: 824/EC

24 March 1945

MONTHLY REPORT

FEBRUARY 1945.

	Political Section	Pages 1 - 2
PART I -	AMG Armies and Regions	Pages 3 - 8
PART II -	Civil Affairs Section	Pages 9 - 13
PART III -	Economic Section	Pages 14 - 17
PART IV -	Public Relations Branch Navy Sub-Commission Land Forces Sub-Commission (MMIA) Air Forces Sub-Commission Communications Sub-Commission War Material Disposal & Italian PW Sub-Commission	Pages 18 - 20

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

Declassified E.O. 12356 Section 3.3/NND No. 785016

POLITICAL SECTION

1. A corner was turned in the history of ITALY and a milestone passed in the work of the Allied Commission when the Rt. Hon. Harold MACMILLAN, Acting President of the Allied Commission, at a Press Conference on 24 February, announced the imminent implementation of the "New Deal for Italy", as set out in the Combined Chiefs of Staff directive to the Commission.

2. During the past month, events in ITALY have not unnaturally been overshadowed by the CRIMEA Conference. The Italian Government had all along been pressing the Allied Governments to clarify the country's status of co-belligerency and, if possible, accept ITALY as one of the United Nations. This pressure was translated into a concrete request for the grant of Allied status in a telegram addressed simultaneously to President ROOSEVELT, Mr. CHURCHILL and Marshal STALIN on 8 February. The communique issued at the conclusion of the Conference made no reference specifically to ITALY and it is feared keen disappointment was felt by all Italians. This disappointment was, however, in some measure offset by the news that the British Labour Conference which was sitting in LONDON at the time had invited the Italian General Confederation of Labour to send its representatives to LONDON and also by the release of the news of the "New Deal" directive.

3. The Council of Ministers met on 7 February and tackled the difficult problem of the "political price" of bread. The object was to reduce the burden on the State treasury and on 16 February a decision was reached to abandon the policy of subsidizing the price of bread as from 1 March. At the same time it was announced that the new price of bread would not be fixed at more than 16 lire per kilo, (The price fixed for ROME, however, was 18 lire per kilo). To mitigate the effect of this increased retail price, a monthly indemnity of 99 lire per person is to be paid by employers (including the State and local governments) to workers, their wives, and minor children. In addition, the unemployed, paupers and dependents of military personnel will be paid this "caro pane" indemnity by the State.

4. As part of its tax and anti-inflation programme, the Italian Government meeting on 18 February decreed a "Fund of National Solidarity" to assist that part of the population injured by the war, to reconstruct the liberated areas, and to create employment for partisans. It is hoped that a number of voluntary contributions will be paid into the fund. The Council again stated that the goods of high-ranking fascists would be confiscated and that the war excess profits taxes already in force would be extended to farmers - a class hitherto exempt. Further the pay of troops was to be doubled. As regards control of prices it was announced that the interministerial committee had suggested that cooperative and communal kitchens should be set up and encouraged, and the Food Commissariat was given wide powers to control markets and supplies.

5. The Government and the Allied Commission had jointly announced on 21 February that as from 1 March the bread ration for all Liberated ITALY would be 300 grams or its equivalent - for example, 200 grams of bread daily and 550 grams of pasta weekly. On the whole, public opinion as reflected in the press, has reacted very favourably to these developments.

6. The Government announced on 6 February that they had been studying closely the problem of Italian prisoners of war in Allied hands. It was stated that there are 340,000 prisoners in British hands, 110,000 held by the Americans and 35,000 held by the French. 670,000 soldiers and "several hundred thousand" civilians are detained in Germany and are not given the proper status of war prisoners, since

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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7. At its meeting/[illegible]...

423

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Declassified E.O. 12356 Section 3.3/NND No. 785016

7. At its meeting on 8 February, the Council of Ministers set up a new Commissariat for Veterans. This Commissariat will deal not only with Veterans but also with civilians in the areas to be liberated and, through the partisan organisations, will also be concerned with assistance for the patriots. Signor CASTRACOTTO has been named High Commissioner.

8. In the field of party politics it is reported that the Socialist and Communist parties published a declaration on 14 February in which a joint programme was set out. The workers were first of all reminded of their duty to carry on the war against fascism. Next, the Allies were asked for the grant of more autonomy.

9. The trial of General ROATTA and others continues without any startling developments to report. The left-wing press has been enraged by the presence of certain witnesses at the trial who, it is claimed, are members of the OVRA and yet are still safe and in the employment of the State. The Government have denied that these witnesses are in fact members of the OVRA and the newspapers have retorted that the Government must know who are members of this ill-famed organisation, that the names should be published and the individuals put on trial. It is reported that the OVRA employed members of practically all the State services for short periods at one time or another for particular jobs and that there was not, in a strict sense, a complete and permanent list of the staff of the organisation. The central organisation has, of course, been broken up and its leaders will undoubtedly be punished in due course but it would be impossible to seek out and bring to justice the great number of small officials whose association with the OVRA was temporary and short-lived. Meanwhile the business of epuration has moved a step with the setting up of a central commission. Signor BONOMI spoke on the occasion of its inauguration and emphasised again that epuration must strike those who had important charges and were blindly subservient to the fascist regime but for the lower ranks justice must be tempered with mercy. Above all, the operation must be carried out with justice and legality.

10. Signor TARCHIANI has taken up his post in WASHINGTON. Duke GALLARATI SCOTTI, the new Ambassador to SPAIN, has also reported his arrival in MADRID. There is still much speculation in the press as regards the resumption of diplomatic relations between ITALY and FRANCE and it is hoped that a statement will be made in the very near future.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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PART I.

AMG ARMIES AND REGIONS.

AMG FIFTH ARMY.

1. From the operational point of view, February has again been an uneventful month. The limited advances made in the MONTE BELVEDERE sector in the last week brought no new communes under Military Government as the area captured was entirely mountainous and the few inhabitants had been previously evacuated. The Army area thus remained unchanged from January.

2. There has been a general improvement in public safety throughout the area and the arrest of a number of persons for brigandage in country districts has contributed to the restoration of confidence among the population. Very few crimes of violence were reported.

3. Four persons were tried by General Courts on charges of espionage. Two were convicted of whom one was sentenced to death and the other to life imprisonment.

4. Public health remained unsatisfactory and the typhoid epidemic at PRATO continued to abate; energetic action resulted in more people submitting to innoculation.

5. The work of the American Red Cross continued at a high standard and a total of 32,800 persons, representing approximately 10% of the population in the forward areas, were given clothing.

6. Olive oil amassing continued to move slowly despite the campaigns waged by the Provincial organisations. Power for the flooded lands near VIAREGGIO was increased and all flood waters were pumped off. A considerable part of this land has been ploughed and planting is in progress. The labour supply continued to exceed demand and the number of registered unemployed increased to about 6,450.

7. The Acting President of the Allied Commission visited the Army area during the month and saw many phases of Military Government work. The Lieutenant General of the Realm has also been in the area inspecting Italian Army units.

AMG EIGHTH ARMY.

8. The area administered remains unchanged, namely, the whole of FORLI Province and the greater part of RAVENNA Province.

9. Italian Provincial administration is well established in FORLI with all the normal local government agencies in operation. In the liberated portion of RAVENNA, local government is also well advanced.

10. Italian courts are functioning in both Provinces and their jurisdiction over violations of travel and curfew restrictions has been extended to include CESENA. The policy of re-opening schools has been

Declassified E.O. 12356 Section 3.3/NND No. 785016

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10. Italian courts are functioning in both Provinces and their jurisdiction over violations of travel and curfew restrictions has been extended to include CESENA. The policy of re-opening schools has been carried well forward into Corps areas, although in many cases buildings are lacking and classes are being held in private houses.

11. There were two demonstrations in favour of the Army call-up, one at FORLI and the other at CESENA. The demonstrations were orderly.

12. The standard of health is satisfactory.

13. Good progress has been made in reclaiming flooded areas. Five pumping stations have been repaired and re-activated and a total of 14,350 acres have been drained. This land is drying out well, and it is hoped to sow most of it in time for this year's harvest. Military units have cooperated in repairing breaches in river and canal banks and in clearing obstructions, and the danger of re-flooding has been averted.

14. In RIMINI..../422

0740

Declassified E.O. 12356 Section 3.3/NND No. 785016

14. In RIMINI, further progress has been made in effecting first aid repairs to houses, in clearing the streets of debris, and demolishing dangerous buildings.

15. Approximately 700 bridges in this area have been destroyed and before Bailey bridges are removed a minimum of 100 bridges must be repaired or rebuilt to maintain essential civilian communications. So far eight bridges have been completed, eleven are under construction, and plans have been prepared for thirty-eight others which are awaiting financial sanction. Progress is slow owing to shortage of bricks and timber.

16. Crime remains at a surprisingly low level. Carabinieri and other police agencies are giving good service but efficiency is hampered by lack of uniforms and equipment.

17. The Autotrasporti of both Provinces are now getting into their stride and are operating 294 trucks with a total load carrying capacity of 5939 quintals.

18. Cultivation is well advanced and crop prospects for the coming season are good.

19. A mine clearance school was started during January at which civilians are trained in mine lifting. The first squad began work 5 February and on 19 February this was increased to five squads of five to seven men each. By the end of the month 504 mines had been lifted.

SICILIA REGION.

20. There have been no public disorders during the month and the military call-up, on a reduced scale, proceeded without incident. There was a slight increase in crime and armed bands continue to operate. The civil police have, if anything, shown slightly more zeal and activity but are still badly handicapped by shortage of transport, arms and personnel.

21. There were no strikes or labour troubles. The only immediate effect of the announcement of further wage increases was a rise in black market prices. The disparity between wages and prices was as great as ever.

22. The bread situation remained good with the arrival of five ships bringing over 20,000 tons of wheat and barley and 1,200 tons of flour. The 300 gram ration of bread and pasta was issued regularly and there was no real shortage of food although the prices charged are beyond the pocket of many.

23. There was little political activity during the month and the people showed no signs of increasing interest in political matters. The SICILIAN distrust of the central Government is long-standing and deep rooted and the inauguration of the new Consulta was given a very restrained welcome and little enthusiasm or interest was shown by the man in the street. The people are apathetic and without confidence in their own administrative officials, many of whom they know to be inefficient and corrupt. It appears that the Consulta meetings were regarded as the forum for presentation of political views rather than for the considera-

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24. In spite of the lack of an adequate system of relief or assistance and the shortage of clothing for the needy, the health of the people continued to be remarkably good and the cases of typhoid fever have decreased. The health and medical treatment in the prisons still leaves much to be desired.

25. Trade, and particularly inter-regional trade, was gravely handicapped by lack of road, rail and sea transport. Mixed cargoes have, however, been shipped to MALTA and there have been shipments of citrus fruit and salt to the mainland.

26. During...../

Declassified E.O. 12356 Section 3.3/NND No. 785016

26. During the month 1,946 quintals of grain were amassed, bringing the total to date to 1,324,100 quintals. The amassing of olive oil was again very small. Artificial manures and seed potatoes continued to be distributed.

SOUTHERN REGION.

27. The handing over of food storage and distribution to the Italian authorities was an important step completed during the month. Segrals and Consorzi Agrari have made a good start with their new responsibilities.

28. Farmers and agricultural officials predict a serious decline in production due to the accumulated effects of the shortage of fertilizers for several years past. The campaign for the collection of olive oil has met with considerable success and by 17 February, 246,134 quintals had been amassed. There was, however, a lack of cooperation shown by various Tribunals in convicting and sentencing offenders against the olive oil decree. NAPLES and SALERNO Zones have built up their wheat stocks to about one month's supply.

29. Public Safety in the Region remained generally satisfactory. Civil police agencies, with the exception of Guardie Municipali, maintained a reasonable standard of efficiency, but their duties were hindered by a lack of transport and communication facilities. A gang of armed criminals was broken up in NAPLES by the arrest of seven civilians and the recovery from their possession of firearms and ammunition. Ten civilians have been killed by Allied sentries while attempting to steal from dumps, trucks and trains. The criminal misconduct of Italian paratroopers is reaching serious proportions, including in some cases the use of firearms and hand grenades and appropriate representation has had to be made to the Italian authorities.

30. Production of neutral glass has been delayed owing to lackof coal, but domestic and medical glass-ware is being produced from 30 to 35 quintals daily at Vetreria Ricciardi, NAPLES. It is still necessary to ration electricity in Southern ITALY.

31. The schools of NAPLES Commune were returned to Italian hands on 6 February and were re-opened on 19 February, having previously been closed due to the cold and lack of fuel for heating purposes. Approximately 70,000 elementary textbooks were printed during the month, bring the total to 238,655 of the original 900,000 ordered. Ang

32. Banking in the South continued to be marked by an increase in deposits, attributed to high prices, lack of raw materials for the resumption of commercial activity, moderate public investments and the large profits made by the farmers.

LAZIO-UMBRIA REGION.

33. The month passed without political sensation and local government in its present limited form is, on the whole, working as well as can be expected and forms a reasonable foundation on which a more democratic structure can be erected.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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34. Good progress has been made with the livestock problems. Grain amassing is now almost at a standstill but showing very creditable figures with over 100% of the target set amassed. Bad agricultural features were the olive oil amassing and the distribution of seed potatoes. Olive oil amassed reached only about one-third of its goal and the Italian authorities showed considerable reluctance to enforce the law, whilst the distribution of seed potatoes was so inefficient that a potato famine threatens. ROME stocks of soft grain and flour decreased by 37%, mainly due to the failure of truck owners to carry the grain to the railhead in the exporting areas. There was no issue of meat. The issue of other foodstuffs on the ration scale was restricted by lack of availability, 78% of the sugar ration being distributed and 68% of the oil. There has been a steady improvement in the supply of charcoal and lignite.

421

35. FIUMICINO...../

Declassified E.O. 12356 Section 3.3/NND No. 785016

35. FIUMICINO harbour is now 9½ ft. deep and 2,300 tons of fuel were discharged there during the month. 55 bridges were completed and good progress has been made with Bonifica repairs in the PONTINE MARSHES.

36. Perhaps the outstanding development during the last three months has been the increased efficiency of the Italian police agencies. The big problem of unauthorised possession of firearms is being tackled, but the inability of the Italian courts to deal with their case load is alarming. Forged currency cases were reported from ROME, FROSINONE, RIETI and VITERBO. The total amount involved was 56,700 lire; so far only two arrests have been made.

37. Health has been surprisingly good and the winter has passed with unexpected freedom from any serious epidemic.

38. Out of a total of 387, elementary and secondary schools now functioning number 231. Of the 156 which are not open, Allied formations are only occupying 15 and the Allied Military Authorities have been extremely cooperative in this respect. Nearly 300,000 textbooks were distributed.

39. Distribution of American Red Cross clothing in TERNI was completed on 17 February.

40. Among Allied officiers in this Region there is the feeling that there is not very much more that they can do and that the Italian machinery, out-of-date and creaking though it may be, has been put in a position to run on its own on the Regional level.

ABRUZZI-MARCHE REGION.

41. The Region, in general, has been quiet throughout the month, the Communist Party alone displaying any initiative, particularly in TERAMO and AQUILA, where, upon the announcement that AC officers would be withdrawn, a flare-up of political activity occurred.

42. The collection of olive oil under the impetus of control officers increased 50 per cent. during February, but at the month's end only one-fifth of the target figure had been obtained. The Region exported important surpluses of eggs, wheat and alcohol, chiefly from the middle MARCHE Provinces.

43. The amassing of wheat came practically to a standstill after the target figure was reached, and there is little inclination on the part of the Italian officials to insist upon further collections. The doubling of the price of potatoes in the middle of the collection period caused considerable difficulty.

44. Unemployment has been less than had been feared in the Region and further improvement is expected as soon as weather permits resumption of work on roads, bridges and railways. The very low salaries of state and parastatal employees, including school-teachers, have created a critical situation.

45. Public works reconstruction and highway maintenance were hampered chiefly be lack of transport and somewhat by lack of materials.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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46. A start was made in re-establishing civilian telephone services in ANCONA city and civilian mail services in PESARO.

47. The standard of efficiency of the C.C.RR continues to improve and some clothing is now arriving, though much more is still required. There has been little serious crime throughout the Region, the major problem being extortion gangs which have been formed by the worst elements of the former partisans. Mobile night patrols by Italian and Allied police have reduced the danger.

48. From a...../

Declassified E.O. 12356 Section 3.3/NND No. 785016

48. From a health standpoint, the Region came through the winter well. Blankets and clothing have been distributed in the devasted areas.

49. The grain harvest resulted in substantial increases in bank and post office deposits.

50. The latest information available shows that 258,639 mines have been cleared in the CHIETI-PESCARA area since June 1944.

51. The SAFFA match factory at JESI, working during the night hours only, owing to power restrictions, has increased its production from 54 to 70 million matches weekly.

52. Six truck pools, with 169 trucks lifting an average of 475 tons a day, and three Italian GT Companies, provide for the transport needs of eight Provinces. A total of sixty-seven bus lines, twenty of them inter-provincial, are licensed to operate.

SARDEGNA REGION.

53. Production of the coal mines at CARBONIA remained at approximately 40,000 tons for the month but it is hoped to increase the monthly output to 100,000 tons for which 2,500 additional miners will be required. In pre-war days about one third of the total number of miners came from the main-land but an attempt is being made to recruit the required number locally. Arrangements have been made for the conditions of pay, housing and food, including the news of the increased ration allowed in February, to be broad-cast by radio, published in the Press and spread by means of town crier in the villages to encourage more miners to sign on.

54. The call-up of the Italian Army in February went very smoothly. The maximum estimated local intake from the first classes to be called back to the Army was 10,000 and this number has been substantially exceeded. The men were contented and there was very little real opposition. What opposition did occur was dealt with by the local authorities and was probably due to ignorance as there are few newspapers and news travels slowly in country districts.

55. Crime showed a considerable increase including 8 murders and 50 armed robberies. A welcome addition to the small garrison has been provided by the arrival of a detachment of Marine Military Police on temporary duty at the Port of CAGLIARI. During the month bombs were thrown at the Carabinieri and Questore Garages in NUORO and at other centres causing slight damage.

56. Amassing of wheat has reached approximate finality for the season at nearly 310,000 quintals but the olive oil collected so far is only just over 5,000 quintals as compared with an estimated total of 50,000 quintals.

57. A consignment of boots arrived by ferry steamer and allotments have been made to the Mines and Railways. Boots are also now on sale in the shops.

58. Another enemy agent was dropped in SARDINIA by parachute on the 21st and captured on the 26th with a radio transmitter and 143,000 lire in his possession.

59. The health of the people was good and text books for schools are being distributed satisfactorily.

Declassified E.O. 12356 Section 3.3/NND No. 785046

provincial, are licensed to operate.

SARDEGNA REGION.

53. Production of the coal mines at CARBONIA remained at approximately 40,000 tons for the month but it is hoped to increase the monthly output to 100,000 tons for which 2,500 additional miners will be required. In pre-war days about one third of the total number of miners came from the main-land but an attempt is being made to recruit the required number locally. Arrangements have been made for the conditions of pay, housing and food, including the news of the increased ration allowed in February, to be broad-cast by radio, published in the Press and spread by means of town crier in the villages to encourage more miners to sign on.

54. The call-up of the Italian Army in February went very smoothly. The maximum estimated local intake from the first classes to be called back to the Army was 10,000 and this number has been substantially exceeded. The men were consented and there was very little real opposition. What opposition did occur was dealt with by the local authorities and was probably due to ignorance as there are few newspapers and news travels slowly in country districts.

55. Crime showed a considerable increase including 8 murders and 50 armed robberies. A welcome addition to the small garrison has been pro-vided by the arrival of a detachment of Marine Military Police on temporary duty at the Port of CAGLIARI. During the month bombs were thrown at the Carabinieri and Questore Garages in NUORO and at other centres causing slight damage.

56. Amassing of wheat has reached approximate finality for the season at nearly 310,000 quintals but the olive oil collected so far is only just over 5,000 quintals as compared with an estimated total of 50,000 quintals.

57. A consignment of boots arrived by ferry steamer and allotments have been made to the Mines and Railways. Boots are also now on sale in the shops.

58. Another enemy agent was dropped in SARDINIA by parachute on the 21st and captured on the 26th with a radio transmitter and 143,000 lire in his possession.

59. The health of the people was good and text books for schools are being distributed satisfactorily.

TOSCANA REGION.

60. Of the nine provinces of TOSCANA Region, four of them have not yet come under Regional control. LUCCA, PISTOIA, and FIRENZE Provinces are under AMG Fifth Army control and APUANIA is still in the hands of the enemy. Part of LUCCA Province is also enemy territory.

61. The Communist continues to be the most active and best organised of the political parties. In certain parts of the Region increased member-ship was due, in part at least, to the fact that its leaders are dis-couraging actions which will bring the Party into disrepute. Anti-monarchist feeling is crystalizing. In certain provinces recruiting for the Italian Army...../

Declassified E.O. 12356 Section 3.3/NND No. 785046

Army has taken on a political aspect. In some cases Communists have endeavoured to make the departure of recruits an occasion for a Communist celebration. Political activity of this description has been discouraged.

62. The food situation improved slightly and collections of last summer's grain for the amassi were still being made. An additional source of salt supply has been obtained at the Solvay works in LIVORNO Province, by the use of steam for boiling down brine which was previously wasted. The amassing of olive oil is not progressing satisfactorily due to the passive resistance of the producers. The totalamount amassed was 37,072 quintals.

63. The labour situation improved due, mainly, to the increased wages and food rations.

64. The GC.RR are becoming more effective throughout the Region and there has been an improvement in communications and morale but over 400 men in the Florence Region are still without uniforms.

65. Both the Italian Courts and the Allied Military Courts functioned effectively. In the Allied Military Courts in LIVORNO Province alone, 693 sentences were passed.

66. Poor water supply has been responsible for a small epidemic of typhoid in AREZZO, but generally the health of the civilian population throughout the Region is satisfactory. Schools are functioning well in Provinces under Regional control and school lunches are being served in 90 communes. While there has been definite improvement in the distribution of medical supplies, the work of ENDIMEA was still unsatisfactory. Distribution of American Red Cross clothing in the Region was almost completed.

67. Reconstruction projects included the PRATO acqueduct, the flood control works in the VAL DI CHIANA, repair of University buildings at PISA and harbour repair works at PIOMBINO, ORBETELLO, and PORTO S. STEFANO. The west coast railroad is in operation through LIVORNO and thence east to MONTECATINI and every commune in GROSSETO now has telephone communication. Postal restrictions have been relaxed.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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PART II...../

Declassified E.O. 12356 Section 3.3/NND No. 785016

PART II.

CIVIL AFFAIRS SECTION.

Defascism.

1. To date (exclusive of the Services) the records of 15,588 persons representing 41% of those subject to epuration by Central Commissions, have been scrutinised. Of these:

(a) 6,033 (38%) have been referred to Epuration Commissions for decision.

(b) 1,834 cases (30% of (a)) have been decided.

(c) 463 persons (25% of (b)) have been dismissed.

483 appeals, of which about two-thirds are appeals by the High Commissioner against acquittal, have been filed in the Central Commission which was inaugurated by Signor BONOMI on 14 February.

2. The time limits fixed for the commencement of proceedings have been extended. This was necessary owing to the difficulty of setting up sufficient courts without drawing too many judges from their normal duty and also because of delays in investigations caused by lack of transport. The extended time limit for civil servants employed in the Central administration expires on 15 March.

3. Progress is at last being made in the appointment of Provincial Commissions. Conferences attended by AMG officers, the Prefects and local representatives of the High Commissioner were held to co-ordinate the functions of each in the process of epuration. The question of allowing avvocati to sit on Epuration Commissions in lieu of judges is still under consideration.

Mine Clearance.

4. Mines removed during the month by the Mine Clearing Companies and civilian squads numbered 106,054. Authority has been granted to form a third mine clearing company to be known as the 563 Company.

Devastated Areas.

5. Distribution of blankets and clothing allocated to devastated areas in LAZIO-UMBRIA and ABRUZZI-MARCHE Regions was completed and 75,000 square metres of strong canvas have been distributed in LAZIO-UMBRIA Region for temporary repair of less badly damaged dwellings. Good progress is reported.

6. A branch committee of the Italian National Committee for Relief in Devastated Areas has been formed in FLORENCE.

LOCAL GOVERNMENT SUB-COMMISSION.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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LOCAL GOVERNMENT SUB-COMMISSION.

7. Under the terms of the "New Deal" for ITALY, the Allied Commission no longer has any authority over the appointment or dismissal of State officials (except certain Service officials) in territory under the jurisdiction of the Italian Government. During the course of the month the Italian Government has issued a circular to Prefects, impressing upon them the urgency of completing the appointment of Giunte Communali and Sindaci in substitution for Commissari Prefettizi, of whom too many are still holding office.

8. In order to overcome difficulties anticipated from extended lines of communication, Regional Commissioners for the Northern Regions of ITALY have been authorised to appoint or remove Prefects Regent without first obtaining the approval of HQ AC. Notification of a change must, however, be made as soon as possible. A circular has been issued to Regional Commissioners explaining that appointments and promotions of Italian officials

419

by AMG...../

Declassified E.O. 12356 Section 3.3/NND No. 785016

by AMG are temporary and have no effect upon the permanent rank or status of the appointee in the Italian Civil Service. Permanent promotions will be dealt with by the Italian Government when they resume responsibility for liberated provinces.

9. With the view to alleviating the grave shortage of local Government officials, the Italian Government has been asked to furnish particulars of officials held as Prisoners of War or as civilian internees in AFRICA. The question of release will be taken up with the appropriate military authorities.

10. The Government Decree extending the right to vote to women over 21 years of age was published on 20 February 1945.

PUBLIC SAFETY SUB-COMMISSION.

11. Disorders and riots in protest against the military call-up, which were prevalent in SICILY during the months of December and January, have subsided. In SARDINIA demonstrations resulting from the same cause increased, but not to an alarming degree. Conditions throughout ITALY were quiet.

12. The strength of the Carabinieri at 24 February was 53,990. Of this figure, 45,207 were employed on normal police duties, the remainder 8,783 being ineffective owing to leave, sickness or being employed with the Italian Army on provost duties. 992 men were recruited during the month.

13. It has been decided that the control of the Italian-French and the Italian-Swiss frontiers will be a purely military responsibility.

14. From all sections of the country come reports indicating improvement in morale, efficiency and initiative of law enforcement agencies. This is particularly true in the case of the Carabinieri and is especially evident where units have recently received uniforms, boots and other items necessary for proper performance of police duties. Another factor contributing to improvement in morale is the support given by the Allies who are working closely with the Italian police agencies.

PUBLIC HEALTH SUB-COMMISSION.

15. Two verified cases of typhus were reported, one at LATIANO near BRINDISI and the other at MODICA near RAGUSA in SICILY. Three other suspected cases were reported at the end of the month from MESAGNE, a small town about five or six miles from LATIANO. The Typhus Demonstration Unit tours were continued. It is felt that with the approach of spring and with the preventative measures which have been taken all over Liberated ITALY, the possibility of a serious typhus epidemic is now negligible.

16. The Smallpox situation in NAPLES remains much as before, 241 cases having been reported as compared with 261 in January. 67,838 persons were vaccinated during February. Scattered cases have been reported from other provinces on the mainland, the greatest number - 23 - occurring in SALERNO Province where 90,000 people have been vaccinated. Only 11 cases

Declassified E.O. 12356 Section 3.3/NND No. 785016

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17. Early in February a meeting on malaria control measures for the coming year was held at the Ministry of Interior; the Italian Authorities, the Malaria Control Branch, UNRRA and the Institute of Hygiene were represented. The AC agreed to place at the disposal of the Italian Authorities 50 million Atebrine tablets, all available stocks of Italian quinine preparations and 100 tons of Paris Green, the arrival of which was not anticipated before April. UNRRA agreed to provide further supplies.

18. In AREZZO Province a Typhoid epidemic which flared up early in February is now under control. There were 3 deaths out of the 134 cases reported. The PRATO epidemic is virtually at an end, only 28 cases being

reported...../

Declassified E.O. 12356 Section 3.3/NND No. 785016

reported during February and approximately 35,800 primary inoculations have been carried out. The help given by the Military Medical Authorities has been invaluable.

19. The ROME infant mortality rate for January 1945 was 148.2 and the tuberculosis figure (both pulmonary and non-pulmonary) for January was 257 deaths.

20. Veterinary. Production of Crystal Violet Swine Cholera Vaccine has begun at Sclavo Institute, SIENA, and vaccine against foot and mouth disease is being produced slowly. The introduction of lime sulphur dip against sheep scab is contemplated and the Italian veterinary authorities have issued instructions concerning production.

21. Welfare. The distribution of clothing in SICILY, the devastated areas and the forward areas has been greatly appreciated. Milk, supplied by ENDSI is to be distributed through Welfare Officers and local Italian Committees. Material has been procured for the manufacture of orthopaedic appliances for mutilated Italian soldiers and civilians.

LEGAL SUB-COMMISSION.

22. Arrangements have been made for the transfer to the Italian Government of the assets and liabilities of the Instituto Nazionale di Trasporto of SICILY. Captured German and Italian vehicles were transferred to this organisation which was operated under the auspices of AMC.

23. At the request of AC, the Italian Government has framed a decree making it an offence for Italian civilians to harbour Allied deserters or absentees. This decree has been implemented in AMG territory.

24. The jurisdiction of the Tribunale Militare of MACERATA, which was recently established in co-operation with the Minister of War, has been extended to the Provinces of FORLI and RAVENNA.

25. A decree has been passed establishing a Tribunale Militare in TUSCANY. This Tribunale will sit in FLORENCE as soon as the necessary personnel have been provided and will deal with the large number of offences committed in the area by members of the Italian Army.

26. Continued pressure is being applied to the Minister of Justice to increase the pool of judicial officials for Northern Italy, and circulars have been issued by the Minister to Courts in Italian Government territory to discover additional personnel.

27. Examinations have been held in FLORENCE for Procuratori and Avvocati and arrangements have been made for similar examinations to be held in ROME during March.

28. AMG Courts continued to function throughout the period but there was little serious crime. Of these, several cases related to counterfeiting AM lire while in TOSCANA Region there were a number of prosecutions for black market operations and possession of firearms. Ten espionage cases were reviewed during the month. Three death sentences were confirmed and five death sentences were commuted. Two sentences of imprisonment were imposed. The AMG Courts in BARI have been closed. During the 2½ months of their

Declassified E.O. 12356 Section 3.3/NND No. 785016

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EDUCATION SUB-COMMISSION.

29. The survey of Italian education is completed up to 1943 and is being distributed to Education Officers as background material.

30. Epuration, short of final hearings under Italian Epuration Commissions, is practically complete.

31. Repairs were begun in 17 of ROME's schools; 66 schools still remain in need of repair. The 15 universities in Liberated Italy are all functioning, a number with record enrolments and some are offering courses to Allied Forces.

32. The project.../ 418

Declassified E.O. 12356 Section 3.3/NND No. 785016

32. The project of publishing and distributing elementary school text-books is drawing to a close. The lateness of arrival of supplies from the United States, the shortage of electricity, and the use of printing presses for war purposes, have necessitated halving the programme contemplated. Nevertheless, 1,233,624 books have been printed and distribution has been made in every province in Liberated Italy. 500,000 school notebooks were printed in ROME in February; 140,000 in PALERMO.

33. The number of elementary school children enrolled in all Liberated Italy is approximately 1,472,500. 428,150 lunches of American dried soup and dried vegetables are being served daily in 416 communes.

34. A commission on youth activities has been organised in ROME. In TOSCANA sport and recreation clubs, student councils and orchestras are springingup and university groups are becoming active. Italian Boy Scouts have had provisional recognition by the international organisation and the movement is growing rapidly in all Regions.

35. Arrangements are being made for sending a professor of physics to the United States to study recent research in nuclear physics as a start in the policy of cultural and scientific exchange between Italy and the Allied Nations.

Amendment: First four lines of Para 32, Education Sub-Commission report for January should read: "SICILY reports disorders in all universities due to the call-up of students for the Army. At CATANIA a riot, begun by students, resulted in the burning of buildings. At PALERMO a more harmless student riot broke up inaugural ceremonies".

MONUMENTS, FINE ARTS & ARCHIVES SUB-COMMISSION.

36. On 18 February 1945 the Exhibition of Masterpieces of European Paintings at the Palazzo Venezia, ROME, was closed and the proceeds, amounting to Lire 1,626,000 will be used by the Italian Government for repairs to national monuments.

37. Much progress has been made during the month including the completion of the consolidation of the Cavallini frescoes in S. Cecilia in TRASTEVERE. In FLORENCE City repairs have been completed on the Carmine, S. Croce and S. Frediano. In the devastated area, the church of S. Stefano is being repaired, the four towers are being re-roofed and shored and frescoes of the Palazzo Acciaioli are being detached. At AREZZO the major project is still the Badia, one side of which has been completely re-roofed. The work on the Cathedral, S. Francesco and S. Maria in Gradi was completed. Work is progressing satisfactorily on 16 churches in PISA. Outside the city the churches of S. MINIATO and at S. PIETRO A GRADO are being repaired. Most of the repair projects in the ABRUZZI are now finished. In the MARCHE the major work centres around FANO and ANCONA. The problem of clearing ANCONA is difficult and assistance is being given by both military and civilian authorities. The treasures of the Museum are still buried beneath the debris of the campanile of S. Francesco awaiting more favourable weather conditions for their recovery. The collosal bronze equestrian statue of Cosimo I di Medici has been returned to FLORENCE from its deposit at POGGIO A CAIANO.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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38. Archives. A census by the Italian Ministry of Interior of Italian Archives shows a very small proportion of loss or disturbance by Allied troop occupation.

39. A revised and documented account of the losses from art deposits in TUSCANY has been received at this HQ and further information has been obtained from the Ministry of Public Instruction concerning German removals of pictures from FORLI.

DISPLACED PERSONS...../

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Declassified E.O. 12356 Section 3.3/NND No. 785016

DISPLACED PERSONS & REPATRIATION SUB-COMMISSION.

40. All centres, including CINECITTA' and AVERSA, were inspected by a Medical Officer during the month. Difficulty is experienced in teaching sanitary discipline to transient refugees, but on the whole the standard is high; medical Administrative Instructions have been issued in English and Italian. Health continues to be good and ROSIGNANA Centre was freed from quarantine for smallpox on 12 February 1945. 1,785 Allied Nationals in ROME are receiving extra food on medical grounds.

41. Approximately 700 Royalist Yugoslavs have been concentrated at SANTA CESAREA Centre. Certain Jews in the Southern Centres have been selected for emigration to PALESTINE. UNRRA personnel continued to arrive and the hand-over is almost completed.

42. During the month, 2,275 Italian refugees arrived in ROME from the Northern Centres, the majority from the RIMINI area. 2,404 Italians were repatriated to homes in SICILY or the South; repatriates to Yugoslavia numbered 731. Up to the end of February 74,609 persons were recorded by the Records Bureau; the location of approximately 59,000 of these is known, the remaining 9,460 are reported to be in German occupied Italy. These records cover 70 different nationalities.

43. During February the Banca d'Italia was authorised to make payments totalling 8,363,110 lire, the number of persons benefitting from these payments being 3,912. Payments to Yugoslavs have decreased considerably, only 176 payments were made as against 2,117 in December 1944. Currency conversation proposals were approved by the Combined Chiefs of Staff on an "ad hoc" basis for a group of Jewish refugees scheduled to leave shortly for PALESTINE.

PATRIOTS BRANCH.

44. The patriot position on the Fifth Army front remains practically unchanged. On the Eighth Army front about 400 patriots have passed through the Patriot Centre at RAVENNA.

45. Liaison with the Italian Government has been made easier by the formation of the Ministry for Occupied Territories. Priority of employment will in future be given to genuine patriots.

46. A national "Patriot Day" was celebrated on 18 February 1945. A parade of Italian Regular Troops and patriots was held in ROME with the object of demonstrating the union between formerly antagonistic regular soldiers and partisan forces. This was followed by the posthumous award of the Italian Gold Medal to regular soldiers and patriots who had died in action against the Germans since the Badoglio Armistice. Smaller parades and celebrations were held elsewhere in Italy.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

PART III

ECONOMIC SECTION

AGRICULTURE SUB-COMMISSION.

1. Surveys have been made of SICILY, CAMPANIA, EMILIA and TOSCANA areas in regard to crop production requirements and land reclamation. Crop production prospects were encouraging with seed requirements well provided for and imported materials scheduled for early arrival and distribution. Of the 4,334 tons of imported seed potatoes scheduled for import against spring requirements, approximately 3,500 tons were received and distributed. Sulphur distribution was satisfactory except in SARDEGNA and Central ITALY.

2. Wheat consigned to the "Granai del Popolo" reached a total of 10,884,736 quintals, or 92% of the estimated goal, with current consignments small. Olive oil collection reached 325,281 quintals, and there is evidence that the total may reach 450,000 quintals.

3. Production of fuelwood and charcoal continued slightly to exceed the consumption. A long term programme is being established for reafforestation by the Ministry of Agriculture.

4. Fisheries supplies delivered permitted a distribution programme to be started under Fondazione Assistenza Rifornimenti Pesca. Additional supplies of fish are anticipated as a result of restrictions relaxed during the month.

COMMERCE SUB-COMMISSION.

5. The reprocessing of salvaged clothing carried out in NAPLES has more than met expectations. Large quantities of garments were made available by MMIA for reprocessing, including 300 tons shipped from NORTH AFRICA, the condition of which necessitated the setting up of laundries and disinfestation plants. At present two large plants in NAPLES are laundering and disinfesting approximately 40,000 garments a week.

6. Textiles and clothing factories in AMG Fifth Army area have started production and considerable quantities of clothing, textiles and blankets are being produced and distributed.

7. Total exports during the month amounted to over 12,450 tons gross, representing a value of approximately 140 million lire. Contracts have been placed for 150 kilos Jasmine Concrete, and the USA have bought 100,000 lbs Bergamot Oil. Negotiations are in progress for the export of surplus minerals, such as Pyrites, Bauxite and Zinc Blend.

8. The supply of newsprint for Liberated ITALY was practically exhausted during the month and in the City of NAPLES newspapers were forced to suspend publication for two days. In conjunction with AFHQ, small stocksof newsprint have been obtained and it is hoped that these will be sufficient to meet requirements until American newsprint is available. The official price of scrap paper which is the basis of present newsprint production has risen from 7½ lire per kilo to 22 lire per kilo, with black market quotations as high as 40 lire per kilo; the price of newsprint has jumped from 26 lire per kilo to 60 lire per kilo in contrast to a landed cost of 17.50 lire per kilo for the American newsprint.

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quintals, or 92% of the estimated goal, with current consignments awaited. Olive oil collection reached 325,281 quintals, and there is evidence that the total may reach 450,000 quintals.

3. Production of fuelwood and charcoal continued slightly to exceed the consumption. A long term programme is being established for reafforestation by the Ministry of Agriculture.

4. Fisheries supplies delivered permitted a distribution programme to be started under Fondazione Assistenza Rifornimenti Pesca. Additional supplies of fish are anticipated as a result of restrictions relaxed during the month.

COMMERCE SUB-COMMISSION.

5. The reprocessing of salvaged clothing carried out in NAPLES has more than met expectations. Large quantities of garments were made available by MMIA for reprocessing, including 300 tons shipped from NORTH AFRICA, the condition of which necessitated the setting up of laundries and disinfestation plants. At present two large plants in NAPLES are laundering and disinfesting approximately 40,000 garments a week.

6. Textiles and clothing factories in AMG Fifth Army area have started production and considerable quantities of clothing, textiles and blankets are being produced and distributed.

7. Total exports during the month amounted to over 12,450 tons gross, representing a value of approximately 140 million lire. Contracts have been placed for 150 kilos Jasmine Concrete, and the USA have bought 100,000 lbs Bergamot Oil. Negotiations are in progress for the export of surplus minerals, such as Pyrites, Bauxite and Zinc Blend.

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9. Although the majority of silk filatures in TUSCANY were demolished, two remain in AREZZO Province and the small stocks of cocoons which still exist will be delivered to them. Twenty-seven tons of Persian cocoons have been imported for the Italian reelers and these are being distributed among the filatures in CALABRIA.

10. The Italian Government assumed responsibility for all civilian allocations of petroleum in LAZIO and ABRUZZI Compartimenti as from 1 March 1945.

FINANCE/.....

Declassified E.O. 12356 Section 3.3/NND No. 785016

FINANCE SUB-COMMISSION.

11. On 27 February it was widely reported in the Italian press that the U.S. Secretary of the Treasury had stated before a Congressional Committee that the Italian Government had accepted responsibility for the redemption of "invasion currency" under the terms of the Armistice. The reactions of the Italian Government to the statement were mainly of disappointment rather than disillusionment. It is thought that reports of the QUINTIERI - MATTIOLI Mission had already indicated that the U.S. Government had no intention of assuming any liability for the redemption of AM lire used by the U.S. Armed Forces in ITALY, other than the troops expenditure credits already made available. The new Italian Ambassador to the U.S. has, however, been instructed to ascertain the precise meaning of Mr. MORGENTHAU's statement.

12. The Italian Treasury has decided upon two internal loans. A large loan for purposes of reconstruction will be attempted as soon as substantially all of ITALY is liberated. It is planned to issue immediately 25 billion lire of bonds. The books will be open for subscriptions for one month beginning 15 April 1945. These bonds will have a five year maturity, will pay 5%, and will be issued at 97.50.

13. The net investment in Treasury bills during January was 2,405 million lire. The montaly average for the preceding six months of the current fiscal year was 2,400 million lire. Tax collections in Liberated ITALY for the seven months to 31 January 1945 amounted to 8,040 million lire.

14. The programme for turning over to the Federazione dei Consorzi Agrari the accounting and financial responsibility for imported foodstuffs is proceeding smoothly. The large AC stock-pile warehouse at NAPLES and the warehouses and depots of AMG FIFTH and EIGHTH Armies will be handed over to the Federazione on 1 March 1945. The detailed work of pricing, billing, and collecting for sales is done by the Federazione, which renders a receipt report to AC.

FOOD SUB-COMMISSION.

15. Arrivals of imported grain reached a higher level during the month. The actual figures of cereal imports were :

Wheat	91,927 tons
Barley	22,952 tons
Flour	17,351 tons

This enabled reserve stocks to be built up and the "300 gram bread ration policy" to be implemented in Central ITALY as from 5 March making the whole of the liberated territory uniform with respect to the bread and pasta rations. Heavy Workers' ration scales were adjusted. Several other scales were introduced during the month for the improvement of the feeding conditions of office workers, refugees, Sardinian miners and labour employed by the Armed Forces, and also for an extension of public assistance work.

16. The normal issues of bread, pasta and sugar remained unaltered. Owing to distribution difficulties the ration of olive oil for each person for the month had to be reduced, in some areas, including ROME, from three to two decilitres.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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16. The normal issues of bread, pasta and sugar remained unaltered. Owing to distribution difficulties the ration of olive oil for each person for the month had to be reduced in some areas, including ROME, from three to two decilitres. The issue of meat or meat and vegetable stew to the population of cities of 30,000 and above was reduced from 400 grams to 200 grams due to diminishing stocks and the probability that no further supplies would be forthcoming. The grain situation remained satisfactory. There were 330,000 tons of locally produced grain on hand at the end of the month representing over two months stock of grain at the present rate of consumption.

17. The average weekly arrival of wheat and flour in ROME City fell from 3690 tons in January to 2692 tons in February. As a result the bread reserve of ROME fell from 32 days on 1 February to 22 days on 1 March, the fall being largely due to reduced rail acceptances from the ANCONA area. Approximately 13,000 tons of non-rationed foods arrived in ROME at an average of 425 tons a day. In addition 3400 tons of wine arrived from APULIA and SICILY and about 65,000 eggs a day arrived at the Central Collecting

18. An exchange [illegible]

Declassified E.O. 12356 Section 3.3/NND No. 785016

18. An exchange plan for vegetables, which has been under discussion for some months, was adopted by AFHQ. This will involve a replacement by the Armed Forces on an agreed exchange basis for a certain amount of the local vegetables purchased on behalf of the Allied Armies. This is in addition to vegetables automatically made available for military hospitals and other priority classes.

INDUSTRY SUB-COMMISSION.

19. The improvement of the stockpile of coal at the ROME Gas Works has enabled an increase in the ration of gas to be made.

20. During the month seven factories were derequisitioned. Reconstruction is proceeding at sugar beet processing plants for the 1945 campaign and seven plants are scheduled for operation with an estimated output of approximately 30,000 tons. The Pirelli Rubber Reclaiming plant has resumed operations.

21. Approximately 1,650 tons of sulphur have been delivered to factories for the manufacture of carbon bisulphide and for agriculture; bids have been made for the continuation of deliveries at the rate of 630 tons a week. Sicilian supplies depend upon transportation and so far it has only been possible to deliver 3,000 tons a month. Three hundred and thirty tons of carbon bisulphide have been delivered to oil extraction plants in SICILY and SARDINIA and the Southern mainland. In addition, power has been obtained for the plant at SIENA and a combined production of approximately 200 tons was obtained.

22. Lignite production on the mainland is still handicapped by lack of electric power and transportation, but the production for February was 40,000 tons and estimated stocks above ground amount to 280,000 tons. Total cement production for the month was 4,000 tons.

23. Delivery of sulphate rock from NORTH AFRICA during the month was approximately 24,000 tons. Production of copper sulphate fungicide by Montecatini at BAGNOLI, near NAPLES, has started and is expected to be maintained at the rate of over 300 tons a month; 2,000 tons of scrap brass are used for this production which will cover the 1945 requirements of this plant.

24. Production of woollen goods shows little improvement on account of the lack of electric power. Approximately fifty firms are, however, running at a reduced capacity by using old motor and lorry engines. Production of cotton goods shows an increase on the previous month.

LABOUR SUB-COMMISSION.

25. The Confederazione Generale Italiano del Lavoro (CGIL) Congress held at NAPLES 28 January to 1 February was a marked success, and considerably enhanced the prestige of the Confederation. The key-note of the Congress was the importance of preserving unity of trade union movement without regard to party politics and delegates showed open resentment of the few speakers who introduced political issues. The Executive demanded a share in reconstruction, in the fight against the black market, the institution of a sliding wage scale to meet cost of living; and where possible, derequisitioning of factories. There was strong criticism of labour offices. Proposals for agricultural reform, for reform of social insurance, [illegible]

Declassified E.O. 12356 Section 3.3/NND No. 785016

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26. Threatened strike in a number of undertakings have been postponed pending negotiations, and the CGIL used its influence as a moderating factor in the prevention of the spread of strikes.

27. Agreements have been reached with the Government for substantial wage increases for State and parastatal employees. Representatives of the Confederation of Industry have agreed that general negotiation of new wage agreements shall take place in all industries, with new basic scales and a variable bonus to keep in step with changes in cost of living.

28. The Minister/.....

Declassified E.O. 12356 Section 3.3/NND No. 785016

28. The Minister of Industry, Commerce and Labour has submitted particulars of a draft decree providing for the institution of a "Social Assistance Fund" from which to meet the special needs of workers.

PUBLIC WORKS AND UTILITIES SUB COMMISSION.

29. Electrical service was greatly improved as a result of the successful operation of the Central ITALY Grid. FLORENCE, most distant large city from the main centres of generation, reports that voltage during period of maximum demand has been increased by approximately 20%.

30. Italian Advisory Committees on electric power are now functioning in Central and Southern ITALY and during February Committees were organized in SICILY and SARDINIA.

31. The CANTERNO Generating Station, of 10,000 kilowatts capacity, was completed and connected to the transmission network. Construction of this plant was commenced prior to the war and suspended in 1943. During the German occupation, employees of the company buried parts of the machinery and after liberation they were salvaged and construction resumed.

32. Arrangements have been completed for the withdrawal of AC officers from the Southern Region, and transfer of their military highways responsibilities to representatives of the military district.

33. Operation of the FLORENCE gas system was resumed on 18 February.

34. The effectiveness of the entire reconstruction programme is seriously hampered by shortage of transport, and there is a progressive decline in the number of vehicles available in working condition.

35. During the month 1,474 public works projects were initiated, 613 completed and 2,424 were still in progress.

TRANSPORTATION SUB-COMMISSION.

36. The bids made on AFHQ for the movement of AC traffic by rail were accepted up to 80% and the majority of these bids were actually moved. The system of bidding for, and programming AC traffic is, at present, under review and new arrangements will come into force during March. The object of the contemplated change is to decentralise some of the work and to secure more accurate records of tonnages carried.

37. ENAC (Ente Nazionale Autotrasporti Cose) came into being on 1 February. It is too early to determine the effectiveness of the organisation, but cooperation between ENAC and this HQ has been good.

38. Out of the first consignment of 1700 trucks, mentioned in last month's report, to be imported from the USA, 360 have arrived. These vehicles are sent cased and will be assembled in this country. They will operate mainly in the

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Declassified E.O. 12356 Section 3.3/NND No. 785016

PART IV

PUBLIC RELATIONS BRANCH & INDEPENDENT SUBCOMMISSIONS

PUBLIC RELATIONS BRANCH

1. News services of PWB in Italian Government Territory terminated on 15 February and newspapers and radio stations in this territory will now be serviced by private agencies.

2. Representations were made to the Italian Government concerning reported inefficient handling of imported Allied newsprint by the Italian Press Committee which, during the month, resulted in suspension of publication of several newspapers in NAPLES and ROME due to shortage of newsprint.

3. The News Production Section expanded its programme and local outlets were increased to twenty-nine direct recipients, including all Allied neutral correspondents, morale papers, wire services, four Italian news agencies and also nine indirect channels, such as AFHQ News Production Section and Italian Government Press Bureau.

NAVY SUBCOMMISSION

4. There were no far-reaching changes during February.

5. The Ministry of Marine, at the request of the Navy Subcommission, has agreed to supply sixty Italian naval officers for assignment to duty with Italian military courts in order that the Navy may bear its proportionate share of court work.

6. The Italian Navy has shown an interest in obtaining general technical publications from England and the United States and some publications have been supplied already to the Ministry of Marine by American and British representatives.

7. On 19 February Rear Admiral G.L. WARREN was appointed as Chief of the Navy Subcommission, vice Rear Admiral C.E. MORGAN, C.B., D.S.O.

LAND FORCES SUBCOMMISSION

8. Assisted by Patriots, Italian troops of the Cremona Combat Gp, in their first major action since they entered the line, fought a successful battle in the Adriatic Sector of the EIGHTH Army front. Praise and recognition of their success was given both by Field Marshal Alexander and General Mark Clark. All reports generally indicate a good standard of morale and discipline.

9. During the month the Friuli Combat Gp moved into the line after a period of training and later came under command EIGHTH Army.

10. An unexpected increase in the numbers of men enlisted for Combat necessitated the establishment of an overflow camp in the Reinforcement Centre area which imposed a severe strain on equipment and Italian staff.

11. The enrolment of Patriots into the Italian Combat Gps continued during the month. Over 1,800 Patriot volunteers were moved from the forward area by road and rail to CESANO where their initial training in British methods and equipment [illegible] difficulty was experienced in persuading these volunteers to hand

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12. Results of the re-call to the colours and the call-up of the 1914-15 recruits were most encouraging. Reinforcement Camps at CHIETO, TRANI and AFRAGOLA are almost full to capacity.

13. The ration scale of flour, olive oil and nuts was increased by authority of AFHQ from 20 February 45.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

14. The month has shown an all-round improvement in the morale of the Italian Army. This was due mainly to the increased welfare facilities which have been implemented during the last few weeks. The Italian Army newspaper "LA PATRIA" now has a wide distribution and is issued free to all Italian Units in the forward areas. Several voluntary welfare organizations have been started in the forward areas and the Italian Forces' Rest Home in ROME was visited by the Prime Minister, the War Minister and the Minister of Marine on 9 February.

AIR FORCES SUBCOMMISSION

15. The Italian Air Force is still being employed in active operations over the BALKANS. The scale of effort during the month of February was the second greatest since the Italian Air Force has been controlled by the Air Forces Sub-commission. The Fighters attacked a variety of targets, and it is confirmed that damage to enemy transport was inflicted.

16. The Seaplane Wing carried out a very successful Air/Sea Rescue sortie and rescued the crew of an Allied aircraft in spite of extremely difficult weather and sea conditions.

17. The Bomber/Transport Wing has carried out the largest number of sorties since August 1944.

18. The Light/Bomber Wing has dropped a considerable weight of bombs with good results. Unfortunately the Commanding Officer of one of the Squadrons and his crew were lost by a direct hit from anti-aircraft fire.

19. The morale of the Force remains satisfactory, and a small increase in the rations for flying personnel has been very well received.

20. The new Minister, H.E. DOCTOR LUIGI GASPAROTTO, has made a good start and is popular with the units.

COMMUNICATIONS SUBCOMMISSION

21. Considerable extensions were authorized by the military security authorities to the areas open to civil communications. These are now:

Postal boundary (foreign and domestic). The Northern boundary of PESARO and AREZZO provinces, thence the line of the R. ARNO through the provinces of FIRENZE and PISA (including the provincial capitals).

Telegraph boundary (domestic). The Northern boundary of PESARO and AREZZO provinces, the line of the R. ARNO through the province of FIRENZE, thence including SIENA . GROSSETO provinces.

Telephone boundary (inter-provincial service). The Northern boundary of MACERATA, PERUGIA and GROSSETO provinces; the province of FOGGIA is excluded. Provincial telephone service is allowed in ANCONA, SIENA and FOGGIA provinces.

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22. Services are not in full operation in all the northernmost parts of these areas but they are being steadily restored.

23. Tests were satisfactorily made and all arrangements completed for the opening of the ROME-NEW YORK radio telephone service. The Italian language may now be used in telegraph and telephone communications from ITALY.

24. Authorization was received from Combined Chiefs of Staff for the issue to the Italian Government of the communication stores requisitioned from Allied resources on the "prevention of [illegible] and unrest" basis; this basis allows for about a 3% restoration of facilities.

25. Arrangements were completed for the method of sale in situ of surplus military signal stores, and the transfer of circuits constructed by military signals in SARDINIA was completed and the price settled.

Declassified E.O. 12356 Section 3.3/NND No. 785016

WMD & IPW SUBCOMMISSION

War Materials Disposal

26. A new procedure for handling all surplus salvage and scrap material made available from the Allied Armies in Italy to the Italian Government has been established. Arrangements have been made with PBS and British Salvage regarding future allotments.

27. Some 7,550 tons of salvage material was offered by PBS and British Salvage to the Allied Commission during February and bids have been made accordingly. This salvage material included aluminium, canvas, cotton, ferrous metals and rubber.

28. Abandoned ammunition continues to be a serious problem and a scheme whereby it can be broken down and remade into mining explosives is being considered.

Italian Prisoners of War

29. The number of Italian prisoners of war repatriated during February was 819. This figure is less than 50% of the average for the past six months and the Italian Government, through the Italian High Commissioner for Prisoners of War, expressed great concern at this reduction in numbers. Most of those repatriated during February were sick and wounded.

30. Remittances to Italian families made by Italian co-operator prisoners of war increased from 10,421 pounds sterling in January to 92,274 pounds sterling during February. The statements were passed to the Italian High Commissioner for Prisoners of War for payment.

31. 593 packages of impounded valuables were forwarded to the Italian High Commissioner for Prisoners of War and the Italian Red Cross for distribution to claimants.

32. A meeting was held at this Headquarters regarding the repatriation of some 30,000 Italian prisoners of war for enrolment into the Italian Army. The policy with regard to types of specialists and priorities was discussed, and arrangements as to procedure were agreed.

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HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Executive Commissioner
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Ref: 825/156/EC.

10th March 1945.

SUBJECT: AC Monthly Report.

To : Distribution Below.

1. Regional Commissioners, Heads of Sections and Sub-Commissions will make it their personal responsibility to see that a higher standard in writing the abridged report, for inclusion in the AC Monthly Report, is achieved.

2. At present abridged reports are in nearly every case too long and there is a lack of appreciation of the relative value of items reported.

3. The difficulties of condensing into a few lines a report on their varied activities throughout the month is appreciated; that there are many points of view on the relative importance or value of material is realised and it is obvious that it is neither desirable nor possible for all to write in the same style. It should be remembered, however, that the AC Monthly Report is not for the consumption solely of HQ AC staff but is to give a concise general picture of the work and achievements of the AC over a period of one month, to AFHQ, LONDON and WASHINGTON. The readers of the whole report are not specialists on the work of each individual Sub-Commission or Region and will not be interested in domestic details. A study of the AC Monthly Report for the last two months will give an idea of the kind of material which is required and should be made. Individual reports are condensed into one half to three-quarters of a page of foolscap and with careful wording and the elimination of padding and redundant phrases, a considerable amount of interesting facts can be reported. Unauthorised abbreviations should not be used, phrasing and punctuation should be checked and long sentences avoided. Facts and not theories should be recorded and achievements rather than hopes for the future set down.

For the Chief Commissioner.

M S Hill

Brigadier,
Executive Commissioner.

DISTRIBUTION:

Civil Affairs Section	(10)	AMG Fifth Army	(1)
Economic Section	(15)	AMG Eighth Army	(1)
		Sicilia Region	(1)

Declassified E.O. 12356 Section 3.3/NND No. 785016

will make it their personal responsibility to see that a higher standard in writing the abridged report, for inclusion in the AC Monthly Report, is achieved.

2. At present abridged reports are in nearly every case too long and there is a lack of appreciation of the relative value of items reported.

3. The difficulties of condensing into a few lines a report on their varied activities throughout the month is appreciated; that there are many points of view on the relative importance or value of material is realised and it is obvious that it is neither desirable nor possible for all to write in the same style. It should be remembered, however, that the AC Monthly Report is not for the consumption solely of HQ AC staff but is to give a concise general picture of the work and achievements of the AC over a period of one month, to AFHQ, LONDON and WASHINGTON. The readers of the whole report are not specialists on the work of each individual Sub-Commission or Region and will not be interested in domestic details. A study of the AC Monthly Report for the last two months will give an idea of the kind of material which is required and should be made. Individual reports are condensed into one half to three-quarters of a page of foolscap and with careful wording and the elimination of padding and redundant phrases, a considerable amount of interesting facts can be reported. Unauthorised abbreviations should not be used, phrasing and punctuation should be checked and long sentences avoided. Facts and not theories should be recorded and achievements rather than hopes for the future set down.

For the Chief Commissioner.

M S Hunt

Brigadier,
Executive Commissioner.

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412

Declassified E.O. 12356 Section 3.3/NND No. 785016

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28 February, 1945

MONTHLY REPORT

JANUARY 1945

	Political Section	Page 1
PART I -	MTO Armies and Regions	Pages 2 - 7
PART II -	Civil Affairs Section	Pages 8 - 12
PART III -	Economic Section	Pages 13 - 18
PART IV -	Public Relations Branch	Pages 19 - 21
	Navy Sub-Commission	
	Land Forces Sub-Commission (MTO)	
	Air Forces Sub-Commission	
	Communications Sub-Commission	
	War Material Disposal & Italian PW Sub-Commission	

Declassified E.O. 12356 Section 3.3/NND No. 785016

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		Political Section	Page 1
PART	I	- AMG Armies and Regions	Pages 2 - 7
PART	II	- Civil Affairs Section	Pages 8 - 12
PART	III	- Economic Section	Pages 13 - 18
PART	IV	- Public Relations Branch Navy Sub-Commission Land Forces Sub-Commission (AMLA) Air Forces Sub-Commission Communications Sub-Commission War Material Disposal & Italian FW Sub-Commission	Pages 19 - 21

CONFIDENTIAL

411

Declassified E.O. 12356 Section 3.3/NND No. 785016

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POLITICAL SECTION

1. A great step was taken in the history of ITALY when a decision was reached by the Council of Ministers on 30 January to extend the vote to women over 21 years of age. The Government had already laid down in two recent decrees that electorial lists should be drawn up in all communes of Liberated ITALY in order that elections might take place in the late Spring. Originally the lists would only have comprised the names of male electors, but in view of the decision of 30 January it will now be possible to include the names of female voters.

2. The Italian Ministry of Foreign Affairs announced the resumption of relations between ITALY and NORWAY and that relations were also being resumed between ITALY and RUMANIA and BULGARIA. Diplomatic relations between these two latter countries and ITALY were never broken off, but were merely suspended as a result of a force majeure. The Minister of Foreign Affairs also announced the formal recognition by ITALY of the Chungking Government and declared null and void the Fascist Vienna Award of 1940, replacing it by a declaration of the "necessity of free co-operation between ITALY and the Balkan/Danubian Nations". At the same time announcement was made of the appointment of Signor Alberto TARCHIANI as Ambassador to the United States. Signor TARCHIANI is a real anti-Fascist. He was once Editor of the "Corriere della Sera" in MILAN and went into exile in 1926. He is a member of the Action Party and served in the last Badoglio Government as Minister of Public Works.

3. Owing to ill-health, Air Minister SCALOIA has been forced to resign his post and has been succeeded by Signor Luigi GASPAROTTO who recently returned to ITALY from SWITZERLAND. Signor GASPAROTTO does not belong to any party and although he is 72 is an extremely vigorous and forceful personality.

4. Signor BOERI, who also lately returned from exile in SWITZERLAND, was named Secretary of the High Commission for Sanctions against Fascism. This appointment relieved the President of the Council of Ministers from his responsibilities of presiding over the four assistant commissioners which he had been doing since the resignation of Count SFORZA.

5. The Council of Ministers decided to place the Chief of Army Staff under the Ministry of War and General RONCO has been appointed to this post.

6. On 11 January the ROME press carried an Order of the Day published by the Central Committee of National Liberation urging the Government to constitute a National Army. The press, particularly the left-wing press, came out strongly in support and the Committee of National Liberation thereafter sent copies of it to the British, United States and Soviet Embassies. The agitation in the ROME press for more active Italian participation in the war was in sharp contrast to the disturbances (details of which are given under the Regional headings) which took place in SICILY and SARDEGNA, during the month, in protest to the call-up.

7. At a press conference towards the end of January Signor SCOCCIMARRO, the new Minister for Occupied Italy, reported correctly that the enlistment of

Declassified E.O. 12356 Section 3.3/NND No. 785016

between ITALY and ROUMANIA and BULGARIA. Diplomatic relations between these two latter countries and ITALY were never broken off, but were merely suspended as a result of a force majeure. The Minister of Foreign Affairs also announced the formal recognition by ITALY of the Chungking Government and declared null and void the Fascist Vienna Award of 1940, replacing it by a declaration of the "necessity of free co-operation between ITALY and the Balkan/Danubian Nations". At the same time announcement was made of the appointment of Signor Alberto TARCHIANI as Ambassador to the United States. Signor TARCHIANI is a real anti-Fascist. He was once Editor of the "Corriere della Sera" in MILAN and went into exile in 1926. He is a member of the Action Party and served in the last Badoglio Government as Minister of Public Works.

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7. At a press conference towards the end of January Signor SCOCCIMARRO, the new Minister for Occupied Italy, reported correctly that the enlistment of patriots in the regular Italian forces had progressed rapidly in the last few weeks.

8. On 5 January the Council of Ministers set aside three billion lire for repairs on public buildings and two billion lire to be used to provide adequate housing for civilians. The Government emphasized that the funds were to be spent on urgent repairs rather than on new construction which must wait for a more fitting time for nation-wide planning.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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PART I

AMG ARMIES AND REGIONS.

AMG FIFTH ARMY.

1. January was a quiet and uneventful month. The area under control remained unchanged throughout the period and no new communes were taken under Military Government. The routine administration of the three Provinces of FIRENZE, PISTOIA and LUCCA presented no new aspects though the familiar economic problems remained as acute as ever, particularly the shortage of cement and electric power and the difficulty of ensuring adequate food and fuel supplies in the larger towns.

2. XIII Corps passed to operational command of EIGHTH Army in mid-January, but continues to be administered and supplied by the British Increment of FIFTH Army. Agreement was therefore made with AMG EIGHTH Army that for AMG purposes the Corps would continue as before to be under FIFTH Army. This arrangement worked satisfactory.

3. In the forward areas a distribution of clothing by the American Red Cross did much to alleviate the distress of the most needy of the population. Over 4,000 refugees were evacuated from these areas with no unusual difficulties except those of providing for the animals and grain stocks of farmers in the battle area.

4. The recruiting drive for the Italian Army organised by the CLN gave an opportunity for several parades and demonstrations, but none of these were on a large scale or caused any trouble. Although no exact figures are available, the total number of recuits reached several thousand and the drive is thought to have been a success.

5. There was less serious crime than in December, though cases of violence occurred. Several large deposits of arms were seized, noticeably in PISTOIA. These were of mixed Allied, Italian and German origin and were unquestionably hidden for future use by ex-Partisans.

6. Public health remained satisfactory with sporadic cases of diphtheria and no typhus or rabies. The typhoid epidemic at PRATO continued serious for the early part of the month but was definitely on the decline as the month ended.

7. Agriculture was surprisingly normal except for the shortage of livestock. Olive oil amassing was going very slowly but was expected to improve as a result of energetic action by Provincial Commissioners.

8. Twelve enemy agents were tried before General Courts. One was acquitted, one convicted and sentenced to life imprisonment and the remainder convicted and sentenced to death.

AMG EIGHTH Army.

9. Advantage has been taken of the lull in operations to embark, to a greater extent, than is usually possible in Army area, on longer term projects. Schools were opened as far forward as Corps rear boundaries, and Italian courts were reformed and given power to try minor violations of AMG orders. Civilian transport pools were organised. The institution of Provincial Labour Offices, which [illegible] by the Italian Ministry, and the state social

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10. Good progress has been made in setting up the machinery of Italian Provincial Government. Political activity is on the increase and as usual the communist party is by far the best organised.

11. Stabilisation of the line made it necessary to evacuate a large number of civilians from the most forward areas. This was accomplished without incident. Wherever possible, livestock and such personal effects as could be moved were also evacuated; in many cases, however, circumstances prevented this but every effort has been made to safeguard the property.

12. The typhoid/.....

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Declassified E.O. 12356 Section 3.3/NND No. 785016

12. The typhoid epidemic in the RIMINI-SAN MARINO area has ended and the general standard of health has been good.

13. There are ample stocks of grain, but the surplus must be regarded as a stockpile for regions as yet unliberated. Local production of olive oil has been very small and will not be of much assistance, but a certain amount of lard will be available in the country districts as hog slaughtering has now begun. Meat is very scarce but, although on the present rations the townspeople are undernourished, there is no starvation and the country people have sufficient. The major problem of fuel was partly solved by a controlled programme of tree cutting.

14. The Carabinieri and other police agencies gave loyal service, and their morale was good. Their efficiency, however, varies in proportion to the time they have been under Allied control. Clothing, blankets and equipment were still urgently required.

15. In the neighbourhood of FAVENZA, patriots gave valuable assistance in evacuating civilians and their livestock from the forward areas. In this sector three hundred patriots are still being used in an operational role. In FAENZA however, where patriots have been disbanded, they have been very reluctant to part with their arms, and the number of weapons handed in was small.

SICILIA REGION.

16. The principal problems of this month, as in the previous month, have been Public Safety and Alimentation.

17. Serious disorders, centred in the Southern Provinces of the Island, chiefly in the Province of RAGUSA, resulted from a continued protest against the military call-up; the police and Carabinieri were unable to maintain order and Italian troops were employed. The rioters offered resistance to the troops in several places particularly in COMISO where they were in control of the town for approximately five days. During the various conflicts one officer and three soldiers, one finance guard and one Carabiniere were killed and fifteen soldiers were wounded; five civilians were killed and eight wounded. Following the disturbances investigations were conducted and several hundred persons arrested. Some of the persons arrested have been sent to the Island of USTICA.

18. The immediate cause of the riots was resistance to the military call-up but this, as in the case of previous disorders, appears to have been the means of expressing general dissatisfaction over economical conditions and a strong resentment against the Government. Following these disturbances the situation during the latter part of the month appeared outwardly calm and reports indicate that the results of the call-up decidedly improved. Lack of communication and transportation still handicap the work of the police and Carabinieri.

19. The National Committee of the Separatist Movement held a congress in PALERMO on 16 and 17 January and shortly afterwards Separatist propaganda leaflets appeared in the town appealing to the Allies for recognition or a return to Military Government.

0 7 8 3 - Declassified E.O. 12356 Section 3.3/NND No. 785016

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20. The food situation was improved by the arrival of two cargoes of grain totalling 12,755 tons. The bread ration of 300 grams was maintained but the distribution of the pasta ration was erratic. 100 grams of sugar per person were issued.

21. Shipments of about 2,800 tons of wine and fruit were sent to the ROME area and exports included 280,000 cases of lemons to UK, 3,195 tons of sulphur to NORTH AFRICA and 3,580 tons of sulphur to Southern FRANCE. Inter-regional trade and exports to other countries were handicapped by bad weather.

22. The road/.....

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Declassified E.O. 12356 Section 3.3/NND No. 785016

24. The road transportation which until now has been adequate is deteriorating rapidly owing to the lack of tyres and spare parts for maintenance. Railway transportation is also becoming increasingly difficult owing to a shortage of box-cars. These leave the Island with shipments of goods and are not being returned.

23. A series of night classes was inaugurated by the Regional Labour Office and if these prove successful similar facilities will be offered in other Provinces. When the Sicilian schools reopened after the holidays a full year of teaching and study under the new regime was celebrated. Lack of heating and window glass, as everywhere, are the main problems.

24. The condition of health in SICILY was particularly good with the exception of widespread typhoid fever. The typhoid epidemic in ARCIREALE was found to be due to water pollution and steps have been taken to bring it under control. The outbreak of smallpox has been completely stamped out.

SOUTHERN REGION.

25. January has passed without incidents in the political or economic structure of South ITALY. Possibilities of danger were averted and the situation generally improved. When the month opened it was still not certain whether the food ration might not have to be reduced; in fact, the bread and pasta rations have been maintained throughout the month. In TARANTO it has even been possible to catch up on old standing arrears in the delivery of the pasta ration. A second distribution of olive oil has taken place throughout much of the Region.

26. Results of the drive to gather oil to the oleari del popolo exceeded the first, rather reserved, expectations. By 28 January, a total of 159,977 quintals had been amassed.

27. December closed with a serious threat of labour difficulties at BARI. Fortunately, the situation was carefully handled and a delegation representing the aggrieved government employees received a sympathetic hearing by the government in ROME and returned to BARI sufficiently satisfied to enable them to call off the threatened strike.

28. A satisfactory standard of efficiency has been maintained among the Civil Police with the exception of the Guardia Municipale. Shortage of personnel, immobility due to lack of transport and poor economic conditions have been adversely affecting morale. There were 214 cases of forgery of Allied Military currency, involving 275 notes, 22 arrests and two denounced for forgery offences, but on the whole, civilian crime decreased throughout the Region.

29. Public health remained good and the BENEVENTO smallpox epidemic declined in incidence. As in most other parts of the country the majority of schools in this Region had to be closed for lack of heating and window glass.

30. Shortage of both road and rail transportation seriously affected the movement of commodities essential to the economic functions of Southern ITALY. ENAC, the new road transport organisation, will start functioning from 1 February. The NAPLES/ROME passenger train service re-opened on 22 January; the arrival of the first train was made the occasion of considerable ceremony.

LAZIO-UMBRIA REGION.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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LAZIO-UMBRIA REGION.

31. Funds for public works of all kinds have at last been obtained from the Italian Government though the financial "block" may yet prove to be costly, particularly when the malaria season comes round again.

32. TERNI and PERUGIA, the two Provinces which make up UMBRIA, are still under AMG control and because of their military importance it is considered that they should remain so for a further period.

33. Stocks of grain in ROME have been raised to cover thirty days, but the food position has not improved materially and the 300 gram ration is still a crying need.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

34. The officers sent out towards the end of January, to assist in the amassing of olive oil, are faced with a difficult task. The extent of evasion of the law would hardly be believed by anyone who has not actually experienced it. It is too early, however, to say what degree of success will be achieved but without these officers collections would have been virtually non-existent, and it is more than likely that incidents of violence would have arisen. Total oil collected as at 23 January was only 908 tons.

35. Perhaps the most encouraging development was the increase in efficiency and morale of the Italian Police Agencies. It was most marked in the City of ROME itself, but the same tendency was revealed throughout and the results do very great credit to the hard work of the Public Safety Officers at all levels. There was strong political interest in the case which started with the shooting by police agencies of the criminal known as "Il Gobo" and developing with the arrest of SALVAREZZA, the Secretary of the Unione Proletaria. While there have been hints that sensational revelations may follow his examination, nothing has yet come out.

36. Lignite deliveries improved considerably and, although there was still insufficient fuel to cover general industrial needs, the situation has improved. One glass factory made a welcome start and every effort is being made to keep the PIRELLI works in operation. Soap production, which is the responsibility of the Italian Government, is being held up by delays over soda allocation. Water supply in ROME is now up to 100% but there is grave danger of chlorine shortage, although the general salt position has improved. The seed grain distribution has been satisfactorily completed, but the seed potato situation is extremely bad. Concrete results have been achieved in making good the losses in livestock from the Southern Provinces.

37. ENAC is now working in all Provinces except TERNI and PERUGIA. Considerable difficulties are being experienced as the organisation is extremely unpopular with truck owners. In general it can be said that there is enough transport in the Provinces to cover all needs but that the tyre situation threatens to be the deciding and even fatal factor. Good work has been done in salvaging vehicles. The Regional Commissioner reports that the Regional Engineer can show twenty six new bridges opened during the month.

38. But two questions are for ever in the minds of Allied officers. How do the people live? How long can they stand it? The ration is not enough, prices are at a tremendous level, many things are unobtainable and, sooner or later, become necessities. The majority must be living on capital or by dishonest means. The answers, insofar as any reaction is concerned, may well depend on future events in the North.

ABRUZZI-MARCHE REGION.

39. Grave concern is being caused in this Region by the greatly inadequate pay of statal and parastatal employees, commonly known as the black coated workers. Many of this class receive less pay than unskilled labour and are forced to sell their private possessions or spend their capital in order to eke out an existence.

40. The situation with regard to olive oil was not good but an improvement should be shown in the near future as the officers have now arrived for duty

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40. The situation with regard to olive oil was not good but an improvement should be shown in the near future as the officers have now arrived for duty on olive oil amassing. The wheat collection was extremely satisfactory and the Regional total has reached 111% of the target figure. TERAMO Province estimated an exportable surplus of 11,000 tons and the Prefect received a letter of congratulation from ROME on the satisfactory amassing results achieved so far.

41. Communication and administration was considerably hampered in PESARO Province owing to approximately 500 bridges being down in this area. Some communes could only be reached on foot, wading through mud and snow. The village of CASTEL di SANGRO was cut off on all sides by snow and ten tons of grain had to be dropped by the Italian Air Force.

42. In order to re-establish the morale and prestige of the Carabinieri a parade of all available personnel was held in ANCONA and was inspected by the Area Commander. A remarkable improvement has been noted in the general performance of the Carabinieri since this ceremony.

43. Some/.....

Declassified E.O. 12356 Section 3.3/NND No. 785016

43. Some success is being achieved in combatting black market activity by the imposition of heavy fines, imprisonment and the confiscation of goods. There has been an increase in the number of forged notes in circulation.

44. Lignite mines at SCARPITO and BUSSI are operating satisfactorily and the SAFFA match factory at JESI recommenced production on 15 January. During the first seven days of operation over 54 million matches were produced.

45. Approximately 66,000 mines have been cleared in the CHIETI-PESCARA area during the last month, making a total of 218,800 cleared in this area since June 1944.

46. The general health of the population in the Region is satisfactory and a diminution is shown in the number of typhoid cases. A considerable number of schools have had to close down for periods ranging from a few days to several weeks, during the recent cold spell, due to lack of fuel.

47. ELAC began the registration of vehicles in ABRUZZI-MARCHE Region during the last few days of the month.

SARDEGNA REGION.

48. Between 11 and 16 January a general strike occurred in the mining centre of CARBONIA, affecting all mines. There was no serious point at issue and the strike was not openly backed by any of the political parties. Work was resumed on 17 January but it seriously affected production of Sulcis coal, the output of which has never been high. Total production in January amounted to 33,000 tons of washed coal.

49. Small demonstrations on 17 and 18 January against Army call-up at CAGLIARI, during which the crowd appeared good tempered, culminated in bombs being thrown on the night of 18 January. One police agent was killed and eighteen persons wounded. It is believed that the bombs were thrown by irresponsible members of the Sard Action Party. The police and Italian Army personnel showed good discipline and the crowd was kept under control throughout; it seems possible, however, that the extent of a Separatist Movement in SARDINIA has been under-estimated. The Army call-up starts in February and 26,000 recruits are expected by the end of March.

50. The Italian Army in SARDINIA was reduced to just over 4,000 effectives. The special army unit of 500 formed to help the Carabinieri has been put under orders to leave the island and has begun to embark. The formation of a Mobile Battalion of Carabinieri and Italian military personnel was sanctioned, and the personnel will be recruited and trained locally. Vehicles will be obtained from Italian Army sources now in the Island.

51. Crime included two murders and forty three armed robberies, a steady increase in this form of robbery. Nine U.S. mail bags were rifled on 19 January in CAGLIARI and public order is deteriorating.

52. The Granai del Popolo exceeded the revised target figure of 300,000 quintals by 7,000 quintals. Owing to the lateness of the olive crop, only 1,100 quintals of oil were brought in during the month. Controls were arranged on the mills but the responsibility for the return of the oil was put on the Sards.

Declassified E.O. 12356 Section 3.3/NND No. 785016

several weeks, during the recent cold spell, due to lack of fuel.

47. ENAC began the registration of vehicles in ABRUZZI-MARCHE Region during the last few days of the month.

SARDEGNA REGION.

48. Between 11 and 16 January a general strike occurred in the mining centre of CARBONIA, affecting all mines. There was no serious point at issue and the strike was not openly backed by any of the political parties. Work was resumed on 17 January but it seriously effected production of Sulcis coal, the output of which has never been high. Total production in January amounted to 33,000 tons of washed coal.

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53. Nearly 2,000 head of cattle and sheep for breeding purposes and also a few horses were exported to the mainland during the month. In addition about 4,000 tons of other commodities and 20,000 tons of Sardinian coal have been exported. Imports amounted to 19,000 tons including about 8,000 tons of both wheat and coal.

TOSCANA REGION/.....

Declassified E.O. 12356 Section 3.3/NND No. 785016

TOSCANA REGION.

54. Regional Headquarters moved during the month to MONTECATINI. The American Red Cross distributed approximately half a million articles of clothing throughout the Region and all institutions in vital need have been or are being supplied. The clothing was valued at about half a million dollars.

55. The Carabinieri did exceptionally good work and one Maresciallo after being molested by a gang of bandits returned later and arrested seven of them single handed.

56. Energetic action was taken by this HQ, in conjunction with an AMG officer, to increase production at the salt works of Saline, VOLTERRA, which had been in the hands of Italian officials. Figures at the end of the month showed an increase of more than double the output of December. Approximately eighty arrests were made for cases of illicit trade in the manufacture and sale of salt in the Province of PISA.

57. Sugar has again been distributed throughout the Region. The amassing of olive oil has not been as successful as anticipated but progress is being made and it is though that the Region will be self-sustaining in this product. An Italian Naval Officer has been appointed to assist in re-starting the fishing industry.

58. Public health continues to be good. Diphtheria, nowhere in epidemic form, is at present the most prevalent disease. Prophylactic inoculation under the normal Italian scheme is being carried out. There was a 50% decrease in incidence of V.D. in GROSSETO Province.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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Declassified E.O. 12356 Section 3.3/NND No. 785016

PART II

CIVIL AFFAIRS SECTION

Defascism.

1. To avoid a recurrence of incidents which took place in certain districts in FRANCE where the people took matters into their own hands, or created peoples' courts, planning for North ITALY has received detailed consideration. An Order authorising Regional Commissioners to set up Provincial AMG Epuration Commissions has been drawn up and posters and forms have been printed. Under this scheme the AMG Commissions will only suspend persons and it will be the responsibility of the Italian Commissions to judge whether the employee should be dismissed or not. It is intended that only those persons in positions of authority should be suspended, whose fascism is so well known or active that their ultimate dismissal is not open to doubt, or whose retention is likely to have an adverse effect on public opinion. Services should not be disorganised by large scale dismissals of subordinates.

2. Over 150 Italian Commissions have so far been appointed and 100 more are still required. Under the law each has to have a judge presiding but the withdrawal of so many judges has affected the administration of justice which has been brought to a standstill. It has been suggested that advocates of experience should be considered as qualified for these duties and it is understood that a decree to this effect will be published.

Mine Clearance.

3. A tour of inspection of an Italian Mine Clearance Company was carried out in January at CHIETI and PESCARA. The civilian Centre of Instruction was well organised and the standard of instruction appeared to be good. The squads are doing satisfactory work and the Company cleared over 4,000 mines in December. A training cadre is being organised and run by the Company. The men are well led and this is reflected in the enthusiasm for the work.

4. In all areas a total of 80,285 mines have been removed during the month.

Devastated Areas.

5. Owing to an unusually severe winter the suffering of the inhabitants of the devastated areas has in certain cases been acute. Every effort has been made to mitigate their hardships and an improvement in conditions has resulted.

6. The Italian National Committee for Relief in devastated areas, formed in ROME, has carried out a vigorous drive in the City with gratifying results. These include the collection of over 5,000 blankets, 40,000 articles of clothing, 1,500 pairs of shoes and many tons of wool, 30 tons of which werecontributed by the Italian Government. In addition five million lire was subscribed by the citizens of ROME and a grant of ten million lire, with a guarantee of a further twenty million lire, was made by the Italian Government.

7. The National Committee decided to form provincial committees to organise other similar drives which up to the present have yielded about 42,000 blankets. Of this number 24,000 have been distributed in the devastated communes in the Provinces of CHIETI, AQUILA, PESCARA, FROSINONE and LITTORIA. Shortage of transport has prevented distribution being as speedy as could have been wished.

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8. The housing problem is acute. By the use of canvas many of the less badly damaged dwellings are being patched up and made habitable. A certain amount of rebuilding has begun and 100,000 square metres of canvas have been ordered.

9. The special ration scale for devastated areas in FROSINONE Province has been extended to include other communes where under arrangements made by the Vatican authorities popular kitchens have also been opened.

LOCAL GOVERNMENT/.....

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Declassified E.O. 12356 Section 3.3/NND No. 785016

LOCAL GOVERNMENT SUB-COMMISSION.

10. Arrangements have been made whereby a number of Prefects and Vice-Prefects will be held available for filling posts in North West ITALY. One-half of the "Pool" of officials will remain in ROME and be employed at the Ministry of Interior until their services are required; the other half will be spread over Prefectures and called to ROME to take the places of those who are eventually sent North.

11. A decree has been promulgated in connection with the re-organisation of ROME, to which the Allied Commission has already given consent.

12. The Prime Minister has been asked for information as to the plans of the Italian Government for local elections and the bodies to be elected.

PUBLIC SAFETY SUB-COMMISSION.

13. The disorders in SICILY, and later in the month, in SARDEGNA and on the mainland mainly in protest against the military call-up, have been reported in Part I, Regional Reports. Details of the Separatist Movement in SICILY can be found in the Report for that Region.

14. Investigation into the murder of a British Corporal, a Carabinieri and three civilians led to the death of "Il Gobo", the leader of the Hunchback gang, who was shot on 16 January by a Carabinieri while endeavouring to break into a villa in ROME. On 18 January, 25 of his gang were arrested during a raid in which 1,000 Carabinieri and Agents of Public Safety took part. 700 persons were detained for interrogation and for possessing fire arms and a large quantity of firearms, ammunition and explosives were seized. Other similar raids were made in which the civil police acquitted themselves well.

15. During the month the strength of the Carabinieri reached a total figure of 54,899, excluding 3,800 Italian Army troops attached for temporary Carabinieri duty. As the ceiling fixed is 55,000, 3,000 troops of the Piceno Division have been ordered to return to combat duties. Renewed representations have been made for authority to increase the strength from 55,000 to a minimum of 65,000. In the meanwhile, efforts are being made to reduce the number of Carabinieri who are "ineffective" as far as public safety duties are concerned.

16. The activities of the extremist movements have been watched, and a new body - the "Movimento Nazionale di Defesa Economica Proletaria" - has entered the picture. It is affiliated to the "Movimento Partigiano" and the "Unione Spartaco", and seeks to exhort its members to some form of revolutionary action. However, it is not believed that any direct form of action is likely at this stage.

17. The trials of Generals ROATTA, SUVICH and others have been without incident so far, but have not yet been concluded. An eleventh hour sensation was the suspension of CASONELLI, ROATTA's legal representative, as he himself had been adjudged deserving of sparation proceedings.

PUBLIC HEALTH SUB-COMMISSION.

18. A Medical Bulletin in Italian for the information of the Italian medical profession has been compiled from British and American medical journals by the Public Health Sub-Commission in conjuction with PWB. The first number of the "Bulletin Medico" will be ready early in February and free distribution through-

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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19. One case of smallpox occurred in ROME. In BENEVENTO the number of cases reported during January was 51 as compared with 81 in December, and 24,000 persons were vaccinated during the month. The NAPLES Province figure was 261 as compared with 285 in December. 93,410 people were vaccinated. Isolated cases have been reported from various Provinces in Southern Region.

20. An experimental/...

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Declassified E.O. 12356 Section 3.3/NND No. 785016

20. An experimental anti-malaria spraying project was carried out at BONIFICA CASTEL VOLTURNO during January with good results. A typhoid epidemic of some severity has existed at PRATO for several months, the total number of cases reported being 734. Much assistance in control measures has been afforded by the local military medical authorities and by members of the 2nd US Medical Laboratory. Recent reports state that the epidemic is under control. The ROME Infant Mortality figure for December was 145.8 and the ROME Tubercolosis (both pulmonary and non-pulmonary) rate for December was 213. Allied stocks of Penicillinin this theatre are limited and can only be used for the treatment of Allied soldiers.

21. Of 15,000 cattle vaccinated against Foot and Mouth Disease in the past year in ROME Commune, none developed any signs of infection. Sheep pox is reported from the Provinces of NAPLES, TARANTO, LECCE and BRINDISI.

22. There is no present shortage of imported medical supplies but distribution by ENDIMEA, the Italian distribution agency, has been unsatisfactory. Steps have been taken to effect improvement. The new 2665 Central Civilian Supply Depot (CVHD) was activated on 6 January. This organisation, which is under the direct command of AFHQ, will serve both this theatre and other countries in the MTO.

23. The Welfare Branch, in cooperation with ENDSI, is arranging for the distribution of 100 tons of clothing to SICILY. ENDSI (Ente Nazionale per la Distribuzione dei Soccorsi all'Italia) is the title under which American Relief for Italy Inc. is known in ITALY. Arrangements are being made for the care of destitute Allied Nationals and also "Stateless" former Allied Nationals.

LEGAL SUB-COMMISSION.

24. Lord SCHUSTER, Chief Legal Advisor designate for AUSTRIA, and a Staff Officer visited the Legal Sub-Commission for ten days. A memorandum was prepared and handed to Lord SCHUSTER for use in planning for AUSTRIA. It explained the system adopted in ITALY of implementing Italian decrees to bring them into operation within Military Government Territory.

25. General Order No.29A was drafted relating to the declaration of certain essential commodities such as wheat, animal fats, flour and olive oil, and the fixing of prices therefor. Another draft General Order dealt with the anticipatory payment of certain pensions. These Orders were designed as interim measures for use in new territory from the date of its occupation until the application of corresponding Italian decrees.

26. In cooperation with the Italian Government the following decrees were prepared :-

(a) A decree to strengthen the law regarding the harbouring of Allied deserters and increasing the penalty.

(b) A decree to establish Italian Military Tribunals for Northern ITALY during the period of Allied Military Government.

(c) A decree to facilitate the marriage of personnel and employees of the U.S. Armed Forces with Italian citizens.

(d) A decree modifying the exercise of the power to order citizens to

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(d) A decree modifying the exercise of the power to order citizens to "confino".

27. The Minister of Justice, in response to advice of the Allied Commission, took steps to recall to service certain retired judges to alleviate the scarcity of judicial personnel.

28. Nine espionage cases were reviewed. Four death sentences were confirmed; four death sentences were commuted and one sentence of imprisonment was affirmed.

EDUCATION/.....

Declassified E.O. 12356 Section 3.3/NND No. 785016

EDUCATION SUB-COMMISSION.

29. Control of schools and higher educational institutions in the Commune of NAPLES has been handed over to the Minister of Public Instruction. Preliminary defascism of schools and univerisities is practically completed in all Military Government Territory.

30. In LAZIO-UMBRIA, ABRUZZI-MARCHE and TOSCANA about 651,000 children are attending school, representing 73% of normal enrolment in the kindergartens and 81% of normal enrolment in the elementary and secondary schools. In EMILIA Region 14.038 children have been enrolled.

31. 379,513 elementary school textbooks were distributed in December and January to the schoolchildren in LAZIO-UMBRIA, ABRUZZI-MARCHE and TOSCANA and more are printed and awaiting transportation. 161,000 textbooks have been printed in PALERMO for distribution to SICILY and CALABRIA. NAPLES has printed 174,485 for Southern ITALY and SARDINIA. More school supplies have arrived from AMERICA.

32. SICILY reports disorders in all universities due to the call-up of students for the Army. At CATANIA a riot, begun by students, resulted in the burning of buildings at PALERMO; a more harmless student riot broke up inaugural ceremonies at NAPLES. Deans appointed by Allied Commission were confirmed by vote of faculty and the irregular election of the Director of Oriental Institutes was invalidated by the Education Sub-Commission and Minister of Public Instruction. The University of ROME has an enrolment of 35,000 students, 25,000 of whom attend classes and the University of PERUGIA is functioning regularly in restricted quarters but is in financial straits. SIENA University has had its main administration buildings de-requisitioned and its current enrolment is the largest for years. 5,778 students have been enrolled in the University of FLORENCE. The PISA University medical buildings have been de-requisitioned and are being rapidly repaired. 4,539 students have been enrolled.

33. 127,273 children in more than 254 communes are getting school lunches; and the number is steadily increasing.

34. The absence of constructive organisations for youth to replace the Fascist GIL, manifests itself in destructive and disorderly activities. Younger boys and to a lesser extent, girls, are being organised on an increasing scale as Boy Scouts and Girl Guides.

35. The work on the survey of Italian education is completed up to 1940.

MONUMENTS, FINE ARTS AND ARCHIVES SUB-COMMISSION.

36. Steady progress of repair-projects continues. Weekly meetings were held in FLORENCE with the Superintendent of Monuments, directors, inspectors and architects to consider the major problems. Procurement of materials has at times been difficult. Cement has been procured from the Army, but the tile situation was [illegible]

37. In FLORENCE the major project is the repair of the Uffizi Gallery. Work in the devastated area around the Ponte Vecchio is in hand, as are the minor repairs to S. Frediano, Orsanmichele, the cloister of S.Croce, the Certosa, the Church at CECINA, and the villas of Petraia, Castello and Poggio a Caiano.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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38. Progress is being made in carrying out repairs in the cities and provinces of AREZZO, SIENA, PISA, LIVORNO and LUCCA. The work at LIVORNO, previously almost impossible because of lack of labour, has now started under the direction of the superintendent of the province.

39. S.Maria in PORTO FUORI at RAVENNA is still practically inaccessible because of the condition of the terrain, and mines. Initial reports on conditions at FAENZA have been received. The major damage has been to the ceramic museum and collections and to some of the libraries.

40. On 7 Jan/.....

Declassified E.O. 12356 Section 3.3/NND No. 785016

40. On 7 January a new letter from AFHQ was sent out to all Commanders on the subject of the protection of monuments of cultural and educational importance which, it is expected, will greatly facilitate the work of the Sub-Commission.

DISPLACED PERSONS & REPATRIATION SUB-COMMISSION.

41. One hundred and fifty to two hundred and fifty Yugoslavs have been repatriated although a number still remain who came from parts of YUGOSLAVIA not yet liberated. About three hundred dissident Yugoslavs have been collected at SANTA CESAREA Reception Centre in APULIA.

42. All centres except AVERSA, were visited by one of the Medical Staff during the month. Great improvements had been made in the hygiene conditions at LUCCA and about 1,700 Allied Nationals are receiving extra food on medical grounds in the ROME area.

43. Only 990 Italian refugees arrived during January. 1,352 Southern Italians were repatriated to homes in SICILY and the South.

44. A party of Latin Americans, mostly ecclesiastics, were granted transit visas for BRAZIL. There are "breadwinners" in TRIPOLITANIA who have juvenile dependents still living in ITALY; some of these dependents are living under conditions of hardship and a scheme to permit them to rejoin their relatives is under consideration. A similar scheme would be operated in respect of those wishing to return from TRIPOLITANIA. A group repatriation of Greeks and Maltese, resident in TRIPOLITANIA or CYRENAICA before the war, will shortly take place.

45. During January the Banca d'Italia was authorised to make 2,176 payments totalling 7,639,210 lire, average payment per person being 2,116 lire. Payments to Yugoslavs continued to decrease. CCS have instructed that no lire or other currencies should be accepted by the Allied Commission from emigrants from ITALY with assumption of obligation to exchange them. Non-legal tender currencies collected months ago from emigrants who went to the U.S. and PALESTINE have been despatched to the War Refugee Board and American Joint Distribution Board for return to owners.

46. At the end of January, 70,702 persons of 69 different nationalities were recorded by the Record Bureau. A total of 1,324 communications were received during the month. 764 enquiries were received and processed.

PATRIOTS BRANCH.

47. Further progress has been made in connection with the rehabilitation and welfare of patriots. On authority granted by AFHQ, 2,000 sets of clothing have been delivered to Armies. In addition, patriots on FIFTH and EIGHTH Army fronts are now on the full Italian Army Ration Scale, and wounded patriots are being tended in Italian Military hospitals. A further important concession has been made and instructions issued that five hundred patriots may be enlisted on the EIGHTH Army front directly into the Combatant Italian Forces. These men are sent straight into the line and do not have to report to Base Training Centres for initial training.

48. As a result of our contacts with the labour organisations of the Army, over 1,000 patriots are now employed as labour gangs at BARRADI and 750 at

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44. A party of Latin Americans, mostly ecclesiastics, were granted transit visas for BRAZIL. There are "breadwinners" in TRIPOLITANIA who have juvenile dependents still living in ITALY; some of these dependents are living under conditions of hardship and a scheme to permit them to rejoin their relatives is under consideration. A similar scheme would be operated in respect of those wishing to return from TRIPOLITANIA. A group repatriation of Greeks and Maltese, resident in TRIPOLITANIA or CYRENAICA before the war, will shortly take place.

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46. At the end of January, 70,702 persons of 69 different nationalities were recorded by the Record Bureau. A total of 1,324 communications were received during the month. 764 enquiries were received and processed.

PATRIOTS BRANCH.

47. Further progress has been made in connection with the rehabilitation and welfare of patriots. On authority granted by AFHQ, 2,000 sets of clothing have been delivered to armies. In addition, patriots on FIFTH and EIGHTH Army fronts are now on the full Italian Army Ration Scale, and wounded patriots are being tended in Italian Military hospitals. A further important concession has been made and instructions issued that five hundred patriots may be enlisted on the EIGHTH Army front directly into the Combatant Italian Forces. These men are sent straight into the line and do not have to report to Base Training Centres for initial training.

48. As a result of our contacts with the labour organisations of the Army, over 1,000 patriots are now employed as labour gangs at MARRADI and 750 at LIVORNO.

49. Enlistments into the Italian Army show a considerable increase. At a special recruiting drive held in SIENA during the month of January over 700 recruits were enlisted.

50. The immediate clothing position is good and there is sufficient to supply a further 4,000 patriots. Efforts are being made to obtain agreement from higher authority for the immediate issue of clothing on a basis of 20% of the numbers of patriots assumed to be in occupied ITALY, so that it may be available when occupation takes place.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

PART III

ECONOMIC SECTION

AGRICULTURE SUB-COMMISSION.

1. The second joint agricultural, forestry and fisheries conference of Italian and Allied personnel was held in ROME from 23-25 January, and was devoted largely to production prices, bonifica and live-stock problems. Farmer groups were represented. Considerable attention was given to the problems of fuelwood and charcoal and the reorganisation of the Royal Forest Corps in some areas. The Ministry of Agriculture in conjunction with Istituto Commercio Estero has set up an organisation to control the distribution of fishery requirements in order to avoid speculation.

2. Production during the current season will be somewhat restricted by the shortage of nitrogenous fertilizer but with the exception of seed potatoes, seed requirements are being met in nearly all cases. Sugar beet production has been programmed to total 9,100 hectares.

3. Wheat consigned to the "Granai del Popolo" has passed 90% of the estimated goal and deliveries in the liberated provinces of EMILIA Region are proceeding satisfactorily.

4. Olive oil collection at a total of 203,472 qli is improving under the Italian/Allied cooperative programme and is receiving wide publicity. Out of a total of 60 officers to be supplied for specific assignment to the olive oil programme, 42 are now actually at work. 200 tyres and tubes for use in the olive oil campaign are being delivered to the areas needing them most.

5. Re-distribution of livestock began during January with two shiploads of cattle, sheep and horses moving from SARDINIA to restock areas in LAZIO-UMBRIA Region. A total of 743 head moved in the initial shipments. Because of the high market value it has been necessary to arrange for a personal inspection by the buyer whenever possible.

COMMERCE SUB-COMMISSION.

6. The match plant at JESI started production on 15 January. Due to an allocation of power for seven hours nightly an output of 220,000,000 sulphur matches monthly was secured as against the pre-war figure of 460,000,000 monthly.

7. A large release of materials for civilian requirements was obtained by the Commission at the meeting on 2 January of the Engineering Materials Committee of the AFLR(I)B.

8. There have been no imports of newsprint for two months and the shortage has now become apparent. Newspapers are being cut down on their circulation and, if newsprint does not arrive in the very near future, may be forced to suspend publication.

9. During the last week of the month a large black-market operation in newsprint was uncovered in NAPLES but the centre of this activity appears to be in ROME. Large amounts of stolen paper from the Allied Army newspapers and PWB were involved. A police investigation is now under way.

10. The reprocessing of salvaged Army clothing under the supervision of Southern Region developed with marked success. Repaired clothing was being turned out so rapidly that by the end of the month practically the entire stock of garments

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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10. The reprocessing of salvaged Army clothing under the supervision of Southern Region developed with marked success. Repaired clothing was being turned out so rapidly that by the end of the month practically the entire stock of garments turned over to AC by MMLA was either completed or in the hands of contractors or dyers. Distribution was made through the AC Priorities Board.

11. January exports surpassed those of any previous month and amounted to a total of 19,592 tons, representing a value of over 153 million lire. Goods at ports awaiting shipment at the end of January, totalled 3,272 tons. The difference between Italian exporters' prices and the limits imposed by buyers overseas based on world market prices is now so marked that contracts are difficult to conclude.

12. 25,000 ounces/.....

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Declassified E.O. 12356 Section 3.3/NND No. 785016

12. 25,000 ounces of Turkish silkworm seeds arrived in ROME by plane and were delivered to ASCOLI PICENO for cold storage.

13. Discussions have been started with the Italian Government and AC Regions with a view to handing over the responsibility for allocations of POL in LAZIO and ABRUZZI Regions to the Italian Government w.e.f. 1 March 1945.

FINANCE SUB-COMMISSION.

14. The Finance Sub-Commission has recommended that the Allied Commission should not intervene in the question of increasing the price of bread and pasta. Since the increase in the price of wheat to 1,000 lire per quintal, the political price for bread has laid an intolerable burden upon the budget, and the recent wage increases have shown that the Italian Government does not wish, or is not able, to use a low subsidized price for bread to hold the line against further income inflation. The net daily increase in cost to the consumer is so small, particularly in view of the provisions of the proposed Italian Government decree, that no serious charge of increasing the cost of living can be levelled. Similar steps will be taken in AMG territory.

15. The Combined Chiefs of Staff directed that effective Italian controls over external assets should be in operation, as certain types of business communications may now be sent from ITALY to US/UK. As the Italian Government has no effective controls over foreign exchange, trade and communications, the Finance Sub-Commission is now working with the Italian Government toward the establishment of an exchange control. To supplement the exchange control, a licensing system for communications relating to trade and business transactions will be necessary, and the Minister of the Treasury has been requested to establish such a system.

16. During January notification came through the American Embassy, ROME, and the State Department, that the account in the U.S. Treasury Department, in the name of the U.S. Secretary of the Treasury, for the account of the Italian Government, had been credited with $ 50 million, the first instalment of the dollars corresponding to the amount of lire spent by American troops in ITALY out of their pay. It was also stated that another transfer of dollars to this account would be made on or about 31 March, 1945. These dollars are to be used to purchase goods in the U.S. for the rehabilitation of ITALY.

17. Net investment in Treasury Bonds (Ordinari) for the month of December amounted to Lit. 1,994 millions; this figure is appreciably lower than the average , Lit. 2,480 millions, for the preceding five months of the current fiscal year.

18. The past month has seen a decided improvement in securing landed costs on imported commodities. In the past, AC supply accounting operations were severely handicapped by the absence of landed costs on many imported articles. The situation was unsatisfactory, particularly in regard to miscellaneous supplies in the agricultural, industrial, mining and public works categories. Repeated requests were made by I.C.E. for the landed cost figures of those items for which they had taken over distribution. Late in the month AFHQ received landed costs on a large number of items shipped from the U.S. and forwarded these to the Allied Commission. The information received is now being prepared in suitable form for reference to the Italian Government through appropriate channels.

FOOD SUB-COMMISSION.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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FOOD SUB-COMMISSION.

19. Discussions took place during the month with the recently appointed High Commissioner for Food with a view to the latter assuming the responsibility for food supplies in Italian Government territory at the earliest possible moment.

20. The distribution of rationed foodstuffs remained unaltered, and a ration of 400 grams of meat, or meat and vegetables stew, was issued to the urban centres of 50,000 and above. The salt position continued to show some improvement and, in addition to the normal distribution, it was possible to make some supplies of salt available for pig-curing in several parts of the country. Oil came into the Massi at a slightly improved rate and there was a 50% increase in the supply of eggs. Approximately 11,000 tons of non-rationed foods arrived in the ROME market and about 2,500 tons of common table wine arrived from SICILY and was distributed on a ration basis at a controlled price.

21. Owing/.....

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Declassified E.O. 12356 Section 3.3/NND No. 785016

21. Owing to the insufficiency of local resources the question of feeding LIVORNO province continued to receive much attention. In addition to the extra issue of food made to the many thousand civilian workers employed by the Armed Forces, plans are under discussion to make special provision for workers' families.

22. The grain situation remained satisfactory with 398,000 tons of locally produced grain on hand at the end of the month. This represents over two and a half months stocks of grain at the present rate of consumption. Two truck companies moving grain from the ANCONA-MACERATA area have moved a total of 20,062 tons to deficient areas during the last three months.

23. Arrivals of cereal ships were again below schedule, and in certain areas, which depended upon sea imports, there were anxious moments over the bread supply.

24. Imports of foodstuffs into ITALY during January were as follows:

Item	Indicated arrivals Metric Tons	Actual Arrivals Metric Tons
Wheat	84,000	46,842
Barley	20,000	14,368
Powdered Milk	3,995	1,129
Soup	-	86
Fats	2,250	149
Sugar	2,700	-
Meat (or substitutes)	3,360	-
	116,305	62,574

INDUSTRY SUB-COMMISSION.

25. During January the rehabilitation programme for Italian industry was completed and the requisitions are now in course of translation and collation.

26. Two plants for the manufacture of agricultural machinery were surveyed. One has been reactivated and has orders for forty wine presses and six olive oil presses.

27. The responsibility for tyre production was transferred from Transportation Sub-Commission to Industry Sub-Commission. Tyre repair plants will start work at once.

28. A comprehensive survey of East Coast cement production was made. One plant at TARANTO and one at BARLETTA are working for civilian requirements, under the supervision of the Italian Government, with a maximum production of 4,000 tons a month. A third plant at MONOPOLI will soon open, with a potential capacity of 6,000 tons a month. Rail bids have been accepted for raw materials which should alleviate the transport problem.

29. The Sciarra Glass Plant in LAZIO-UMBRIA Region started production at the rate of 15,000 sq. metres of window glass a month. Production of neutral glass

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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29. The Sciarra Glass Plant in LAZIO-UMBRIA Region started production at the rate of 15,000 sq. metres of window glass a month. Production of neutral glass for medical ampoules continues and in addition, two plants in TOSCANA Region are producing, by hand methods, 1,500 sq. metres of window glass a day.

30. A monthly output of 85,000 bricks from three plants in CESENA is being obtained, and with the provision of additional fuel, production can be increased.

31. The manufacture of superphosphate fertiliser reached a total of 9,000 tons during the month. 24,000 tons of phosphate rock arrived from NORTH AFRICA, an increase of 6,000 tons over December. Another plant has been reactivated in SICILY.

32. SARDINIA coal/....

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Declassified E.O. 12356 Section 3.3/NND No. 785016

32. SARDINIA coal production still gives cause for anxiety, and was further reduced owing to the strike which took place between 11 and 17 January. Total output for the month was approximately 33,400 tons. Production of lignite on the mainland was hampered by shortage of electric power and reached only 30,000 tons. The output of sulphur in SICILY was 4,000 tons for the month. RIBOLLA lignite mine at GROSSETO resumed operation during January.

33. Lack of electric power still hinders production of vitally needed carbon bisulphide. An approximate quantity of 150 tons has been produced. Steel works of ILVA at BAGNOLI were visited and it was reported that rehabilitation of this plant has been accomplished.

34. Textile manufacture was still retarded by lack of electric power, and the production of hemp was unsatisfactory due to the shortage of transportation.

LABOUR SUB-COMMISSION.

35. The labour front was fairly quiet with only sporadic strikes occurring in some parts of the country. Though the workers in these few cases requested increased wages, they were in reality calling for more food and clothing. To avert a strike in the LIVORNO area the Commerce Sub-Commission was called upon to supply badly needed heavy working clothes and shoes for coal heavers and dry-dock workers.

36. The most important event in January was the inauguration of the first National Congress of Italian Trade Unions held under the auspices of the CGIL at NAPLES, from 28 January to 1 February. The Congress attracted international attention and served to build up the prestige of the Italian Trade Union Movement. The Communist Joint Secretary dominated the proceedings, but although the attendance of delegates included slightly more than 50% Communists, the election of the National Executive Council resulted in equal division of seats between the three principal parties. A summary report of the proceedings will be made next month.

37. The Italian Government has taken the first steps in the reorganisation of the service of Contributi Unificati in Agricoltura in proposals contained in a draft decree which was approved by the Council of Ministers on 5 January. The decree provides for the setting up of a Central Commission in the Ministry of Industry, Commerce and Labour, comprised of representatives of the Ministries of the Interior, Justice, Finance and Agriculture together with representatives of agricultural employers and workers and of each of the social insurance institutions concerned. The Central Commission will assume those functions previously delegated to the former Fascist Confederation of Agricultural Employees and Workers. Provision is also made for Communal Commissions to be set up by the Prefect in each Commune. The functions of the Communal Commissions will be to ensure the proper performance of directives of the Central Commission.

38. The Social Insurance scheme is operating satisfactorily and in SICILY the Italian Institute is cooperating fully. In SOUTHERN Region the new scheme for the Port of NAPLES involving the reactivation of the Ufficio Portuale del Lavoro is in force and is proceeding fairly smoothly. In the Northwest area social security and sickness agencies are functioning.

39. The formation of associations of trade unions continued; in the Northern [illegible] these formations were permitted to proceed so long as their activities were

Declassified E.O. 12356 Section 3.3/NND No. 785016

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40. Regional Labour Organisation plans for Northwest ITALY have been completed and labour teams have been formed.

PUBLIC WORKS & UTILITIES SUB-COMMISSION.

41. The Master Control Centre was inaugurated by the Electrical Division of A.C. on 20 January and the generating and transmission facilities of four companies now operate under a single unit control. These companies are situated at ROME, AZIENDA, TERNI and SELT-VALDARNO. The Centre is responsible for, and gives instructions involving, the following:

(a) Load carried/ 402.

Declassified E.O. 12356 Section 3.3/NND No. 785016

(a) Load carried by each generating station connected to the Central Italy Electricity Grid System.

(b) Number of units of electricity to be generated by each station.

(c) Hours of operation of each station.

(d) Amount of reserve capacity to be carried at each station, whether in operation or standing-by.

(e) Opening and closing of all switches associated with the generating plants and high voltage grid syatems.

(f) Issuing instructions to meet emergency conditions.

(g) Collection and tabulation of all data of maximum loads, units generated, switching instructions, and abnormal occurrences.

Other electrical systems in Central ITALY will be brought into this central plan at an early date.

42. A Board known as the "Advisory Committee on Electric Power" for Central ITALY was created and held its first meeting on 1 February. It is composed of an official from each of the five major electric companies in Central ITALY and its functions will be to:

(a) Advise on the operations of the Master Control Centre.

(b) Maintain close contact with the general operation and rehabilitation programme.

(c) Make recommendations to and advise the General Inspector for Electricity (Public Works Ministry) on all matters in connection with electricity in Central ITALY.

It is planned later to establish similar committees for Southern ITALY, SICILY and SARDINIA. The Electrical Division acts in an advisory capacity until such time as the functions can be entirely transferred.

43. Generating capacity in Southern ITALY was increased by 5,000 KW from the CALORE Station, a part of the S.M.E. System. Generating capacity available in Central ITALY in January was increased by 36,600 KW compared with the preceding month. There are three other generating units at the GALLETO plant and all are scheduled to be repaired and in operation in 1945. Because of the great importance of this Station the Division maintains close supervision of its reconstruction programme. Much assistance has been provided at various times by Army agencies and units. Due to shortage of coal and the linking of the hydro-electric plants in this area to the centrally controlled grid, it was decided to restrict generation at the ROME Thermal Stations.

44. By reason of the utter devastation at CASSINO special attention has been given to its clearance which has been greatly hindered by unexploded mines and booby traps. It is intended to leave a portion of the town untouched as a memorial.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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TRANSPORTATION SUB-COMMISSION.

45. During January, re-organisation of Transportation Sub-Commission was carried out. It is now divided as follows:

Planning Staff
Administration Division
Movements Division
Rail Division
Road Division
Port & Warehouse Division

46. The first/.....

Declassified E.O. 12356 Section 3.3/NND No. 785016

46. The first meeting of the Allied Railway Board was held on 18 January. The Board consists of representatives of AC, the Military Railway Service, and the Italian State Railways under the Chairmanship of DQMG (Mov & Tn), AFHQ. Five sub-committees were set up to deal with traffic, construction, equipment, stores, and finances.

47. On 22 January the first civilian passenger train since the Allied occupation ran from ROME to NAPLES. The service is scheduled to run three days a week in each direction. The Minister of Transport travelled on the first train and the inauguration of the service was given a good Press. The possibility of starting other passenger services is continually being examined, but the shortage of passenger rolling stock is the main handicap.

48. The first batch of a large number of civilian load-carrying vehicles being imported into ITALY from the UNITED STATES arrived during the month. These vehicles will be driven by Italian drivers under the general supervision of Allied officers; they are being formed into QM and GT companies and consideration is being given to joining them into a Motor Transport Brigade.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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Declassified E.O. 12356 Section 3.3/NND No. 785016

PART IV

PUBLIC RELATIONS BRANCH & INDEPENDENT SUB-COMMISSIONS .....

PUBLIC RELATIONS BRANCH.

1. On the liquidation of Psychological Warfare Branch operations in Liberated ITALY South of the Army control line, a series of discussions were held to arrange for the re-distribution of responsibilities. Allied press agencies, Reuters, A.P., U.P., INS and the Italian ANSA, SI and ORBIS began operating in ROME on 15 January and a technical committee was set up to establish methods of distributing agency material outside ROME.

2. Aide-memoires were prepared for the Italian Prime Minister on the proposed Governing Board of Italian radio and on the functions of the proposed Film Board.

3. More than sixty Allied correspondents attended a press conference arranged for the Acting President on 3 January.

4. During the month an Italian press section was set up at HQ A.C. to assist Italian journalists in interviewing officers of the Allied Commission and to facilitate better mutual understanding.

NAVY SUB-COMMISSION.

5. The outstanding event has been the repatriation of five warships and four minor vessels from SPAIN. These vessels, which left SPEZIA for MALTA in September 1943, with the remainder of the Italian Fleet, had put into ports in the BALEARICS and SPAIN. Their purpose was, among other reasons, to land survivors from the Battleship "ROMA" but on arrival the vessels were interned.

6. At the request of the Italian Government, an Italian Cruiser was sent to CATANIA on 15 January to help in quelling the local disturbances by a show of force and to protect har bour installations if it should become necessary. She also visited PALERMO and ferried several batches of rebellious young men to the Island of USTICA but has subsequently been withdrawn, not having been called upon to take any offensive action.

LAND FORCES SUB-COMMISSION (MMIA).

7. The manpower requirements for the Italian Army in the Allied programme continued to be met during January from the call-ups in CAMPANIA, LAZIO and SICILY. Figures for SICILY at the end of the month were encouraging; over 1,600 men were sent to the R.T.C. I.C.F. at CESANO as reinforcements for the Combat Groups, while about 4,000 men were allotted to service units. The 1924-25 recall in SARDINIA started well, over 4,000 men reporting in the first five days.

8. Volunteers from Patriot bands reached a record figure. Over 2,500 patriots were accepted for combat and all arrangements made for their training. The desire to come into, and stay in, the Army on the part of patriots and "recalls" became more evident as the improved pay, rations and welfare facilities were realized and as the administration of the Italian War Ministry became better organised.

9. The Italian Army Regional organisation for all ITALY came into force on [illegible] and has been implemented in Liberated ITALY up to Rear Army boundaries.

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NAVY SUB-COMMISSION.

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6. At the request of the Italian Government, an Italian Cruiser was sent to CATANIA on 15 January to help in quelling the local disturbances by a show of force and to protect har bour installations if it should become necessary. She also visited PALERMO and ferried several batches of rebellious young men to the Island of USTICA but has subsequently been withdrawn, not having been called upon to take any offensive action.

LAND FORCES SUB-COMMISSION (MMIA).

7. The manpower requirements for the Italian Army in the Allied programme continued to be met during January from the call-ups in CAMPANIA, LAZIO and SICILY. Figures for SICILY at the end of the month were encouraging; over 1,600 men were sent to the R.T.C. I.C.F. at CESANO as reinforcements for the Combat Groups, while about 4,000 men were allotted to service units. The 1924-25 recall in SARDINIA started well, over 4,000 men reporting in the first five days.

8. Volunteers from Patriot bands reached a record figure. Over 2,500 patriots were accepted for combat and all arrangements made for their training. The desire to come into, and stay in, the Army on the part of patriots and "recalls" became more evident as the improved pay, rations and welfare facilities were realized and as the administration of the Italian War Ministry became better organised.

9. The Italian Army Regional organisation for all ITALY came into force on 1 January and has been implemented in Liberated ITALY up to Rear Army boundaries. It comprises:

(a) Eleven Territorial Regions, each with a Territorial HQ;
(b) Ninety-nine Military Districts;
(c) Ninety Regimental Depots;

The object of this organisation is to extend the authority of the Ministry of War up to Army Rear Boundaries, to enable control of any personnel and real estate to be resumed as soon as the Allied advance proceeds Northwards, also to implement the call-up or demobilization as required.

AIR FORCES/.....400

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Declassified E.O. 12356 Section 3.3/NND No. 785016

AIR FORCES SUB-COMMISSION.

11. There has been little change to report during January. The Italian Air Force continues to support the Allied war effort in active operations over the BALKANS but the scale of effort during the month has again been reduced very considerably. This is mainly due to the fact that the enemy has retreated beyond range of fighter bases in Southern ITALY, and bases further North from which he could be reached are still occupied by RAF squadrons.

12. Owing to ill-health, Dr. Carlo SCIALOJA has been forced to resign his post as Minister for Air and has been succeeded by Signor Luigi GASPAROTTO. First impressions of the new Air Minister have been satisfactory.

13. The number of Air/Sea rescue sorties increased slightly over those of last month, but no rescues were effected. A terminal in the ROME area for seaplanes has been allotted. Bomber Transport Wing dropped supplies over ALBANIA and YUGOSLAVIA and aircraft landed at airfields in both countries to deliver and pick up personnel. The Courier/Transport Squadron continued on much the same scale of effort as in previous months, and despite the bad weather conditions the postal service to ROME got through on all but five days. The bad weather during the month naturally reduced the number of sorties carried out by the Light Bomber Wing, but a very reasonable tonnage of bombs was dropped, with good results.

14. The serviceability of aircraft remains satisfactory. Considerable work on the fighters has been done during the slack period so that they will be ready when operations recommence. It is hoped that certain urgently needed spares and equipment will shortly be available for the Bomber Transport aircraft.

15. The question of defascisation still remains very unsatisfactory. There were indications of a slight lowering of morale in the Italian Air Force, but this always appears at a time when the operational effort has been small, and it is hoped that when the squadrons can resume their active cooperation with the Allies the position will improve.

COMMUNICATIONS SUB-COMMISSION.

16. As a result of the comparitively static military situation in the theatre there have been no major changes in the communications situation in ITALY.

17. Externally, the first telegraph service abroad for civil use was opened by the restoration of the ROME - MOSCOW radio telegraph circuit at the end of January. Negotiations were also begun for the opening of a ROME - NEW YORK radio telephone service, for Allied non-military use.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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WAR MATERIALS DISPOSAL AND ITALIAN PW SUB-COMMISSION.

18. The PBS Salvage Dump at LIVORNO was visited and bids for material wanted by the Commission have been made to PBS. A quantity of captured enemy material available in the Middle East was offered to the Commission and bids for certain items have been submitted.

19. The number of salvaged vehicles brought into ROME during the month was fifty-one. The Ministry of War claimed twelve, the balance to be rebuilt by individual firms. The question of whether a number of German pontoons found in the TIBER could be operated as river transport was discussed.

20. The number of/.....

0818

Declassified E.O. 12356 Section 3.3/NND No. 785016

20. The number of IPW repatriated in January was 1,440, made up of 774 Carabinieri and Guardia di Finanza, the balance being mostly sick and wounded. Requests for the repatriation of 1,160 specialists were forwarded to AFHQ, the majority asked for being Carabinieri and Guardia di Finanza. The number of requests submitted during January for repatriation on compassionate grounds was 66 of which only 12 were approved.

21. Plans are being made for the transport and lodging of Italian Nationals who find their way across the frontier on the cessation of hostilities.

22. A plan has been prepared for the repatriation of IPW in Allied hands and will become operative when a general repatriation is agreed. The basis of the plan is to give priority to specialist personnel most urgently required for reconstruction and agricultural work in ITALY.

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

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ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

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Liaison Div

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

HEADQUARTERS ALLIED COMMISSION
APO 394

Ref: 824/EC

17 February 1945

MONTHLY REPORT

DECEMBER 1944

		Political Section	Pages 1 - 2
PART	I -	AMG Armies and Regions	Pages 3 - 9
PART	II -	Civil Affairs Section	Pages 10 - 14
PART	III -	Economic Section	Pages 15 - 20
PART	IV -	Public Relations Branch Navy Sub-Commission Land Forces Sub-Commission (MMLA) Air Forces Sub-Commission Communications Sub-Commission War Materials Disposal and Italian PW Sub-Commission	Pages 21 - 23

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

Declassified E.O. 12356 Section 3.3/NND No. 785016

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		Land Forces Sub-Commission (MAIA)	
		Air Forces Sub-Commission	
		Communications Sub-Commission	
		War Materials Disposal and Italian PW Sub-Commission	

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

Declassified E.O. 12356 Section 3.3/NND No. 785016

POLITICAL SECTION

1. The Italian political crisis which had reached a climax with the resignation of Signor Bonomi on Sunday, 26 November, was clarified on 7 December when four of the six parties of the Committee of National Liberation entered the new government presided over by Signor Bonomi. It is now evident that the crisis was precipitated by two important points of disagreement between the parties of the right and left. The center and right wing parties maintained that the government's authority would be weakened by the extensive epuration carried out under Count Sforza and also by the granting of power to the Committees of National Liberation in liberated territory. The left wing parties were in sharp disagreement on both points.

2. When the new government was formed Signor Bonomi gave formal assurance that he accepted all previous Italian obligations towards the Allies and that the Italian Government would not re-open the institutional question without prior consent of the Allied Governments until Italy had been liberated and the Italian people given the opportunity of determining their own form of Government.

3. The new Cabinet contains practically the same personalities as in the previous government. The primary changes are the exclusion of representatives of the Socialist and Action Parties and the reduction of the number of Ministers Without Portfolio from seven to three, two of whom are also Vice-Presidents. The Ministry of Communications was split into the two Ministries of Post and Telegraph Communications and of Railroad Transportation. One entirely new Ministry was created - the Ministry of Occupied Italy, headed by a Communist.

4. Two new situations emerged after the formation of the present Government. First, the position of the CLN was undoubtedly weakened and the Government given a conservative tinge; second, the absence of the Socialists in the Government resulted in a strong opposition bloc of the Socialist and Action Parties. Nenni, who will undoubtedly be the opposition's spokesman stated that the basic issues were avoided but not solved. He said that his party would not fight the Government systematically but would criticise dispassionately all measures not directed towards winning the war and achieving an Italian democracy.

5. The Communists achieved a technical triumph and secured an excellent bargaining position due to their alliance with the Socialists as they are virtually inside and outside the Government.

6. Signor Bonomi undoubtedly achieved a personal success by his patience and tenacity in adhering to his principles in spite of the pressure which was brought to bear during the days of the crisis.

7. It is still too early to judge the capabilities of the new four-party coalition government, but its compactness should result in a greater degree of stability and unity than heretofor.

8. The Right-Left Division in the political parties seems to be based to a large and increasing degree on an ideology expressed by the distinction in the Pope's Christmas message between the "people" and the "masses". There were indications of a consolidation of the Christian Democrat, the Liberal, and the Right-Wing elements of the Labour Democrat Parties with a view to forming a "Peoples' Group" which would threaten politically the "Masses Group" of the Left.

9. While the apparent cause of the demonstrations against military conscription in CATANIA on 14 December was a protest by students against being drafted, there appear to have been other less obvious causes. Outside forces were believed, and not without evidence, to have incited the students to assume their attitude of

0823
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10. Count Sforza declined the appointment of Ambassador to the United States. At the end of December no other nomination for the post had been made by the Italian Government.

11. On 27 Dec/....

Declassified E.O. 12356 Section 3.3/NND No. 785016

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11. On 27 December the Public Relations Office of the Presidency of the Council of Ministers announced that diplomatic relations were to be resumed with BELGIUM and were to be "reactivated" with RUMANIA. At the same time it was stated by Italian Government representatives that most problems impeding a resumption of relations with FRANCE were solved and that the Government was hopeful of a speedy settlement of those which remained.

12. The press of 29 December announced a resumption of ITALO-NORWEGIAN relations.

Declassified E.O. 12356 Section 3.3/NND No. 785016

PART I

AMG Fifth Army.

1. This was the most uneventful month since last winter. The area remained unchanged throughout the period except for the temporary recapture by the enemy of the commune of BARGA (LUCCA Province), which is now back in Allied hands. This was the first time since the landing at SALERNO that a commune had been lost after the setting up of Military Government. A fascist radio station was heard broadcasting a message of formal thanks to AMG for the civilian food the enemy found in the village, which had only been delivered two days before its recapture. The amount involved was not large.

2. As a result of new policies and support from Headquarters Allied Commission a new Patriot Branch was created at FIFTH Army AMG at the opening of the month, with a Patriot Officer in charge of the two large Reception Camps at FLORENCE and PESCIA, for the handling of homeless patriots now coming through the line. The problem remains extremely difficult owing to the absence of any clear cut system of obtaining the necessary supplies for rehabilitating individuals and to the delicate political questions involved.

3. Public morale was in general slightly higher except for a rumour scare created by military operations at the close of the month. In LUCCA this scare caused a noticeable outflow of cash from the banks. Elsewhere the improvement in morale can be attributed to the distribution of the first olive oil rations for many months and to the general feeling of goodwill due to the holiday season. The arrangements made for Midnight Masses and the Allied Christmas parties for children created an extremely favourable impression.

4. In spite of the improvement in morale noted above there was a general under current of discontent among the population as a result of the widespread scarcity and high price of food. The continued failure to establish a 300 gram bread ration also caused some bitterness.

5. There were several cases of armed robbery and one of jail-breaking. These were thought to be the work of lawless gangs who in some cases claimed to have been Patriots. This discredited the whole patriot movement in the eyes of many Allied officers and Italians. Masked armed bandits continued to operate in FLORENCE Province, their crowning achievement was the hold-up of a Civil Affairs Officer.

6. There was an increase in forged currency: 90 forged 1000 lire notes were discovered in FLORENCE and some 30 others elsewhere. Apart from the paper the forgeries were excellent imitations.

7. The typhoid epidemic at PRATO continued to be serious. After a lull in the middle of the month many new cases were reported as a result of a systematic house-to-house search and is not thought to indicate a true rise of incidence. The main water supply was still out of commission owing to the destruction of a large railway viaduct and the source of infection from the many subsidiary supplies has not been discovered.

8. The shortage of electric power remained extremely acute and prohibited any large scale rehabilitation of local industry. Reconstruction of buildings of all kinds was held up by a shortage of cement.

9. Five enemy agents were tried by a General AMG Court: all were convicted and sentenced to death except one girl who was sentenced to twenty years imprison-

Declassified E.O. 12356 Section 3.3/NND No. 785016

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AMG Eighth Army.

10. Additional territory was liberated in the Province of RAVENNA, and the capital of the Province was captured on 5 December.

11. Patriots in FORLI Province either returned to their normal occupations or accepted work with the Army in labour squads. In RAVENNA Province about 800 Patriots were employed in an operational role and the majority were reported to be first class men doing fine work.

12. The/

Declassified E.O. 12356 Section 3.3/NND No. 785016

12. The attitude of the civilians towards the Allies is satisfactory. Anti-looting patrols established by the Army in RAVENNA, FORLI and FAENZA have proved effective and a noticeable improvement in the attitude of the people has resulted.

13. There was a stronger undercurrent of political feeling in the area than has been encountered hitherto. It came to the surface soon after a speech in ROME by Signor BONOMI, which was interpreted by the Committees of National Liberation to mean that they were the representatives of the Italian Government in liberated as well as occupied ITALY. It had to be explained to them, very firmly, that this was not the case and that the only government permissible in an Army area must necessarily be Allied Military Government. Action taken against the Committees of National Liberation is a matter of some delicacy, as it is liable to be construed as action against the Communist Party, because, although the Committees are composed of all six parties, it is the Communist Party which is best organised, most active and most vocal.

14. The area is almost entirely agricultural and as usual the countryman is in a far better position than the townsman for basic necessities. There is no shortage of grain, and on the whole, despite an acute shortage of oils and fats, the food situation is satisfactory. A serious shortage of fuel, however, particularly in the towns is causing some concern. Sufficient wood is obtainable from local sources in the plain to keep the bakeries going, but supplies for hospitals and domestic purposes are meagre.

15. The health of the people was good, apart from an epidemic of typhoid, which showed a decline.

16. There was no critical evacuation problem in the forward areas, but with the coming of winter the Army's need of quarters was expected to increase and plans to deal with this were in hand. So far these needs have been met without too drastic a disturbance of the inhabitants. Evacuation of inhabitants was, however, necessary.

17. Of the larger towns, RIMINI is the most heavily damaged and the housing problem there is acute.

18. In the Province of RAVENNA, where large areas were flooded by enemy action, work was begun on repairs to breaches in river and canal banks and on the restoration of pumping stations. The flooded areas have already been considerably reduced. In the Province of FORLI the reconstruction of bridges along the major roads was begun and plans made for dealing with minor roads.

19. Throughout the area civilian motor transport is almost non-existent, but every endeavour is being made to recondition such vehicles as have not been removed by the Germans. While the most essential needs were met with W.D. transport, the lack of vehicles is inevitably impeding progress everywhere.

20. Factories have been badly damaged. Those which it was hoped might restart cannot do so until electric power is available. Reactivation was therefore largely confined to brick, cement and limeworks.

SICILIA REGION.

21. General conditions in SICILY during December were very unsettled. Although the heads of the political parties attempted to arouse interest in the war effort,

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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SICILIA REGION.

21. General conditions in SICILY during December were very unsettled. Although the heads of the political parties attempted to arouse interest in the war effort, the majority of the population were non-political; the people are interested in the outcome of the war but primarily from a personal point of view. However, lack of confidence in the Government, the economic situation, disparity of prices and wages, threatened food shortage, the suffering from an early and severe winter were causes which continued and intensified existing discontent. Between 10 - 20 Dec the military call-up provided the means of an immediate protest which was expressed in an extensive series of demonstrations which, in some places, led to riots. The Italian civil authorities were unable to maintain order without resort to the military. In CATANIA, the centre of the disturbances, damage was serious and public buildings were fired.

22. With the/....

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Declassified E.O. 12356 Section 3.3/NND No. 785016

22. With the exception of one large meeting held at ALGHERO, the Separatist Party was apparently inactive and the leaders of the movement attempted to clear themselves of any connection with the riots. It has, however, been reported that propaganda was continued clandestinely, particularly against the call-up.

23. In addition to a slightly critical attitude toward the Allies, there were increased signs of fascist sentiments. This was particularly noticeable at the time of, and after, the enemy offensives on the Western and Italian fronts.

24. Public officials continued to show uncertainty of their position, lack of confidence and general administrative inefficiency. The High Commissioner showed additional authority as a result of the proposed grant of increased power to the local administration and after the incident at C.T.N.L. the Central Government quickly replaced the Prefect and transferred the Questore.

25. The crisis in the food situation was averted by the arrival of grain shipments totalling 12,000 tons wheat and 6,000 tons barley. In local trade there was a continuous upward trend of prices and the poor classes in the towns suffered considerably on this account. The total amount of olive oil harvested to-date was 4,386 quintals, which was insufficient to meet the December ration and accordingly this amount was reserved for hospitals.

26. The amount of grain amassed increased slightly as a result of the High Commissioner making provisions to collect one half of the legal per capita retention. Exports from the Island consisted of a cargo of 4,000 tons of wine, citrus fruits and salted fish sent to the continent and 165,800 cases of lemons and 130 tons of argols sent to England.

27. The work of reconstruction made very little progress due primarily to the lack of materials. The rainfall relieved the shortage of electrical power by refilling hydro electric reservoirs. Railroads operated satisfactorily but were restricted by the inadequate coal allotment and the need for additional cars while road transportation deteriorated because of the scarcity of spare parts and tyres. Scarcely any progress was made on new telephone installations for lack of materials, and services are only about 50% completed. Telegraphic services were almost normal and the mail service continued to operate satisfactorily.

28. The health of the people was good generally but the early and severe winter combined with the lack of clothing and shelter caused considerable suffering. The rate of infectious diseases decreased.

29. Schools in the two remaining provinces were reopened, after a delay caused by a threatened smallpox epidemic. A few school buildings were released, but many were still occupied by Allied and especially Italian military and governmental agencies.

30. The number of refugees in SICILY was 3,721. Their standard of health was low and there was considerable suffering among them for lack of clothing.

SOUTHERN REGION.

31. The end of the cabinet crisis, though it had never roused violent feelings in Southern ITALY, was welcomed and removed the deadlock which had prevented the appointment of a Sindaco for the City of NAPLES.

0830 Declassified E.O. 12356 Section 3.3/NND No. 785016

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32. The distribution of the bread ration was maintained throughout the month, although stocks at NAPLES sometimes reached a dangerously low level. The pasta ration was generally maintained, but fell behindhand at TARANTO and elsewhere due to power shortage at the mills. An olive oil ration was distributed.

33. The olive crop was fair to good. With the withdrawal early in the month of the olive oil officers borrowed from convalescent depots, collection of olive oil fell to a low level. The orange crop promises well.

34. Heavy rain early in the month caused several road and rail breaks in CALABRIA and BASILICATA. Floods also caused breaks in the power line between SILA hydro-electric stations and BARI and repairs were hampered by snow.

35. Trans/ 395

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Declassified E.O. 12356 Section 3.3/NND No. 785016

35. Transportation continued to be the touchstone of all SOUTHERN Region problems. Small deliveries of tyres were obtained from ROME, but they met only the smallest proportion of the needs.

36. The labour situation was uneasy throughout the month. There were sporadic strikes caused by the question of adjustment of salaries and wages and by difficult living conditions, and at the end of the month there was a threat of a widespread strike of statal and parastatal employees at BARI. Generally speaking, hardship and discontent were more prevalent among professional men and clerical staffs than among the labourers or shopkeepers. Competent Italian authorities estimate that many of the professional classes are keeping themselves alive only by selling their household goods.

37. The opening of AMG Courts in BARI and BITONTO, chiefly to deal with thefts from the large British ammunition depot, was a great success: the thefts declined rapidly and local Italian Courts received a powerful stimulus. Work in the NAPLES AMG Courts continued to be heavy.

38. Public health remained good. There was a worrying flare-up of smallpox at BENEVENTO, chiefly serious because of the proximity of troops. It was however of a mild type, there were few deaths and preventive measures were taken.

39. Armed bands of deserters are still terrorising the country side - usually Italians in stolen Allied uniforms - though to a decreasing extent owing to the energetic measures taken against deserter groups by the Allied Military authorities.

LAZIO-UMBRIA REGION.

40. The activity of political parties was less obvious during the month, and took the form of consolidating initial advantages and smoothing mistakes.

41. In ROME the only imported food stuff in general distribution was canned meat. Other imported items such as dried vegetables, dehydrated soup, sugar and evaporated milk were distributed mainly to school children, hospitals, etc. 523,245 people received these special distributions.

42. The electric rationing scheme proved satisfactory, and improved distribution with a slight increase in power supply should further ease the situation.

43. Though crime is still a serious problem there was a slight improvement. There were a number of armed hold-ups in isolated areas but nothing to indicate the work of well organised gangs.

44. Italian courts still functioned extremely slowly and the prison load remained heavy. The Higher courts, however, particularly the High Court for Sanctions against Fascism, worked hard and efficiently.

45. Parties and distribution of Christmas parcels were organized for 24,000 children affected by the war.

46. No action was taken either regarding damaged schools or releasing schools now being used for other purposes. The uncooperative attitude of the Italian authorities in this matter has been the subject of strong representation to the Italian Government. Schools will probably have to close in PERUGIA and TERNI in

Declassified E.O. 12356 Section 3.3/NND No. 785016

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47. Italian refugee camps in ROME were overcrowded due to a large number of refugees from the North, and from the devastated areas, who cannot return to their homes. New centres have, however, been opened in the Provinces of LITTORIA and FROSINONE and refugees from these Provinces now in ROME centres will start moving on 1 January 1945.

48. Black market was still rife and there was no shortage for anyone who could pay the price. Discussions with representatives of the Merchant Associations were held to control black market activity.

ABRUZZI/.....

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declassified E.O. 12356 Section 3.3/NND No. 785016

ABRUZZI-MARCHE REGION.

49. Although on the surface all seemed quiet on the political front there was an ever-present activity underneath. While the more cultured and intellectual heads of other parties talked ways and means among themselves, the active Communist leaders showed greater aggressiveness by doing the work necessary to getting additional members and votes for their party, should the popular elections announced for the coming spring be eventually held.

50. The bulk of the population was more concerned with the food situation as it affected them. They cannot understand why the promised 300 gram bread ration is not forthcoming, particularly in those surplus producing provinces which ship grain to areas receiving 300 grams, while they, the producers of apparent plenty, are allowed only 200 grams.

51. The provision of an organised truck company has greatly eased the supply situation. This company is being used in the distribution of grain from the surplus provinces to deficient areas and to the railhead at JESI for shipment to southern ITALY.

52. ABRUZZI-MARCHE Region has now reached 107% of the target set for the collection of grain of the 1944 crop. A substantial amount more is expected to be collected.

53. The collection of potatoes was very poor due to the big difference in prices obtained by the grower and the retailer in ROME and the much higher prices given to growers in the NAPLES area.

54. Olive Oil amassing was very unsatisfactory and, with the exception of the Province of TERAMO, practically none came in. The larger producers had more confidence in the value of the oil than in Italian money and were therefore hoarding it.

55. All provinces now have organised labour offices. Due to the large number of troops billeted in the Region, there was no unemployment problem but the Camera del Lavoro, organized on political lines, caused trouble with labour, particularly in ANCONA Province.

56. Progress was made in repair work on military and other roads, though it was hampered by lack of transport.

57. Good progress was made in work on all electrical projects.

58. The black market increased considerably with the cold weather and shortage of essential foodstuffs.

59. 90.200 mines of various types were removed during December by the Mine Clearance Coy in CHIETI Province but the work was hindered through lack of transport.

SARDEGNA REGION

60. The month was reasonably quiet on the surface, but there were signs of turbulence in the increased number of lesser crimes.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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61. The Autonomy Decree, which was delayed by the Italian Government crisis, was the focal point of the month in Sardinia. Full details are awaited but according to information available the High Commissioner will have increased powers and will not only coordinate but also direct all authorities except the Armed Forces and State Tax Legislation which will be controlled by the Central Government. A Bank of Sardinia is to be formed with an opening fund of 150 million lire and special provision is being made for the development of mining.

62. As special conditions exist in SARDINIA, powers to fix local prices, etc., should be beneficial and, provided control is kept over shipping, such powers should not have disturbing effects on other Regions.

63. The Grand...

Declassified E.O. 12356 Section 3.3/NND No. 785016

63. The Granai del Popolo figure for grain now totals over 303.000 quintals so the modified goal of 300.000 quintals set four months ago was reached and passed. Some grain is still coming in but the harvest is virtually collected.

64. The olive oil crop was exceptionally good, though it is still uncertain whether the olive oil will be successfully collected. The Press and Radio campaign was pushed forward vigorously and all possible pressure brought to bear to attain this object.

65. Meat prices were down to a reasonably low figure, the seasonal stock of lambs were available at below 60 lire a kilo (without the Italian Government tax) and there was no black market for the moment in this commodity. Shipping difficulties, unfortunately, made the scheme for the export of lambs to ROME impracticable.

66. During December there were 11 murders as against the monthly average of 5 and 36 cases of armed robbery as against the normal 25. Concern is felt because the robber bands were evidently better armed than usual. They aquired or stole weapons and ammunition from all the different armed forces that were in the Island and their activities were most disquieting.

67. Over 300 prisoners at ASINARA Penal Settlement and 25 at ISILI Penal Settlement finished their sentences. Arrangements were being made for 50 or 60 to return to home communes in liberated Italy, work can be found for 15 more in SASSARI and another 10 in the mines.

68. The Italian Army in SARDINIA has now been greatly reduced and troops remaining in the Island, including Services, numbered less than 10.000.

69. Steady exports of paint pigment, coloured earth, cork, salt and fireclay continued. Salt stocks totalled over 1.000.000 tons.

70. SARDINIAN coal production remained at about 40.000 tons for December. It is estimated that production can be raised to 55.000 tons a month with means now in sight, but additional miners will be required to attain the 70.000 figure needed to fulfill military needs.

71. A regular semi-monthly steamer service began between SARDINIA and the mainland, taking up to 300 passengers and 1.000 tons of cargo on each trip.

72. The drought which had a serious effect on the CAGLIARI water supply ended on Christmas Day. On Christmas Eve the reservoirs held little more than 100.000 tons of water; by 31 December the total had risen to over 2.000.000 tons. The water situation is, therefore, secure until Febraury when heavy rainfall is again normally to be expected.

73. Mine sweeping operations in CAGLIARI Bay were carried out and were enlivened by the presence of a U.S. Navy blimp.

TOSCANA REGION.

74. Conditions in TOSCANA Region for December were on the whole an improvement on those for November, particularly in regard to local government, food and wages.

75. The new Prefects in AREZZO and GROSSETO made a very favourable start and the local government situation in those Provinces improved.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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76. A general distribution of olive oil and sugar to the population increased food for midshift meals for PBS civilian employees and the granting of a definite allowance for a noon meal for AMG civilian employees were all favourable factors.

77. The increase in wages for employees of PBS became effective 16 December, and of FIFTH Army 1 January 1945. The delay in the increased wages for provincial and communal employees becoming effective was unfortunate as the Italians believed that the Allies were preventing them from obtaining this much needed increase.

78. Successful action..

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Declassified E.O. 12356 Section 3.3/NND No. 785016

78. Successful action was taken against counterfeiters and masked bandits operating in SIENA Province. At least five members of a counterfeiting gang that had made and distributed about 7.000.000 lire of counterfeit money were arrested in ROME and several counterfeiting plates discovered.

79. The situation in LIVORNO improved due to increased wages, more food and a more active police force.

80. The Island of ELBA passed to Regional control on 20 December and is now administered by LIVORNO Province.

81. In most provincial capitals troops and other Allied personnel provided Christmas parties for Italian children - a gesture which was greatly appreciated by the people.

Declassified E.O. 12356 Section 3.3/NND No. 785016

Declassified E.O. 12356 Section 3.3/NND No. 785016

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PART II

CIVIL AFFAIRS SECTION

Defascism.

1. 125 "central" hearing tribunals were formed and another 44 should be formed shortly. Of the "Provincial" Commissions only one, ROME, is actually working, though 8 are being set up. 40 more, however, without taking North ITALY into account, will have to be found. One of the chief problems is lack of judges. So many have already been taken for this purpose that the administration of ordinary justice has been affected and the Ministry of Justice objects to releasing more. The possibility of using experienced advocates for this work is being considered

2. The preliminary investigations of the first four grades of civil servants was completed in ten out of the thirteen Ministries by 30 December. In the remaining Ministries the Prime Minister used his power to retire all those officials whose cases had not been investigated by that date, and will subsequently withdraw the order for retirement in those cases where the completion of the investigation shows there was no guilt. These investigations should be completed by 15 January

3. The time limit for the completion of the preliminary investigation in all other cases was 28 January. As these investigations could not be completed by that date a decree was issued extending this time by one month for cases to be dealt with centrally and by three months for those to be dealt with provincially.

4. The preliminary investigations to date resulted in 16,500 persons being committed for hearing. This is estimated to contain 60% of the first four grades, 20% of the middle grades and only 1% of the lowest grades.

5. Nearly 1,900 of those committed for trial were suspended previously by the High Commission as their fascism was so notorious that their retention was detrimental. 2,900 officials were suspended at the request of other than the High Commission, including a large proportion by AC officers. By present standards many of these would not have been suspended and will probably be reinstated after trial.

6. 3,600 cases of the 16,500 have already been heard and 600 dismissed, 1,500 given a lesser punishment and 1,500 acquitted. Most of those acquitted were suspended by AC officers in the early days.

7. The High Commissioner lodged over 200 appeals against these decisions.

Mine Clearance.

8. Good progress was made in mine clearance but was handicapped by shortage of equipment and transport.

9. The undermated are engaged in mine clearance in liberated ITALY:

Declassified E.O. 12356 Section 3.3/NND No. 785046

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9. The undermentioned are engaged in mine clearance in liberated ITALY:

(a) Trained:

561 Italian Mine Clearance Company	Str	209
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Civilian scouts, trained and working	Str	307
		725

(b) Under Training:

Civilians	Str	160
Total Personnel		885

Declassified E.O. 12356 Section 3.3/NND No. 785016

10. The 561 Company was working at GAETA where the terrain is difficult. Most of the buildings were demolished and the ruins mined. Work was necessarily slow and the number of mines removed smaller than in minefields.

11. The 562 Company was working in and around PESCARA and CHIETI. The area is a vast mine belt containing many thousands of mines.

12. Civilian squads were working at PISA Province LUCCA, LIVORNO, PISTOIA, PERUGIA, TERNI CHIETI, ORTONA, VIAREGGIO and FLORENCE.

13. Centres of Instruction were opened at PISTOIA and VITERBO. The centres of instruction at CHIETI, SPOLETO and TERRACINA continued to train workers and the centres of instruction at PISA and LUCCA will shortly be holding further courses.

14. A total of 114,311 mines were removed in all areas during the month.

Devastated Areas.

15. A G.T. Company was temporarily allotted to augment existing transport in the devastated areas, and with this assistance, many tons of clothing brought to the country under the auspices of National Agency for the Distribution of Relief in Italy, and 4,000 blankets from Allied Military sources, were distributed.

16. The housing decree, published in the Gazzetta Ufficiale of 12 December, provided assistance for individuals to rebuild damaged buildings, and coal was allotted to enable cement works in the neighbourhood of PESCARA to resume work.

LOCAL GOVERNMENT SUB-COMMISSION.

17. The problem of the Sindaco of NAPLES was satisfactorily solved by the appointment of Avv. Gennaro FERRARIELLO, who takes up office on 8 January. He was assured of the unanimous support of the Comitato di Liberazione, and will begin functioning with a Vice-Sindaco and a Giunta of fourteen members.

18. In PALERMO Province Prefect D'ANTONI was replaced by Dr. BATTLATI, a career official. When the change was made the Ministry stated that it had been necessary due to recent disturbances.

19. A substitute for Prefect GIUDICHELLE of CATANIA had to be found as he proved incapable of meeting the situation during the recent incidents. The Ministry of Interior sent Prefect VIERNI to take over office temporarily, but has since asked formally for him to be appointed Prefect.

20. In view of the possible shortage of senior officials for the administration of Northern Provinces the Ministry of Interior agreed to promote a number of younger officials. It was proposed to the Ministry that a "pool" of junior officials be formed to meet first demands in newly liberated Provinces.

PUBLIC SAFETY SUB-COMMISSION.

21. The most important feature of December was the disturbance in SICILY largely due to the military call-up. Protest demonstrations, the first of which occurred in PALERMO on 11 December, rapidly spread to other cities and [illegible] became so serious that Italian Military Units had to be called in by

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22. The Ministry of War agreed to place at the disposal of Carabinieri in SICILY, two cars, 24 trucks and 24 armoured vehicles for two mobile battalions, each of 500 Carabinieri. The vehicles were expected to be in service on the Island early in January 1945.

Declassified E.O. 12356 Section 3.3/NND No. 785016

23. On 22 December a raid by the Carabinieri in the Southern section of ROME resulted in the seizure of a considerable amount of firearms, grenades, ammunition and one radio transmitting set. 175 persons were detained for investigation, 24 of whom were arrested. Prosecution of 27 others is expected.

24. Armed robberies and brutality occurred in some areas but suitable action was taken.

25. The morale of police agencies improved further, but they still lack equipment, particularly motor transport, and are frequently faced with delinquents who are well equipped with both transport and arms.

26. The black market continued a major problem, with prices still on the upward trend. No cooperation was received from the populace who buy whatever possible at any price.

27. The trials of Major General DEL TETTO and Lieut. General PENTIMALLI held in the High Court of Justice, ROME, took place without incident. The defendants were sentenced to 20 years imprisonment each. This trial was a preliminary to the larger issue involved in the forthcoming prosecution of General ROATTA and 13 others on 22 January.

28. An enemy agent named POLETTI was dropped by parachute in the Province of MESSINA, SICILY on 30 December and arrested.

29. Efforts were made to re-establish the central registry of criminal records which was destroyed by the Fascists and Germans.

PUBLIC HEALTH SUB-COMMISSION.

30. Two cases of typhus were reported from the outskirts of NAPLES during the month. Demonstrations on typhus control measures were held in ROME for the Provinces of LAZIO-UMBRIA Region, and the Typhus Demonstration Unit began a tour of ROSARNO Region and Fifth Army area. Disinfestation of the Regina Coeli prison in ROME began and incoming refugees and refugee camps were disinfected.

31. The Italian Government ordered material and equipment for anti-malaria work for 1945 and Rockefeller Foundation and UNRRA promised assistance for the coming year's anti-malarial programme.

32. The infant mortality figure for November was 100.2 and not 134.9 as previously stated.

33. The ROME Institute of Public Health produced vaccine for the protection of cattle against brucellosis in addition to anthrax vaccine. The ROME Veterinary Laboratory produced vaccine against foot and mouth disease. There was little rabies in the country except in PERUGIA Province where active measures were taken to eradicate it.

34. ENDIMEA, the Italian Agency for distributing medical supplies, was not successful during the first month of operation and distribution of supplies

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34. EIDIMA, the Italian Agency for distributing medical supplies, was not successful during the first month of operation, and distribution of supplies was badly held up. Corrective measures were taken.

35. The Medical Supply Branch with the cooperation of the Industry Sub-Commission put 4 pharmaceutical firms and 3 biological firms into partial production during the past year. Penicillin was given to two biological firms and in due course small quantities of this drug should be available for use.

36. The Welfare Branch distributed food and clothing to the devastated areas and helped American Relief for Italy Inc. in the handling of 1,500 tons of clothing. It was arranged that discarded clothing and shoes from naval and military sources will in future be distributed to the needy.

Declassified E.O. 12356 Section 3.3/NND No. 785016

LEGAL SUB-COMMISSION.

37. Additional Italian judges are required for the increased number of Italian criminal cases and cases involving Allied interests, and for the epuration committees. Judges who have themselves been epurated will have to be replaced.

38. A new directive was prepared with the Office for Publication of Laws of the Ministry of Justice on the implementation of Italian legislation in Military Government Territory.

39. The extent of the jurisdiction of the Epuration Commission over Italian Judges serving in colonies administered by British Military authorities was examined.

40. Allied Military Courts in BARI Zone operated effectively and a directive on Italian law applicable to theft or damage to ammunition and other war stores was distributed.

41. Three death sentences for espionage were imposed and submitted for confirmation.

EDUCATION SUB-COMMISSION.

42. Paper, inks, etc. for printing and binding arrived from the UNITED STATES and 950,000 defascized elementary text books have been printed to date and distributed.

43. By using make-shift buildings and double sessions most of the children in liberated ITALY can now go to school.

44. The need for building material especially glass, was acute. School superintendents were authorised to close schools during severe weather and carry on into next summer to make up lost time. No progress was reported in ROME in repairing and disinfecting schools, 92 of which remained closed as a result. Elsewhere much more energy and ingenuity were used and buildings were either sufficiently repaired to function (usually without glass) or alternative locations were found.

45. SAN MARINO Republic asked for help in opening schools. A survey was made and preliminary steps taken to this end.

MONUMENTS, FINE ARTS & ARCHIVES SUB-COMMISSION.

46. In ROME the Exhibition of Masterpieces of European Painting was again extended and will remain open throughout the month of January. There were 23,000 visitors during the month of December. The National Gallery of Modern Art was opened to the public.

47. On 22 December during a violent windstorm some of the 14th century frescoes by the Sienese artist BARNA collapsed in the Collegiata at SAN GIMIGNANO. The plaster on which they were painted covered the bricked-in windows of the Romanesque church. These fill-ins were apparently weakened

Declassified E.O. 12356 Section 3.3/NND No. 785016

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MONUMENTS, FINE ARTS & ARCHIVES SUB-COMMISSION.

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47. On 22 December during a violent windstorm areas of the 14th century frescoes by the Sienese artist MARTINI collapsed in the Collegiata at SAN GIMIGNANO. The plaster on which they were painted covered the bricked-in windows of the Romanesque church. These fill-ins were apparently weakened during the German bombardments of the town and the windstorm completed the damage. Measures to safeguard the remaining frescoes and to strengthen the walls of the church were taken.

48. Excellent cooperation with the Eighth Army was achieved in protecting the world-famous early monuments in RAVENNA and a local committee was formed to help in the repair projects necessary. All the great mosaics were virtually intact, and only two monuments of highest importance received severe damage: S. GIOVANNI EVANGELISTA and S. MARIA IN PORTO FUORI.

Declassified E.O. 12356 Section 3.3/NND No. 785016

49. Three important reports on the location of movable works of art were transmitted to WASHINGTON and LONDON during the month. The first concerned the treasures placed in deposits in TUSCANY; the second, those in the deposit of LAZIO, and the third the present location of the objects shown in the MUSEO D'OLTREMARE at NAPLES in 1940.

50. A documented report was received from Prof. PASOLI of the Uffici in FLORENCE concerning the objects removed from the Tuscan deposits by the Germans.

51. CHIUSI was visited in order to inspect the damaged museum and important fragments of Etruscan pottery were brought to ROME for repair.

DISPLACED PERSONS & REPATRIATION SUB-COMMISSION.

52. By 4 December 4 790 Yugoslavs had been repatriated to YUGOSLAVIA. Subsequent moves were cancelled by the Yugoslave Government due to lack of accommodation and food in YUGOSLAVIA. 1,400 now await repatriation.

53. Camp Commanders and their staffs organised Christmas and New Year festivities for all refugees in Allied national camps, which were greatly appreciated.

54. There was less illness and epidemics of infectious diseases subsided, though a few cases of chicken pox were reported.

55. 5,000 Italian refugees were repatriated to the south from Army areas. Good work was done by the UNRRA teams loaned to assist at FORT AURELIA Italian refugee camp, near ROME.

56. The Banca d'Italia was authorised to advance the total sum of 12,100,000 lire. 5,000 displaced persons benefited from these advances. The average payment authorised was, to a householder 3,950 lire, and to others 2,440 lire.

57. One of the more important agencies distributing equipment and clothing to the needy in ITALY was American Relief for Italy Inc., which worked in liaison with HQ Allied Commission. Shiploads of supplies from the UNITED STATES arrived and considerable amounts of food and clothing was and will be distributed.

58. The fact that clothing reached many communes before the snows in high altitudes had a good moral effect.

59. The Vatican ship from BARCELONA discharged 197 tons of food supplies including coffee, sugar, tea etc. This will be railed to ROME.

60. The last relief ship on present schedule is discharging at NAPLES.

61. High priority was obtained for a further ship to leave NEW YORK by the end of January with 1,400 tons mixed cargo on board including 50 trucks for E.N.D.S.I. (Ente Nazionale Distribuzione Soccorsi in Italia).

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PATRIOTS BRANCH.

62. Sufficient quantities of equipment and clothing are in hand to meet immediate requirements and reports from Fifth and Eighth Armies showed that the Reception Centres were working smoothly. There were approximately 900 patriots in the Centres under Fifth Army control and less than 500 in the centre under Eighth Army control.

63. A Recruiting Agency was sent to Fifth Army area and, in addition, one resident Recruiting Officer was located at each Patriot Centre. There was a considerable increase in the numbers volunteering for the Italian Army.

Declassified E.O. 12356 Section 3.3/NND No. 785016

PART III

ECONOMIC SECTION

AGRICULTURE SUB-COMMISSION

1. The Sub Commission continued to work closely with the Ministry of Agriculture and officials on the development of an over-all agricultural program for Italy. Some personnel changes took place within the Ministry which should improve the operation and administration of its technical branch.

2. The movement of wheat seed was completed in Central and Southern Italy and a high percentage - 98 in LAZIO-UMBRIA Region - of wheat seed requirements were met. 1027 tons of seed potatoes were moved from AVELLANO to SICILY though this was only 20 of the estimated requirements. Some potatoes were sent to APULIA, but the quantity will be far short of the minimum requirements.

3. The estimate of agriculture, forestry and fishery import requirements prepared jointly by the Italian Ministry of Agriculture and the Agriculture Sub Commission was completed and submitted to the Economic Section on the 30 December 1944. It covered a period of 18 months broken down into units of six months. The principal items were for agriculture -- fertilizers, pesticides, farm power and machinery; for fisheries -- thread for nets, cables, tin and marine power; for forestry, saws, axes and saw mill requirements. The estimated landed cost of the imports is 37 million dollars.

4. The movement of surplus citrus fruit from SICILY to Central Italy continued with promise of quantities being available for areas other than ROME.

5. By the end of December, 89 of the estimated wheat collection for liberated Italy had been delivered to the "Granai del Popolo".

6. The olive oil amassing was most unsatisfactory. By the end of the month only 101,347 quintali had been amassed in liberated Italy compared with 353,610 quintali at the same date in 1942-43. In view of this serious position the Minister of Agriculture asked the Allied Commission for active assistance in the amassing program. The Allied Commission undertook to supply 60 Officers with transportation to assist the Italian Government in its oil amassing program. These will commence operations in January.

7. By a Decree dated 2 December 1944, 500 million lire were appropriated for the repair and reconstruction of war-damaged public reclamation areas.

COMMERCE SUB-COMMISSION

8. December was a month of handing over to the Ministry of Industry, Commerce and Labour, and coaching Ministry personnel in the work of freezing, releasing, and preparing availability reports of controlled materials.

9. The Italian Press Commission was unable, on account of lack of warehouse space, to take over the control of [illegible]

Declassified E.O. 12356 Section 3.3/NND No. 785016

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9. The Italian Press Commission was unable, on account of lack of warehouse space, to take over the control of newsprint stocks, and the transfer of control was therefore deferred until January. Imports of newsprint were at a bare minimum, and stocks will only cover requirements up to February 1st.

10. The Ufficio Provinciale del Commercio e dell'Industria of Naples assumed supervision of the repair of salvaged army boots in Southern Region, but was unable to take over supervision of the repairing and dyeing of salvaged army clothing, owing to the lack of transport and warehousing facilities. The Sub-Commission therefore set up the necessary organisation, using AFA funds. Six factories were put into operation for repairing clothing, contracts were placed for dyeing, eight warehouses were requisitioned, and the necessary supplies of dye, thread, needles and pins were obtained. Production at the rate of 2,000 garments a day commenced, and has already been increased.

Declassified E.O. 12356 Section 3.3/NND No. 785016

11. Shipments for exports during the month totalled 8,445 tons, valued at 65 ½ million lire, whilst a further 8, 755 tons were at the ports, awaiting shipment at the end of the month. The shipping situation remained difficult, and much of the above material was lying at the ports for some time; a further ,873 tons was called forward to the ports for January. Total exports since the Allied occupation have now passed the one billion lire mark.

12. Shipments of lemons to U.K. during this season now total 13,319 tons. Further purchases were suspended whilst the question of freight rates on timber for lemon boxes was under consideration.

13. Difficulty in moving mainland stocks greatly affected the chances of exporting sulphur to any extent during the first half of 1945, only 10,000 tons being available against total Mediterranean requirements, excluding Italy, of 28,000 tons.

14. 2,100 kilos of silk stolen at NAPLES in October 1944 was recovered; a survey of ANCONA region disclosed 6 filatures in good working condition and 12,000 kilos of dried cocoons amassed, with a possibility of amassing a further 20,000 kilos.

FINANCE SUB-COMMISSION

15. The Italian Government's Financial Mission to the United States continued its discussions with the U.S. Treasury Department during December. The Mission made a number of technical proposals dealing with the provision of lire to the Allied Forces, accounting for imported supplies, and further dollar credits, but the Treasury had, at the end of December, made no reply to such proposals.

16. During December it was felt that the time was appropriate to discuss formally and on a broad basis with the Italian Government the question of Italy's foreign exchange position and policies. Informal conversations had been carried on with the Minister of the Treasury for several months, but without any positive action. The Minister appeared to favour the retention of Istcambi, while the Finance Sub-Commission recommended that the necessary executive organisation be established within the Banca d'Italia. In order to bring the problem to the attention of the President of the Council of Ministers and to stress that it was a matter of national importance, involving several Ministries, the views of the Finance Sub-Commission were embodied in a letter sent to H.E. Ivanoe Bonomi by the Chief Commissioner. At the same time, a letter was addressed to the Minister of the Treasury, outlining the immediate tasks that will confront the new exchange control organisation.

17. On 23 December 1944 the Minister of the Treasury made his third budget statement. In this lengthy document, not all of which was made public, he estimated that the total budgetary deficit may approach 150 billion lire for the fiscal year 1944-45.

18. Pursuant to authority received from the Combined Chiefs of Staff, the Minister of the Treasury was informed that the estimated aggregate amount of AM lire in the hands of banks and the public in Italy at the end of October 1944 was 44 billion lire. Of this amount 6 billion lire was issued through the Allied Commission or Allied Military Government to meet the necessary currency

Declassified E.O. 12356 Section 3.3/NND No. 785016

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19. In implementation of the statement by the President of the United States on 10 October 1944, and pursuant to instructions received through the U.S. State Department, the President of the Council of Ministers was informed that the amount of dollars corresponding to the amount of lire paid to civilians by American troops in Italy out of their pay was estimated to be in excess of one hundred million dollars.

20. The excess of purchases over redemptions of all Italian Government bonds was 2,405 lire in November. This figure compares with a monthly average of 1,875 million lire for the previous four months of the current fiscal year.

Declassified E.O. 12356 Section 3.3/NND No. 785016

21. The new major tax revision decrees were published during December, and work on a number of less important taxes proceeded.

FOOD SUB-COMMISSION

22. Despite the cessation of the general issues of miscellaneous commodities in urban centres, the general supply situation during December was reasonably satisfactory, because greater supplies of local produce came on to the market for the Christmas period.

23. In areas where local produce was not available, however, grave feeding problems arise, as for instance in LIVORNO Province (in which lies the important port of LEGHORN). Here, to deal with the problem a concession was made, and supplies of pasta, soup and dried vegetables were authorised to enable a soup meal to be served to workers in addition to the present midshift meal authorised for heavy workers employed by the Allied Forces.

24. Another instance was the evacuated areas which have no local resources to supplement the basic ration. There are about 200,000 roofless persons in these areas concentrated over six provinces and special provision for their feeding was made.

25. Stocks of local grain at the end of the month were satisfactory (487,000 tons in all), but were concentrated largely in Central Italy. In South ITALY and the Islands the grain from last year's harvest is practically exhausted and these regions have now to be fed almost entirely upon imported grain. The irregularities in the arrival of cereal ships continued, thereby causing near-crises in the bread supply of several regions in the South, and emergency adjustments had to be made. The ROME grain situation, however, improved, and at 31 December there was a 25 days supply in the city, the highest since the occupation.

26. Imports for the month showed an improvement over November, but as these included considerable quantities which are to be stockpiled for eventual use in Northern ITALY when liberated, there were no greater amounts available for general distribution.

27. Early reports of the result of the crushing of the new olive oil crop were disappointing. Pending a fuller report of the ration possibilities for 1945, authority was given to issue three decilitres a head for December. The quantities required for ROME and NAPLES were distributed from the stocks of old crop oil.

28. Progress was at last made in attempts to persuade an Italian Government organisation to take over complete control of food questions in liberated ITALY. A High Commissioner of Food with direct access to the Cabinet was appointed and started to organise his Department.

29. During the period 26 November to 30 December approximately 17,000 tons of non-rationed food was brought into the ROME market, i.e. an average of 500 tons a day. 1,500 tons of common wine also arrived. Larger boats (Coasters or Liberties) with both citrus fruits and common wine now arrive regularly.

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INDUSTRY SUB-COMMISSION

30. During December assistance was given to the Ministry of Industry, Commerce and Labour in preparing a programme of Essential Imports for the Industrial rehabilitation of ITALY.

31. Further assistance was given to the Soda Solvay Works at ROSIGNANO, which when running can produce all the caustic soda and sodium carbonate needed for the whole of ITALY, thus making importation unnecessary, and enabling industries dependent on these products to start functioning.

Declassified E.O. 12356 Section 3.3/NND No. 785016

32. Industrial gases and calcium carbide manufacture received considerable assistance. Given the necessary electric power, TERNI should soon produce 600 tons of calcium carbide monthly.

33. The PERUGIA match plant which closed down owing to lack of power, is to start producing again, thus relieving the critical situation in matches.

34. Food processing was transferred during the month from Food to Industry Sub-Commission, and surveys of sugar beet processing plants were pushed forward vigorously. It is hoped to produce substantial quantities of sugar by Autumn 1945.

35. Soap production continued but was hindered by the transport difficulties of moving sulphur oil to the factories.

36. Map paper for the British Army will be produced at FABRIANO (ANCONA) to AFHQ Survey Director to specification: all arrangements are in hand and 100 tons will be produced a month. Newsprint and 'standard' paper were produced under A.C. supervision at four mills.

37. Sardinian coal mining caused concern due to lack of labour and transport.

38. Superphosphate Fertilisers were produced at four plants, two more will start operating almost at once, and three more will follow early in 1945. Copper sulphate production will start shortly at BAGNOLI on delivery of copper and brass military scrap and of copper matte from SARDINIA.

39. Hemp production continued and 1,200 tons were pooled during the month. Power for hemp was available, but transportation thefts and contraband activities reached considerable proportions.

40. The TORRESPACCATA Plant of PIRELLI is now ready to reclaim rubber for manufacture of tyres, soles and heels, and automobile accessories. Efforts were made to obtain derequisition from the British Army of the PIRELLI ROME Plant for the manufacture of soles and heels and other articles.

LABOUR SUB-COMMISSION

41. The labour situation was fairly satisfactory and there were few serious disturbances.

42. Due to the Ministry of Industry, Commerce and Labour's drastic budget cut many activities of the Labour Offices in Italian Government territory will be curtailed.

43. Several industries and trades, including the sulphur mines, were investigated.

44. The Sub-Commission drafted a standard provision to be incorporated in all contracts between Allied Armed Forces and private Italian contractors governing the payment of wages and social benefits to contractor's employees. The standard provision was approved by Allied Forces Local Resources Board and is now being published by AFHQ. It protected the Armed Forces against overcharges for

Declassified E.O. 12356 Section 3.3/NND No. 785016

of moving sulphur ore to the factories.

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PUBLIC WORKS & UTILITIES SUB-COMMISSION

45. The number of qualified and experienced Italian engineers was still far below requirements for the vast repair and reconstruction programmes before the Government. Salaries offered were deplorably inadequate, often below the wage of a semi-skilled workman. Successive Ministers have failed to improve matters and an individual was asked to hold at times more than one

one/appointment

Declassified E.O. 12356 Section 3.3/NND No. 785016

appointment drawing a double or triple salary. Alternatively, fees were paid to whole-time professional men, such as Consulting Engineers, according to plans and estimates prepared. The only judge of these plans is often the man himself and abuses are inevitable. The Minister was warned of these dangers.

46. At the special request of the Chief Engineer, AFHQ, the Allied Commission assumed responsibility for all roads and bridges (Military Lines of Communication) to LEGHORN. Every item of contractors' plant was mobilised. During the month an important conference was held, convened by the Chief Engineer No.I District, which settled organisational details regarding roads and bridges and the further tasks of the Commission. Ten special inspections were made of all military routes between NAPLES, ROME, LEGHORN and FLORENCE. Portable bridges (Bailey type) were removed at six out of seven sites South of ROME and were replaced by more permanent structures. North of ROME reconstruction on 25 large bridges will start shortly.

47. At the end of December the following were in progress:

(a) Projects of Military priority:

	Number	Value (Lire)
Highways	175	590.000.000
Bridges	286	414.000.000

(b) Other Projects(...C. Responsibility).

Miscellaneous	699	663.000.000

(c) Other Projects(Italian Responsibility).

Miscellaneous	673	871.000.000

(d) Bridges rebuilt to date: 736

(e) Roads under maintenance: 6.000 Km.

48. By the end of December 2.000 Km of transmission lines were restored in Central ITALY and 21.000 Kw of hydro-electric generating plant. A "master-control" station will be established in ROME to regulate output, loading of transmission lines, maintenance of standard voltages and frequencies at a fixed figure (45 cycles). This is a major change of policy, which has never before been attempted in ITALY, involving the "pooling" of resources and the acceptance of unified control. The Electrical Reconstruction Committee approved the change. By June 1945 it is expected that 300.000 Kw of plant will be in operation as opposed to 50.000 Kw in June 1944, though it will still be only one-third of normal requirements. Power allocations in TERNI and ROME areas will not be increased until additional output is available. Insulating materials and transformer parts arrived in small quantities. ROME now has 30% of its normal supply of electricity as against 17% when the City was occupied in June.

TRANSPORTATION SUB-COMMISSION

Declassified E.O. 12356 Section 3.3/NND No. 785016

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TRANSPORTATION SUB-COMMISSION

49. The A.C. played a prominent part in reconstruction and rehabilitation work on twelve major projects in forward rail heads, including the supervision of repair of the rail line from ORTONA to ANCONA. Owing to the semi static conditions on the fronts, the forward railheads remained at CASENA on the East coast and PISA on the West.

50. The New Works and Contracts Committee, formed jointly of Military Railway Services, Italian State Railways and A.C., satisfactorily settled problems on construction, supply, finance and, to some extent, shortage of freight cars.

Declassified E.O. 12356 Section 3.3/NND No. 785016

51. There were still no passenger services working North of ROME but additional facilities were provided for civilian railway travel between ROME and CIVITAVECCHIA. A tri-weekly service between ROME and NAPLES will shortly be instituted.

52. Five companies out of a complement of eight in the Italian Truck Bn were fully employed on various hauls in the forward areas. Of the remainder one worked in ROME under Transportation Sub-Comission and the other two are not fully formed owing to lack of Italian personnel.

53. Four G.T. Coys. were in operation, two in Army areas and two further to the rear of AMG territory.

54. Negotiations proceeded with the Ente Nazionale Autotrasporti Cose (ENAC), the Italian Governmental agency which will license and issue permits for petrol to all road vehicles concerned in the transportation of goods and passengers. It will also coordinate all road haulage movements. ENAC will not function in AMG territory but transportation is being organised on a similar system to facilitate an easy change over to ENAC when AMG territory is taken over by the Italian Government.

Declassified E.O. 12356 Section 3.3/NND No. 785016

PART IV

PUBLIC RELATIONS BRANCH AND INDEPENDENT SUBCOMMISSIONS

PUBLIC RELATIONS BRANCH

1. The most important developments of the month centered around Italian films and introduction of Allied news agencies into the Italian theatre. Approval was given by SACMED to the distribution of news in Rome only by Allied news agencies from January 15 The ban on Italian news agencies was lifted from the same date Approval was also given by SACMED to the establishment of a Temporary Film Board to regulate the Italian film industry and discussions were initiated between AC, PWB and the Italian Government regarding the drafting of a necessary decree

2. The number of Italian correspondents permitted to cover news grew to 62 who were issued official accrediting cards. Twelve neutral correspondents also have these privileges.

3. The work of the Archives Section of the Public Relations Branch made progress in gathering, arranging and collating the records of the Allied Commission preparatory to eventual turning over to official record agencies of the British and American Governments.

NAVY SUBCOMMISSION

4. Cruisers and destroyers of the Italian Navy continued their useful work of transporting troops and stores in the Mediterranean. The work of the dockyards, one of the most important contributions made by the Italians to the Allied war effort, proceeded satisfactorily.

5. The Navy Subcommission requested numerous Allied authorities to supply information regarding benefits to be derived from a greater use of the port of PIOMBINO. It is hoped that the replies received can then be used to formulate instructions to the Ministry of Marine which will assure maximum assistance from the Italian Navy. Present indications are that increased use of PIOMBINO for off loading civilian supplies would greatly relieve the port of LEGHORN.

6. The Ministry of Marine was asked to supply complete information regarding the number of schooners that can be handled by the Italian Navy Port organization at SAN STEFANO.

7. 2000 volunteers were enrolled into the Italian Navy to replace an equivalent number of time-expired men. These were the first volunteers to be accepted since August 1943.

LAND FORCES SUBCOMMISSION (MAIA)

8. The call-up of the 1914-1924 classes in SICILY began on the 4 December. It caused serious clashes between youths eligible for service and the Italian military authorities. In spite of pressure to postpone the call-up temporarily the War Ministry was instructed to continue and to take severe disciplinary action against those refusing to report.

9. The Allies were supplied with manpower from call-ups and personnel [illegible] and GREECE. Over twenty-one thousand Italian Military [illegible] fit for service

Declassified E.O. 12356 Section 3.3/NND No. 785046

who were issued official accrediting cards. Twelve neutral correspondents also have these privileges.

3. The work of the Archives Section of the Public Relations Branch made progress in gathering, arranging and collating the records of the Allied Commission preparatory to eventual turning over to official record agencies of the British and American Governments.

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LAND FORCES SUBCOMMISSION (MALTA)

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9. The Allies were supplied with manpower from call-ups and personnel repatriated from the [illegible] and CRETE. Over twenty-one thousand Italian Military were evacuated from GREECE and a considerable proportion of those fit for service was allotted to the Allies, the largest proportion as reinforcements to the Combat Gps and Pack Tpt Coys.

10. The PICENO Gp, originally one of the Combat Gps, was disbanded because of the urgent need for Carabinieri and muleteers due to the poor response to the call-ups and the Allies' demand for muleteer reinforcements.

11. Of the five combat Groups four were engaged in higher training during the month and are ready to move forward. The Fifth Group which was on Internal Security duties in the SOUTH made a good start with individual training.

Declassified E.O. 12356 Section 3.3/NND No. 785016

12. The Reinforcement Training Centre and Schools for the Combat Force are now situated in CESANO-BRACCIANO area. This centre will deal with about 2,000 trained reinforcements a month and can accommodate 12,000 men. The permanent staff is composed of personnel from the former PICENO Group.

AIR FORCES SUBCOMMISSION

13. The Italian Air Force continued to support the Allied war effort in active operations over the BALKANS. The scale of effort during the month was considerably reduced, partly due to bad weather conditions and partly to the fact that the enemy has withdrawn northwards in the BALKANS and is moving out of range of the Italian Fighter Wing. On 14 days during the month the only flying possible was weather reconnaissances.

14. The number of sorties carried out by the Fighter Wing were considerably reduced for the reasons given above. On the other hand results were satisfactory and enemy transport was damaged or destroyed. The serviceability of fighter aircraft decreased slightly. This was expected because of the intensive nature of the operations carried out during December. A quantity of Daimler-Benz engines and spares for them were discovered in FRANCE and were released for the Italian Air Force by SHAEF.

15. There was little demand for the Seaplane Wing except for Air/Sea Rescue service. Preparation for the use of the seaplanes on the Transport Service continued.

16. Both the Light Bomber Squadrons are now at their operational base and made a satisfactory number of sorties throughout the month. Serviceability remained good.

17. In spite of bad weather conditions, nearly the same number of sorties was carried out by the Bomber Transport Wing during the month as during November. A satisfactory weight of supplies was either carried or dropped, and a number of British and other personnel and equipment evacuated from the BALKANS. The serviceability of the Bomber Transport aircraft remained the same. Tires were the biggest difficulty and unless suitable sizes can be found the aircraft will shortly be grounded. A quantity of engine spares were found in the Middle East and released for the Italian Air Force.

18. The number of sorties carried out by the Courier/Transport Squadron was satisfactory and the service was much used by Government officials who would otherwise have lost much time through inadequate road and rail facilities.

19. The School is now ready to accept pupils and has its full quota of training aircraft and instructors. The first course will start as soon as the pupils arrive, though for the moment there is a surplus of trained crews.

20. The morale of the Italian Air Force remained high. The Fighter Wing was naturally anxious to be moved to a base from which they could again carry on their good work against the enemy.

COMMUNICATIONS SUBCOMMISSION

21. Civil telegraph and provincial telephone services were authorized in the additional provinces of ANCONA and PERUGIA.

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Declassified E.O. 12356 Section 3.3/NND No. 785046

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22. Civil telegraph service from ROME to the South was much improved during the month by the release of circuits from Allied use and by the installation of equipment transferred from SICILY.

23. Many additional telephone exchanges in Military Government territory were opened and many more are practically installed; this is the result of work in progress since July. PISA, MACERATA, TERAMO, MONTECATINI, FLORENCE, LUCCA and PESCARA are among the towns with new services.

24. Long distance telephone services were authorized in all Italian Government territory, except FOGGIA Province.

25. Mail services were extended to the provinces of ANCONA, PERUGIA, SIENA, AREZZO, LIVORNO, FLORENCE, and PISA (the last two up to the R. ARNO only).

Declassified E.O. 12356 Section 3.3/NND No. 785046

26. Censorship was closed in the provinces of FROSINONE, LITTORIA, VITERBO, CHIETI and RIETI, and opened in the provinces newly included in postal services.

WAR MATERIALS & ITALIAN P.W. SUBCOMMISSION

27. In December, 54 derelict vehicles recovered into ROME were inspected. Of this number 12 were returned to Italian War Ministry and 42 were handed over to LAZIO-UMBRIA Region, Transportation Division, for repair and rebuilding.

28. Scrap material was cleared from twenty railway wagons in ROME. Five wagons containing Italian machine gun parts were handed over to the Italian Directorate of Artillery and six wagon loads of factory equipment were despatched direct to interested firms.

29. Vehicles operated by the ROME transport pool are using German tires and it has been decided that they would not be confiscated, but that the Subcommission would issue permits as and when necessary for the use of such tires.

30. Credit balances of repatriated PW totalling 4,400,000 lire were cleared through the Subcommission during December.

31. Allotments made by Italian cooperator PW amounting to 20,000,000 lire were forwarded to the Italian Government for payment.

32. The policy of transferring as much responsibility as possible to the Italian Government on the question of Italian PW was continued.

33. During November and December a total of 20,000 Italian PW and soldiers were repatriated from the BALKANS and FRANCE. A considerable number have been ear-marked to go back into the Italian Army as combat troops after a period of leave.

34. Italian PW in AFHQ continue to receive 6,000 copies of PWB's "Notizie" per day, and the Italian Red Cross have arranged for the supply of suitable books.

35. The plan for the repatriation of half a million Italian PW was being prepared and should be available early in January.

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HEADQUARTERS ALLIED COMMISSION
APO 394

Ref: 824/COS. 30 January 1945

MONTHLY REPORT

NOVEMBER 1944

PART I	-	AMG Armies and Regions	Pages 1 - 14
PART II	-	Civil Affairs Section	Pages 15 - 21
PART III	-	Economic Section	Pages 22 - 33
PART IV	-	Political Section Public Relations Branch Navy Sub-Commission Land Forces Sub-Commission (MMLA) Air Forces Sub-Commission Communications Sub-Commission War Materials Disposal and Italian P.W. Sub-Commission	Pages 34 - 39

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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Declassified E.O. 12356 Section 3.3/NND No. 785016

PART I.

AMG FIFTH ARMY.

1. PISA Province was transferred to Regional Control with effect from midnight 25 November.

2. Apart from the repercussions in the Press from a visit of the Committee of National Liberation to ROME this has been a much quieter month politically. The tighter control over the movement of Cabinet Ministers and others into the Army Area has doubtless contributed. At the end of the month the parties are presumably waiting to see the outcome of the impasse in ROME and it is expected that activity will increase when the composition of the new government is known. There is a general hope that a new government can be found which is more efficient and energetic, especially about Defascism, than the last one. There is also a widespread demand for action on the institutional and electoral question in spite of the impossibility of such action at this time.

3. Except in the areas where gunfire is audible the people are less friendly with the Allies. (The contrast in the attitude between the ARNO Valley and a village within a few miles of the Germans is very striking.) This is attributable to the restrictions and inconveniences caused by the presence of large numbers of troops and to the inevitable reaction to the insufficient food supplies in the towns. It was felt that after the American Presidential Elections the implementation of the promised 300 gramme bread ration would be immediate and the apathy born of disillusionment is now creeping in. Public morality is also deteriorating, though of course it has a long way to go before it reaches the level of, say, NAPLES.

4. The refunctioning of nearly all the hotels, restaurants, and clubs of FLORENCE for Allied use, chiefly British, continues to be a sore subject with the Italians, who sometimes say that it is far too difficult for an Italian civilian to obtain a meal or room for the night by honest means.

5. Sugar is non existent and soap is short supply. Salt is sufficient for an increased ration of 210 grammes per month but there is none available for curing the hogs which are now due for slaughtering in some areas. Apart from these items it has been possible to distribute supplies satisfactorily to implement the existing ration scales. It is not considered however, that the towns, especially FLORENCE, are receiving sufficient to maintain full health and efficiency. The POL situation is satisfactory. Some 11,000 gallons a day are being drawn from the Fifth Army.

6. The rehabilitation of industry proceeds very slowly owing to the absence of electric power, the necessary materials for repairing plants and raw materials for manufacture. No early solution to these problems can be foreseen.

7. Much progress has been made in planting winter wheat and large quantities of seed wheat have been brought in from GROSSETO. At the end of the month the olive harvest was just starting. The crop promises to be a good one and in spite of the destruction of the largest presses sufficient small mills have been put

0869
Declassified E.O. 12356 Section 3.3/NND No. 785016

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8. The slaughtering of hogs in the mountain areas is handicapped by shortages of salt.

9. A great amount of work has been done helping the Army in labour procurement. In FLORENCE the demand exceeds the supply except for white-collar workers. In the rest of the area there is widespread unemployment and supply exceeds the demand. At the same time there are insatiable military demands for labour in LIVORNO and in the mountainous areas near the front, but there are no facilities in either case for housing and feeding the workers required.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

10. Progress has been made in repairing the Bonifica near VIAREGGIO which is ready to operate as soon as power is available for the pumps.

11. The security problem continues to be of paramount importance and large numbers of enemy agents have been caught: about 60 now await trial as soon as the cases have been prepared. Heavy demands for Carabinieri Reals to assist in the control of movement have had to be met and it has only been possible to comply as a result of the presence in the area of men waiting to go North. Without their assistance in controlling movement it is improbable that such a large number of enemy agents would have been caught during the month. Carabinieri Reals continue to give very good service: their morale is good and cooperation with Corps and Divisional Military Police is excellent.

12. On 10 November a demonstration was staged by about 150 women outside the FLORENCE Prefettura demanding more milk, less Fascism and more epuration. The purpose was undoubtedly political but it is not certain who organised it. Both this and a smaller demonstration at REGELLO (FLORENCE Province) on 22 November were dispersed without difficulty.

13. The ten kilometre rule was abolished in FLORENCE Province South of the ARNO with effect from 25 November. It is hoped that this will allow a greater resumption of normal trade and economic activity within the Province than has been possible hitherto. The strict control of movement continues to bring to light many expired, altered or bogus passes, and the control is still far from satisfactory.

14. There are many signs of undernourishment in the large towns, especially FLORENCE. The shortage of soap is responsible for many local outbreaks of scabies. Typhoid has been on the increase, especially in PRATO where there are at present 250 cases. Diphtheria occurs sporadically throughout the area and there have been several cases in the FLORENCE Refugee Centre, necessitating the creating of an isolation block. There has been no case of typhus. Apart from the above general health continues to be satisfactory.

15. The A.R.C. Field Representatives continue to perform outstandingly good work on the reorganisation of civil hospitals in the forward areas. No praise can be too high for them.

16. The two centres, at FLORENCE and LUCCA, were kept open during the month. An officer from the Displaced Persons & Repatriation Sub Commission is on duty at the former, while the Sub Commission are taking over the latter at the beginning of December. In addition one of the tented camps from Eighth Army continued to operate under 13 Corps. 4200 persons were evacuated during the month of whom some 450 were returned to their homes locally. Half of the total have homes North of the battle line, the remainder wished to return South in any case. The bulk of the total were from a group of small communes right in the battle line who were evacuated for security reasons.

17. In the forward areas advances have been made direct to communes. In BOLOGNA Province a new system of Amassi financing has had to be devised in the absence of any Banks. Elsewhere the work has been more typically Regional in character. A number of Local Government Budgets have been passed, in most cases after drastic reduction in the estimates submitted. A Specialist Revenue Officer has been allocated to possibly to work in the Provinces.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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18. Arrangements have been made for restarting the FLORENCE Tobacco Factory on a limited scale. The factory at LUCCA is also working. The Salt factory at VOLTERRA is not working satisfactorily - in part this can be attributed to the usual causes of lack of fuel, etc., but to a large extent it is due to the character of the manager.

19. a) The educational activities during the month continue to be satisfactory. Notably is the situation excellent in FLORENCE City and Province where the Provvedi-tore agli Studi reports that for the City nine-tenths of the pupils are receiving daily instruction with a minimum schedule of two hours and with many pupils follow-ing a normal schedule. In the Province South of the ARNO most of the schools are now functioning and North of the ARNO the schools have been opened where possible and others are being reopened as rapidly as buildings can be found or be released by

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Declassified E.O. 12356 Section 3.3/NND No. 785016

Army Units.

b) The University of FLORENCE is carrying out its program of make-up courses and examinations preparatory to the beginning of a new school year in January quite satisfactorily. It is also offering short survey courses in Italian Language, Literature, History, and Art for Canadian soldiers in this area and has outlined a much more comprehensive program for all Allied personnel. This proposal is now being studied by the Education Officers of the American and British Forces.

c) The University of PISA was formally opened on 25 November and SIENA on 26 November.

d) Epuration has been completed in all three universities of FLORENCE, PISA and SIENA and is far advanced in all provincial schools.

20. a) For the first time since the landing at PAESTUM it is possible this month to record real progress in mine clearance. In FLORENCE Province this is due to local initiative in making use of the trained Unione Nazionale Protezione Antiaerea personnel available. They have done excellent work.

b) After many false starts the Italian Army School on the west coast has at last started to produce results. At the end of the month work was also starting in LUCCA Province and a school opened in PISTOIA. The difficulties confronting the officer in charge are considerable but the results achieved so far are encouraging.

21. On the 2 November the ARNO overflowed its banks and inundated the City of PISA. After considerable argument it was accepted as being the highest level the river had reached for 100 years. In PISA no serious damage was done except the covering of the streets with several inches of mud. Energetic emergency measures were necessary and the Prefect performed magnificently. It was fortunate that the consequences were not more serious. Headquarters escaped immersion by the narrow margin of two feet. War damage to drainage systems prevents the land from draining and large areas are still under water: they are likely to remain so until the Spring.

AMG EIGHTH ARMY.

22. No additional territory was handed over to regional control during the month.

All fresh territory occupied was in the Provinces of FORLI and RAVENNA. The provincial capital of FORLI was captured during the month and that of RAVENNA during the first few days of December.

23. Fresh territory occupied consists either of the rich agricultural plain with certain industrial areas or of the extremely mountainous last ridges of the APPENINES. Large areas of the plain are water logged and in some cases completely flooded owing to destruction of dyke retention walls. Administration of the mountainous country has become more difficult owing to the withdrawal of Bailey bridges on the mountain roads, and though all available help is being given by the Army, they themselves are short of material for the replacement of these bridges.

24. The details of a scheme for the amalgamation of the staffs of Region

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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24. The details of a scheme for the amalgamation of the staffs of Region EMILIA and AMG 8 Army (under the command of SCAO) were worked out and will be put into practice early in December. The scheme is designed to obtain the best possible administrative results from the use of all available personnel whilst the Army area is more or less static.

25. The local food situation cannot be described as satisfactory. The large stocks are hoards which must be conserved for emergency in BOLOGNA, FERRARA or even VENICE. The townsman has his 200 grammes of bread daily plus a monthly ration of 500 grammes of pasta, 75 grammes of salt and 125 grammes of sugar. Imported milk, dried vegetables and tin meats are issued only to special classes and in cases of grave hardship. Fresh supplies of these items are highly erratic.

382

Declassified E.O. 12356 Section 3.3/NND No. 785016

Generally speaking the fresh vegetable situation is satisfactory. Meat is rarely available, but fresh milk can be purchased in limited quantities in a number of communes. With the approach of the hog curing season (for which a special distribution of salt is being made) it is hoped to alleviate the shortage of proteins and fats in the mountain communes, but in the plain there are few pigs to kill and it is neither administratively nor statistically practicable to attempt a large scale redistribution between various parts of the area.

26. Oil and soap have been the principal shortages - absence of the former has been a chronic feature for a long period and no relief is in sight.

27. The olive oil harvest is just starting and some presses are operating. Unfortunately the present area produces little oil and estimates of the total quantity "amassable" do not exceed 200 tons.

28. Considerable quantities of sugar beet were located but so far none of the sugar factories found were in workable condition.

29. By the first of the month little wheat had been sown due as much to adverse weather as to war damage and dislocation. At the end of the month about 80% of normal area was planted; no barley was sown as it comes after the wheat sowing is finished if there is time. Some wheat and barley will be sown in the spring, the barley mostly for green feed for livestock. Sufficient wheat for seed was found and of 300 tons located in CESENA 200 tons are being moved to the RIMINI area where the seed shortage is acute. In other areas the farmers were able to use their own seed or obtain it in their own commune. There will probably be no need to import wheat or barley seed for the spring planting season as it can be found in communes which threshed before the battle.

30. Contrary to earlier reports, the livestock situation is not hopeless, but is definitely an acute problem. About 50% of the oxen were saved (although different communes vary considerably), 60% of the milk cows and 50% of the sows: only about 30% of the feeder and work calves and young stock and 30% of feeder pigs, however, remain. The sheep situation is satisfactory and though only about 15% of the chickens were saved they can be quickly replaced by multiplication. Most of the horses were taken by the enemy for transport.

31. The typhoid-paratyphoid epidemic in the Republic of SAN MARINO and RIMINI area is under control. For the period 4 Sept to 27 Nov 1944, 812 cases were reported for the Republic of SAN MARINO and RIMINI area and the mortality rate was about 5%.

32. The distressed areas are in the larger communes along the Adriatic coast road and the devastated towns in the flooded PO Valley. Emergency issues of clothing to people in dire need by the Red Cross has helped, and though food supplies have been inadequate they have kept people alive. Restoration of drainage should be carried out in this malarious zone by next April or widescale aerial spraying considered to render it safe for occupation.

33. Refugees have had to remain in Forward Camps because transport difficulties from ANCONA southward have prevented them being moved to A.C. camps. FORLI was faced with the problem of about 2,000 southerners, principally from the AREZZO area, but it is now practically clear.

Declassified E.O. 12356 Section 3.3/NND No. 785016

sugar factories found were in workable condition.

29. By the first of the month little wheat had been sown due as much to adverse weather as to war damage and dislocation. At the end of the month about 30% of normal area was planted; no barley was sown as it comes after the wheat sowing is finished if there is time. Some wheat and barley will be sown in the spring, the barley mostly for green feed for livestock. Sufficient wheat for seed was found and of 300 tons located in CESENA 200 tons are being moved to the RIMINI area where the seed shortage is acute. In other areas the farmers were able to use their own seed or obtain it in their own commune. There will probably be no need to import wheat or barley seed for the spring planting season as it can be found in communes which threshed before the battle.

30. Contrary to earlier reports, the livestock situation is not hopeless, but is definitely an acute problem. About 90% of the oxen were saved (although different communes vary considerably), 60% of the milk cows and 50% of the sows: only about 30% of the feeder and work calves and young stock and 30% of feeder pigs, however, remain. The sheep situation is satisfactory and though only about 15% of the chickens were saved they can be quickly replaced by multiplication. Most of the horses were taken by the enemy for transport.

31. The typhoid-paratyphoid epidemic in the Republic of SAN MARINO and RIMINI area is under control. For the period 4 Sept to 27 Nov 1944, 812 cases were reported for the Republic of SAN MARINO and RIMINI area and the mortality rate was about 5%.

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34. Currency floods into the banks in the FORLI and RAVENNA Provinces in a most satisfactory manner. The cash position of Banca d'Italia has more than doubled during the month. Authority was granted by Finance Sub Commission to allow AMG finance officers in Eighth Army Area to advance funds to communes for repairing houses damaged through the war in cases where the owners do not have necessary funds to effect such repairs.

35. The patriots in FORLI have not been disbanded and arms handed in.

SICILIA REGION.

36. In general the situation remained unchanged as, although the food position

Declassified E.O. 12356 Section 3.3/NND No. 785016

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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deteriorated, the month on the whole was quieter with [illegible] strikes and little agitation. There had been no improvement in the effectiveness of local administration. While the economic difficulties of the situation are apparent no one attempts to take a stand against the prevailing spirit of laissez-faire. Corruption among all classes is probably one of the main reasons for this.

There is still a large number of Commissari Prefettisi in office throughout the Island.

37. To the list of laws or decrees which have been enforced only partially or not at all and which include the grain amassing decrees, laws regarding the circulation of vehicles, and a recent local decree aimed at producing a grain reserve on loan must be added the olive oil amassing decree. Indications are that the amassing of olive oil will be a complete failure.

It is to be hoped that the decrees regarding the calling up of certain classes for the armed forces will not be added to the above list but that there will be rigid enforcement.

38. The month generally was quiet. This may be due to reaction after the serious incident at PALERMO on 19 October. The increase in wages also had a good effect. It is hoped that this effect may be more than temporary but the continuing rise in prices coupled with diminishing stocks of grain and the advent of the cold weather are factors which may lead to a deterioration in the situation.

39. Among the masses food and its price dominate the situation and the bread prospects were the cause of grave concern to the administrations in the large towns. The position as known to the local administration during the month was that, while there was only sufficient grain in the Island to feed the population to the end of the year, no grain imports were to be expected. For all practical purposes the amassing of grain ceased. A seasonal falling off in the small amounts being amassed was to be expected but the prospects of the Island having no grain in its Granai del Popolo during the first 6 months of the coming year and the increasing profits to be made in the Black Market had the natural result of nullifying any efforts to revive amassing. There was also considerable opposition to the movement of grain from grain-producing provinces to non-producing provinces normally supplied by them. A most complex situation developed. If no grain were imported the principal sufferers must be the workers, many of them in Allied employ, in the large towns,and their families. Those who would not suffer would be those responsible for the failure of the Island to amass a sufficient quantity of grain at least to have fed it throughout the winter as, for instance, the land owners, particularly the large ones, mainly Separatists, the supine local administrators, higher administration who had allowed the pay of the UPSEA officials to fall seriously in arrears, political wranglers and black market operators. All such, if grain is imported, would continue to have the advantage of buying bread both at the ration and at the black market prices.

40. The average daily quantity of grain amassed during the month was 1020 quintals. Total wheat amassed to date is 1,243,376 quintals, and total barley is 105,936 quintals. Amount of wheat reported to be on hand in Consorzio Agrario warehouses on 27 November was 317,875 qls. and barley 40,354 qls.

41. There was no outstanding political activity during the month.

Crime remained at about the same level.

Declassified E.O. 12356 Section 3.3/NND No. 785046

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Health continued to be satisfactory. A small outbreak of smallpox occurred in PALERMO, 39 cases occurred during the month but it is hoped that the prompt restrictive action taken will prevent any spread of the epidemic.

42. The "Economic Kitchens" started operations during the month with 14 open in CATANIA feeding 3500 destitute per day. In PALERMO some 12000 hot meals are being served daily and it is expected that this will soon rise to 20000. Of the 20000, 15000 will be free and the remainder sold at a nominal cost. The soup served is rich and thick, providing a great deal of sustenance.

43. Prisons are still seriously overcrowded. 308 persons are now serving sentences imposed by AMG courts as compared with 391 on 31 October 1944.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

44. The road transportation situation has improved somewhat due to a supply of tires for civilian trucks becoming available, but the road movement is limited by the amount of petrol obtainable.

Military highways continue to be maintained in reasonably good condition. Trucks operated by I.M.T. during the first half of the month total 6793, a daily average of 453. The second half of the month is expected to be about the same. A supply of some 700 tires and 300 inner tubes has been allotted for purchase by I.M.T. for trucks in SICILY. This supply is most welcome.

45. The schools opened on 16 November in 7 of the Provinces. The opening in TRAPANI and PALERMO provinces was postponed owing to the smallpox outbreak. Education is still hampered by a shortage of books and accommodation due to war damage and continued occupation by the Services.

46. Currency continues to flow out of the Bank of Italy, PALERMO. Not only was the Bank unable to repay any of the Lit. 200,000,000 advance due on 15 November but an additional Lit. 200,000,000 was brought to the Island from NAPLES by Italian cruiser. The bank here seems to have done and to be doing little to meet the constant drain on its cash resources, referring responsibility in the matter to ROME.

47. It is understood that a first allotment of 400 million Lire has been made to cover war damage in SICILY of which 100 million is to be used for repairing private houses. A commission of which the Provveditore alle Opere Pubbliche is to be President, will arrange the allocation of these funds on a provincial basis.

48. The refugees situation has eased considerably after the departure of 2300 for the mainland. Improvement is being effected in the accommodation of the remaining 4802 (this number does not include 16,044 refugees from North Africa awaiting repatriation).

SOUTHERN REGION.

49. SOUTHERN Region is a geographical group of 9½ million people separated from the rest of ITALY by a devastated belt 30 miles deep and corresponds roughly to that part of ITALY south of the 1943/44 winter battle line. As the Region was spared the heavy destruction of the North due to the fairly rapid Allied advance in the Autumn of 1943 and has now had six months for reconstruction, life is slowly returning to normal. The important power plants in the SILA were untouched and supply a certain amount of electric power to the whole area. Though the service is limited and overcrowded the railways are open to civilian traffic. Lack of material is a problem, but nevertheless, a fair amount of repair work is in hand, particularly in NAPLES, and articles of local manufacture are appearing in the shops.

50. There is, however, a real struggle for livelihood, specially in NAPLES and provincial capitals, which has led to a great deal of petty thieving and in NAPLES, much prostitution. There are now less Allied troops from whom to cadge and steal which has sharpened the struggle. A fear of deserter gangs, agrarian break-up and a distrust of currency - which leads to the hoarding of non-perishible agricultural products - all contribute to the difficulties of livelihood in the Region. Nevertheless, though conditions are unstable, provided there are no

Declassified E.O. 12356 Section 3.3/NND No. 785016
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51. The principal troubles in Food Supply were road transportation difficulties, shortage of railway wagons in FOGGIA Zone, at CASTELLAMMARE (Province of NAPLES) and at CROTONE (Province of COSENZA), and limited supplies of sugar and olive oil.

52. The wheat situation in BRINDISI and LECCE was critical on several occasions, and is a cause of continued anxiety unless reserves are accumulated sufficient to make the arrival of a grain ship on schedule not a matter of vital urgency.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

52. Prices continued high throughout the Region, with a tendency to rise the most in CATANZARO Zone.

54. The demands of the Military for winter quarters was found to be increasing the housing difficulty badly in large towns where the housing shortage was already acute.

55. Executive responsibility for soap making and distribution passed to the Italian Ministry, effective 1 November 1944.

56. Industrial surveys were conducted in six important plants in the NAPLES area with a view to their reactivation. The Montecatini plant at PORTICI, Province of NAPLES, continued satisfactorily in the production of sulphuric acid and superphosphates. The sulphuric acid section of the Montecatini plant at BAGNOLI, Province of NAPLES, was derequisitioned, and it was estimated that production there would start by 15 February 1945.

57. The Hemp Control Office of the Industry Sub Commission operating within Southern Region reported as follows. Collection of hemp improved. 1,000 tons of hemp were received from farmers during November as compared with 500 tons for the preceding six weeks. This was because 1,000 tons of fertilizer were made available by the Agriculture Sub Commission for hemp farmers, and it was announced that two quintals of fertilizer would be advanced for every ton of hemp delivered by farmers. In the course of the month, there was a complete switch over from the manufacture of hessian for sacks to the manufacture of canvas suitable for water-proofing, and it is hoped to produce 175,000 square metres of such canvas per month. A large quantity of ropes, canvas and other hemp products was discovered in a clandestine store and the goods were confiscated and will be made available to the Allied Forces. The owner escaped arrest, only to be run over and killed a few days later. A representative of the British Royal Navy tested 13 samples of rope that had been made for the Navy under the supervision of the Hemp Control Office, and in every case the breaking point was above the high standard required by the Admiralty.

58. Grain collections were practically completed with totals of 3,087,000 quintals of wheat and 311,000 quintals of barley. The planting of grain was generally well advanced, but, because of prevailingly heavy rains, preparation of land and planting were retarded and the crop is very delicate. Some additional hard wheat seed is still needed and several wheat areas in the Provinces of NAPLES and SALERNO and in CALABRIA are in need of additional soft wheat seed.

59. The olive oil harvest proceeded with some difficulty and it is anticipated that the collection of olive oil will be extremely disappointing unless many more control officers are made available. Black Market activities in olive oil are constantly increasing.

60. The limited supplies of ammonium nitrate and other nitrogenous fertilizers on hand in the Region were distributed. More than 9,000 tons of rock phosphate were received during the month.

61. A feeling of insecurity on the part of farmers became increasingly a major problem affecting agricultural production. A conference at ROME commencing on 30 November concerning agriculture, forestry and fisheries, was attended by four officers of the Region.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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62. In BARI Zone there were several minor strikes, all of which were settled in a short time. The greatest threat was agitation on the part of port workers at BARI on the question of the "indennita' di presenza".

63. The conduct and efficiency of all police agencies, with the exception of the Vigili Urbani (municipal police), was satisfactory in spite of shortage of personnel, lack of equipment and particularly transport, and poor rates of pay. In NAPLES Zone, patrols of Carabinieri Reali were still operating in conjunction with Allied Military Police patrols in combatting crimes of violence. In the City of NAPLES, 75 CC.RR were assigned to patrol from 2000 hours to 0800 hous in the hope that crime would be accordingly reduced.

64. There was reasonably little crime apart from an increase in crimes of

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Declassified E.O. 12356 Section 3.3/NND No. 785016

violences in NAPLES Zone and CATANZARO Zone.

The principal crime in the Province of CAMPOBASSO was cattle stealing, although there has been a marked drop in offenses of this sort.

Forgery of Allied Military currency reached serious proportions - a total of 108 cases during the month, involving 319 forged notes.

65. Civil police were consistently energetic in combatting black market activities and much contraband was seized throughout the Region.

66. At BENEVENTO a man was arrested by the CC.RR for being in possession of a parachute and a wireless transmitting set. In SALERNO an enemy agent was dropped by parachute and arrested.

67. The prison population of the Region, excluding the small Mandamentali prisons, decreased by some 700 to 12,889 at the end of the month, and of these about half were awaiting trial. Effective 15 November, all civil prisons in the Region became the complete responsibility of the Italian Government, and supervision from Regional Headquarters ceased.

68. Permanent Superior and Summary Military Courts were put into operation at BARI to deal with cases of pilfering and sabotage by civilians in and around BARI and in particular at 14 B.A.D.

69. There was a decline in incidence of both smallpox and typhoid fever which appear to have been checked.

There were four cases of typhus of the murine type, three at CARDITO, Province of NAPLES, and one at BARI. Active prophylactic measures were taken by the Allied Commission Typhus Control Unit.

Rabies was still prevalent among dogs, but the incidence in man was very low in spite of the fact that in the City of NAPLES alone approximately 15 dogs' heads had been examined monthly with 40 per cent of them showing positive. One case of cerebro spinal meningitis was reported from IRSINA, Province of MATERA.

70. Schools were opened in the Provinces of AVELLINO, NAPLES, and SALERNO on 6 November and will be opened in the Province of BENEVENTO on 1 December, where postponement was due to the threat of small pox. Though school premises were insufficient throughout the Region partly because of requisition by the Allied Forces, alternative accommodation was found or schools operated with two or more shifts of pupils.

71. a) Rail. There was a shortage of equipment, particularly box cars, on the railway at the beginning of the month though conditions improved later. It was hoped that a rail transportation conference to be held in NAPLES on 30 November would ease the situation and it is proposed that a similar conference be held monthly in future.

b) Telecommunications. More circuits were available to the public and there was a large increase in civilian use of telephone and telegraph service.

72. Allied Financial Agency at NAPLES received 1,441,600,000 lire of Allied [illegible] and made payments to United States and

Declassified E.O. 12356 Section 3.3/NND No. 785016

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LAZIO-UMBRIA REGION.

73. In ROME the political scene was dominated by inter-party events which finally led to the government crisis. In the Provinces economic difficulties were the principal preoccupation and the fall of the Government made no impression. It is difficult to know how the people do live and there can be few families who are not living on capital or at least partly by some dishonest means. Confidence in the

Declassified E.O. 12356 Section 3.3/NND No. 785016

Allies is weakening, though this would be strengthened by work being started on an energetic housing programme and an improvement in the food supplied by the Allies.

74. In so far as grain and flour are concerned ROME began December in its best position in several months, as there were 1066 tons of soft grain, 866 tons of flour, 551 tons of hard grain, 1752 tons of barley on hand on 1 December. Throughout November the population received its regular bread ration without interruption and it was of satisfactory quality.

All other foodstuffs on the ration scale were distributed in their full amount except sugar which was not available in sufficient quantity. The special classifications also substantially received the amounts to which they were entitled.

In the Provinces there was great improvement in the flour situation and the black spots in the Devastated Areas (LITTORIA and FROSINONE) had no shortages. The introduction of a small pasta ration generally was a helpful move in the right direction.

Distribution of other A.C. food supplies was on a very small scale and it cannot be claimed that the country is getting an adequate diet. Rumors of an increased scale are, of course general.

The shortage of salt is the most serious problem this month. The failure of the Italian Government to take steps to ensure that sufficient supplies are available is a sad comment on the administration. Unless very much more honest and energetic action is taken at once there will be serious results. The people know that salt is available in the country and this is an added danger.

75. All police agencies in ROME are working better. The P.S. agents and Finance Guards are now receiving their improved scale of rations and this has raised their morale.

The recall of the CC.RR and P.S. from various duties with Allied Forces in the City has resulted in approximately 1000 men being available for night duty patrols. Over 4000 streets, squares and public places are now patrolled effectively after dark. Lt. Col. Perinett, Chief of CC.RR in ROME and Maj. Sciutto of the Finance Guards (now in forward area) were both decorated during the last few days by General Clark for their services in connection with our entry into ROME on 5th June 1944, with the [illegible] contingent of 3000 men.

76. The total crimes reported are about the same as the previous month in ROME but there is a substantial decrease in serious crimes and armed hold-ups.

77. Italian Courts. The mounting case load in ROME Prisons obliged close liaison being maintained with the Italian Courts in ROME. Despite precautions the unrest in the prisons finally developed into rioting which for a period of 24 hours was extremely disturbing. On the face of it, this looked like a police problem, but the refusal of the Judiciary to recognise the need for cooperation and coordination between them and the Arresting Authorities was a large factor. A number of joint conferences were arranged between all Officials having any degree of responsibility in the matter and as a result pressure in the prisons was relieved and further rioting avoided, The Italian Judicial authorities still fail to grasp the full extent of their responsibility however.

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Declassified E.O. 12356 Section 3.3/NND No. 785046

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78. Public Health in ROME and the provinces has been satisfactory. The small outbreak of smallpox at TERNI has subsided and vaccination is proceeding. In the devastated areas of FROSINONE and LITTORIA the old problem of clothing, food and shelter exists and anti-malarial plans for the coming year are still a main preoccupation.

Attendance at popular soup kitchens in the City showed a slight decrease during the month, dropping from 180,000 to 170,000 soups served, but industrial kitchens have increased from 300 serving 55,000 workers, to 368 serving 65,000 workers.

79. Distribution of the limited electric power available in the provinces is causing many problems. It is hoped that it will be possible to report very sub- 379

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Declassified E.O. 12356 Section 3.3/NND No. 785016

stantial progress in this direction next month. At the moment the olive pressing plants, mills and tile factories are seriously impeded.

Work is proceeding as fast as the difficult circumstances allow on bridges and with the repair to public buildings.

Considerable anxiety has been caused by the reluctance of the Italian Government to release funds for projects. LITTORIA Province has suffered very badly in this respect. Despite the untiring efforts of the Provincial Commissioner and the Prefect, the delays are never-ending and seem exasperatingly unnecessary. While this is no responsibility of A.C., it is impossible to allow without protest a state of affairs which may have wide repercussions and which has every sign of being largely no more than bad administration. LITTORIA is only the worst sufferer in what is a general and very serious situation.

80. During the month information concerning approximately 2000 suspects has been carded. Individual case files have been opened for 871 persons. The majority (1700 individuals and 800 cases) live in ROME City; the remainder in the provinces.

81. During the month 22,309 visitors attended the exhibition of Masterpieces of European Painting in Palazzo Venezia. Gross receipts amounted to L. 504,782,25 expenditures L. 85,250,000.

Deposits in the CC. Banca Commerciale for fund for repairs to Italian national monuments damaged by war total L. 1,615,000.

82. A traffic survey of ROME has been made and plans drawn up for the formation of a Traffic Commission to coordinate the transit facilities of the City. A limited number of small trucks will be legalized to carry passengers and to act as an adjunct to the present system of street cars and electric buses. The allocation of electric power and petrol is the determing factor in the amount of mass transportation facilities available in ROME and has been used in deciding upon the routes to be used and the frequency of service.

83. An increasing amount of time has been devoted to the re-activation of specific factories, consequent on the assumption of responsibility by the Italian Government for supplies of controlled and other materials. Re-activation work has mainly been in those industries which can make a substantial contribution to Allied Forces requirements.

ABRUZZI-MARCHE REGION.

84. Politically this has been on the surface a fairly quiet month though the Communists are still well to the fore in making themselves felt.

85. Political agitation can be traced to the shortage of certain foodstuffs, the wholesale requisitioning of property by the Army, the inefficiency of the Italian administration and, in the case of AQUILA, a feeling that whatever the disturbance the promotors thereof can get the better of the CC.RR.

86. The Provincial Government varies considerably in different Provinces but has generally speaking not settled down. The population has, with justification, no

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Declassified E.O. 12356 Section 3.3/NND No. 785016

80. During the month information concerning approximately 2000 suspects has been carded. Individual case files have been opened for 671 persons. The majority (1700 individuals and 800 cases) live in ROME City; the remainder in the provinces.

81. During the month 22,309 visitors attended the exhibition of Masterpieces of European Painting in Palazzo Venezia. Gross receipts amounted to L. 504,782,25 expenditures L. 85,250,000.

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86. The Provincial Government varies conciderably in different Provinces but has generally speaking not settled down. The population has,with justification, no confidence in their present officials.

87. The harvest is coming in well, and the amassing figure is 99% of the target of 2½ million quintals. Amassing is hampered by the Army in ANCONA and PESARO Provinces, as many warehouses have been requisitioned by the troops. In MACERATA 30,000 quintals of maize is ready as soon as storage becomes available. The October and November allocations of olive oil have not yet arrived and though salt is coming in arrivals are not yet up to standard. The intake of potatoes at a rate of under 100 tons a day is also well below the anticipated figure.

88. Work continues on communications and public works, though unless adequate transport is forthcoming in the near future it will fall off considerably. Bridges

Declassified E.O. 12356 Section 3.3/NND No. 785016

in the North of the Region constitute a very big problem and in the MARCHE area alone the construction of 18 bridges is held up through lack of material.

89. Estimates have been submitted showing materials required for rehabilitation of houses in the Region but to date NO materials have been received.

90. Electricity has improved, though work is again held up through lack of transport.

91. The Postal Service is being augmented throughout the Region.

92. Police are working efficiently but unless further clothing and equipment are sent soon a number of them will have to be sent on leave.

93. The general health of the population remains satisfactory.

94. In the devastated areas immediate action is being taken in view of the approaching winter. Transport is again a problem in stockpiling the devastated areas and moving 250,000 tons of amassed grain out of the Region to deficiency regions.

95. A general increase in unemployment is shown throughout the Region and this is likely to increase during the winter. Prices are rising and black market commodities increasing in variety.

96. Organisation of Provincial Labour offices has been completed in the Region with the exception of ANCONA and PESARO Provinces.

97. The Court of Appeal of MARCHE is functioning in TOLENTINO and good headway is being made with the cases.

98. The Mine Clearing School at CHIETI has made a successful start, 32 out of 40 volunteers having passed the first course. They have now started work. The total number of mines cleared during the month in CHIETI, PESCARA and TERAMO Provinces amounts to 86,520.

99. The educational system is gradually being resumed.

100. A certain amount of anxiety is felt over the occupation of historical buildings by troops, especially when units are constantly being changed.

SARDEGNA REGION.

101. The press announcement of the changes in the powers of the High Commissioner and the granting of more autonomy to his office has come too late for comment in this month's report. The trend of public feeling has, however, been in favour of this development and it should be beneficial, specially if it curtails absences of Officials in ROME.

102. There has been only one small demonstration directed against food this month and the arrival of two grain ships with a total of about 13,000 tons of barley

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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102. There has been only one small demonstration directed against food this month and the arrival of two grain ships with a total of about 13,000 tons of barley and wheat has been very welcome.

103. The Granai del Popolo figure has now reached over 293,000 quintals (29,300 tons) out of 300,000 quintals aimed at to enable the Island to be self supporting until mid-December. The target total may be reached but hopes of exceeding the figure are fading and unfortunately, the local paper, the "Unione Sarda" came out with an article, misquoting President ROOSEVELT, and announcing that everyone might expect an additional 100 grams of bread per day from Allied sources. Further publicity had also been arranged to spread this news and had to be stopped at once. Whether because of this or for other reasons, the return of grain to the Granai del Popolo, which had risen to a weekly rate of 5,000 quintals, has fallen again to about half that figure.

104. The food rations in SARDINIA, although obviously not over liberal and the subject of constant care, are being distributed and keep the people going. Stories of starvation which appear from time to time are difficult to understand. Their origin may be in enemy propaganda, Fascist radio and German reports via MADRID have

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Declassified E.O. 12356 Section 3.3/NND No. 785016

put out such stories. The persistent efforts of the enemy to drop parachutists are perhaps connected with an endeavour to find out the real situation in the Island.

105. Apart from grain, SARDINIA is in a position to make a small outside contribution, and export some types of food to the remainder of Italy. 700 tons of cheese is ready for shipment to the mainland and enquiries have been initiated by the Regional Food Officer with the High Commissioner's Office with a view to exportation of a very substantial number of lambs in December and January, a further export of sheep in May and June next may also be possible.

106. Olive Oil prospects continue to be good and the P.W.B. representative has been supplied with figures of the crop predicted and the quantities of oil that may be obtained. He has also been asked to work out radio talks and a vigorous propaganda to bring home to the people that the oil will be available in the Island and that there is proper machinery for its collection and distribution provided everyone does his duty and co-operates. The responsibility for a fair return of oil is being put on the Sardinians themselves.

107. The trial of the Fascist Militia General, MARTINI, has been concluded this month. He was charged with treason and an attempt to organise a plot to escape to the mainland to join the Germans in November 1943 and was given 14 years penal servitude by the ORISTANO Tribunal. Five other accused were sentenced with him, the sentences being from 3 to 10 years penal servitude. The remaining 13 of the accused were acquitted. They included certainvell known Fascists, among other the late Secretary of the Fascist Party in SARDINIA, OFTEDDU, and there is no doubt that some sharp feeling has been aroused by comparisons between this just but comparatively mild procedure with the stories of past Fascist brutality and Fascist activities at the present time in Northern Italy.

108. A fleet of both British and American minesweepers has arrived in CAGLIARI Port and they are expected to remain about three months. American troops of the Allied Garrison have moved out with their stores and the Regional Commissioner was appointed Allied Garrison Commander as from 6 November. The Regional Legal Officer has carried out a great amount of administrative work, in particular American Garrison administration in addition to his other heavy duties. The British ration strength is still over 1,000.

109. The small but steady stream of enemy agents dropped in SARDINIA continues. Three more have been dropped this month bringing the total up to 12 since July. One man dropped by parachute on 9 November was captured very quickly in the usual area not far from ORISTANO. Reports have come in of two more being dropped on the 20 November in a new area on the east of the Island, S. GIORGIO VILLAPUTZU. These men have not yet been caught but a wireless transmitter of American make dropped by parachute with them has been brought in by the Carabinieri.

110. Progress is at last being made in clearing and clearing CAGLIARI City which was badly bombed. Italian soldiery have not been used for the job though a few trucks have been lent by the Italian Army.

Lack of water at CAGLIARI continued to be a great anxiety. There has been no substantial rain over the catchment area and even with water open for only 5 hours out of the 24 daily the reservoirs will be dry by the end of December unless the expected rain comes.

111. On the opening of schools, the Education Officer visited 44 schools this

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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111. On the opening of schools, the Education Officer visited 44 schools this month and reports that interest in higher education is good but elementary schools have been neglected.

TOSCANA REGION.

112. Region HQ moved from SIENA to LUCCA on 2 November 44 and the Province of PISA was handed over to Regional HQ by 5th Army on 26 November 44.

113. Oscillations due to the violent swing from Fascism to Communism appear to be slowing down with a distinct bias towards the "Left", but there is no cause for anxiety regarding the political situation within the Region, chiefly because all are preoccupied with their own futures.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

114. Food situation both in the Provinces of PISA and LIVORNO is difficult. In the former there is little besides bread and some vegetables, whilst in LIVORNO dry vegetables are off the list for December. In SIENA where wheat has been amassed to the extent of double provincial needs, withholding of sugar, etc.in favour of large towns is keenly felt. In GROSETTO the loss of vegetables in the recent floods has been severe. PISA to date has amassed 152,000 quintals of grain.

115. Hay, straw and oats have been purchased in large quantities by both Allied Armies . The olive harvest promises to be above average, though the results of the vintage are disappointing.

116. It is hoped that supplies of rope etc.for gear and nets will be forthcoming for GROSETTO Province as a result of the AC Hemp Controller's visit. Fishing will be revived at MARINA di PISA when sanctioned by the P.N.

117. The floods at the beginning of the month caused widespread damage to roads, bridges, crops, livestock and river banks.

118. AMG and Italian courts are now functioning satisfactorily in each Province. The first 19 cases of fascists who committed crimes under RNF and PFR regime have been tried in GROSETTO Province and sentences from 2 to 3 years inflicted.

119. Health continues good in spite of overcrowding and lack of essential foods. It is hoped that there will be no further requisitioning of hospitals and also that the new system for the distribution of medical supplies will soon improve: it is not working well at this time.

120. In all Provinces there is large occupation of school buildings by Military Units and Refugees. Lack of window glass and fuel cause a good deal of hardship. Examinations for admission, promotion and graduation took place during the month.

121. It is understood that refugees in the Region who came from the south will be evacuated to their homes. It is hoped that this will be done speedily for with the static nature of the operations and the bunking up of military personnel and establishments in the Region, it is gravely overcrowded.

EMILIA REGION.

122. Further progress has been made by the Armies and the entire Province of FORLI and a large part of the Provinces of RAVENNA and BOLOGNA are now in Allied hands. Some penetration has also been made into MODENA. 2 NZ FIFTH and EIGHTH Armies are administering these areas, though in EIGHTH Army sector the Provincial Commissioners of FORLI and RAVENNA are controlling their Provinces under command of SCAO EIGHTH Army.

123. After the capture of the city of FORLI, the Provincial HQ was established in the Prefettura on 25 November 44. This was the first provincial capital of EMILIA to be liberated. The city was still subject to sporadic shellfire and occasional air attack.

124. The RAVENNA team was also moved forward and on 25 November 44, Provincial HQ was established at CERVIA. As the city of RAVENNA has since been captured it is hoped that this Province will shortly be installed in its provincial capital.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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125. As forecast in the last report more of RAVENNA Province was flooded by the enemy. This was done by breaking the banks of the FIUMI UNITI south of the town.

126. In EIGHTH Army area a special plan has been made whereby the executive administration of the area will be placed under a HQ staffed by EMILIA Region, though directly responsible to the SCAO. The purpose of the plan is to provide the specialist staff not normally present with Army and thus be able to make an earlier start on rehabilitation than would normally be possible. The scheme has been approved by HQ Allied Commission and will come into operation when the SCAO considers the position sufficiently static. To facilitate the operation of this scheme Region HQ was moved to RICCIONE 1 December 44.

127. In FIFTH Army area the position remained unchanged and the SCAO continued to

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Declassified E.O. 12356 Section 3.3/NND No. 785046

make full use of the Region EBOLLA officers under his command to reinforce Provinces in FIFTH Army territory and to reinforce CAOs in forward areas. A provision in the EIGHTH Army plan was made enabling specialist officers to remain free to devote part of their time to FIFTH Army area when required.

128. To maintain close liaison with FIFTH Army a portion of the Regional HQ staff was left at SALTINO, calling themselves WEST HQ.PIACENZA TEAM moved to SALTINO 1 December 44.

129. Although specialist officers were taking an active part in the administration of the Region no part of the area was under Regional control.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

PART II

CIVIL AFFAIRS SECTION

Defascism.

1. The problem in Italy is very different from that in FRANCE; Fascism in ITALY covers over 20 years and decrees passed many years ago have not only to be repealed but measures found to undo the harm they have done. It may take much time and work to undo a wrong done a dozen or more years ago. The Italian Government is tackling the problem energetically and methodically. Since July 43 it has published 70 decrees on this subject (without counting decrees merely appointing new controllers to organisations set up under the Fascist regime), ten of which were published before the invasion of the mainland began.

2. The position regarding epuration of the Government up to 30 Nov was:

(a) All suspect senior officials (down to Grade IV included) had either been dismissed or suspended in eight out of thirteen ministries, and the remaining five would probably be epurated a few days later, transport difficulties having delayed certain investigations.

(b) 28,000 cases among the lower ranks had been or were under consideration. Of these, 1700 had been suspended at the request of the High Commission, a number believed greatly to exceed this by the Ministries themselves without reference to the High Commission, and nearly 7,000 cases i.e. 25% of the cases investigated have been referred to the hearing commissions for decisions as to whether or not the persons concerned should be dismissed.

3. Over one thousand two hundred cases have been investigated for Fascist "crimes" and in only five cases has it been decided that the evidence does not justify trial; the cases are already being heard. These do not include, however, crimes committed by Fascists which are punishable under the ordinary penal code as was the case with CARUSO.

4. This report does not include epuration of small undertakings in the Provinces. The Provincial Commissions are only just being formed and though some have actually started, work is in the initial stage.

5. General Order No.35 and administrative instructions have been drawn up for the epuration of Italian officials between our occupation of recovered territory and its restoration to a degree of tranquillity enabling the Italian Government to undertake its own epuration. It covers investigation of the antecedents of officials of certain grades and decision as to whether or not they should be suspended. It is not applicable in any Region without approval of this HQ.

Devastated Areas.

6. Progress continued in the devastated areas through the provision of materials for the repair of houses, and clothes and blankets for the inhabitants. Up todate, 75,000 metres of canvas have been handed over to the Consorzio at FROSINONE for the repair of houses and a further 25,000 metres were being dispatched to CHIETI for the same purpose. 4,000 blankets were due to arrive early in December and a drive has been inaugurated in ROME to collect more blankets for the devastated areas.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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7. The glass position is being investigated. AC Headquarters have offered the Italian Government all the glass table tops in their building for hospitals and other damaged buildings. A housing expert is now assessing the repairs necessary to buildings in devastated areas.

Mine Clearance.

8. Progress in mine clearance continued, particularly at PESCARA, CHIETI and PISA, and the towns of PESCARA and PISA were reported practically clear of mines. Planning for the Northern Provinces was being undertaken with the Italian Government.

LOCAL/..... 376

Declassified E.O. 12356 Section 3.3/NND No. 785016

LOCAL GOVERNMENT SUB-COMMISSION.

9. Local Government:

(a) Reports from Prefects continue to show good progress in the establishment of local government in the ABRUZZI-MARCHE Region. In the same Region, a minor disturbance took place at MACERATA which resulted in the Prefect leaving his post. His place has been taken by Gen. ZANETTI as Prefetto Reggente and no more complaints have been received. An enquiry is being held.

(b) A People's Court was set up at MONTECATINI in PISTOIA Province but was promptly dissolved.

10. Appointment of Italian Government Officials: Some confusion and delay in filling vacant administrative posts has been caused by the "Personale" Division of the Ministry of the Interior nominating for such posts officials upon whom reports indicate the undesirability of their employment for security reasons. Steps have been taken to ensure that greater care is taken in such matters by the Ministry in future.

11. Sindaci:

(a) Reports were received from NAC Provinces of the difficulty of obtaining unpaid Sindaci and the desirability of paying such Officials in forward areas. The general feeling was that payment should only be made in particular instances but as the difficulty of obtaining unpaid Sindaci arose in only 8% of all Communes, the case for payment was considered not proven.

(b) The appointment of a new Sindaco of NAPLES has been held up owing to the Government crisis.

12. Epuration: The Central Committee for Epuration has continued its work and has considered the cases of 50 officials in the higher grades.

PUBLIC SAFETY SUB-COMMISSION.

13. Police: AFHQ approved the transfer of the PICENO Division of the Italian Army to the CC.RR. This involved a total of 181 officers, 4141 OR's. An equal number of CC.RR will therefore become available for duty in the North. The movement of personnel should be completed by 24 December.

14. Recruiting:

(a) In agreement with Land Forces Sub-Commission (MMIA), 4% of men accepted into the Army will be enrolled as CC.RR. They will be selected by CC.RR Officers and it is anticipated 1000 recruits will be obtained in the period December/January.

(b) 1500 recruits are at present under training and 3500 army OR's will be transferred to CC.RR in the near future. In all 5000 additional men will be available for CC.RR service at the beginning of 1945.

15. Mobile Battalions: All agencies concerned have agreed on the formation of mobile, light armoured battalions of CC.RR. The scheme will start in SICILY and [illegible] should greatly increase efficiency.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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16. Prisoners of War: CC.RR P/ are now being re-patriated. 12 Officers and 643 OR's have recently arrived from AFRICA and GREECE.

17. Railway Police: The Ministry of the Interior has planned to recruit 1800 Agents of Public Security to form a special Railway Police. Pending training of these men, ex-railway employees will be used.

18. Policing the North Italian Frontier: It is generally agreed that at first there will be no civilian movement across the frontier of NORTH ITALY and that subsequently persons with Military Travel authorizations only will be permitted to cross the borders. Details for policing by Allied and Italian personnel were being worked out with AFHQ and AAI.

19. Prisons/....

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Declassified E.O. 12356 Section 3.3/NND No. 785016

19. Prisons: After the riots in Regina Coeli Prison, ROME, 700 prisoners were transferred to other prisons. The same prisoners were still trying to create trouble, using as an excuse that they received 500 grams of bread a day in Regina Coeli prison and only received 300 grams in other prisons. The question of an overall ration scale for prisoners was being considered.

20. Prison Supplies: There was still a great shortage of necessary items for prisoners such as beds, mattresses, blankets, medical supplies, shoes, clothing and cooking utensils. Steps were being taken to have this remedied.

21. Crime:

(a) Crimes of violence have increased in SOUTHERN ITALY. They are committed largely by Allied Military personnel, or persons masquerading as such. Joint patrols of Italian and Allied Military Police were being used to combat this situation. In the same area counterfeit AMG currency is appearing more frequently.

(b) Crime throughout liberated ITALY is under control and had not increased since last month's report, particularly in the case of ROME.

(c) The so called black market was still a major problem but often, and with many items, it is the legitimate market hoarding and selling at exorbitant prices. The question of supply and demand is, as usual, the determining factor.

22. Fire and PAD: In forward areas near FLORENCE, UNRA, directed by Fire and PAD officers, is being used in mine clearance work with excellent results.

PUBLIC HEALTH SUB-COMMISSION.

23. Political: Complete control of Public Health in SARDINIA has now been handed over to the Italian Authorities. The Public Health policy in liberated ITALY is to act more and more in a consultative and advisory capacity to the Italian authorities and to assume to executive responsibility. The Sanita' Pubblica Branch of the Ministry of the Interior welcomed this policy and assumed more responsibility in Public Health administration.

24. Public Health:

(a) Four cases of "endemic" or murine typhus have been reported from NAPLES Province. The illness assumed a mild form and there were no deaths.

(b) The Typhus Demonstration Unit successfully completed its tour of SOUTHERN Region and SICILY and arrangements were made for similar demonstrations to be held in ROME for teams from the Provinces of LAZIO-UMBRIA Region. The Unit will in due course tour in the forward areas.

(c) A dusting station has been set up at the Prenestina Railway Station, ROME, where refugees are treated with anti-louse powder on arrival.

(d) A report has been prepared on malaria control work in the OSTIA LIDO and FIUMICINO areas.

In preparation for next season's malaria work a series of classes has [illegible] Medici Provinciali will attend them to learn

Declassified E.O. 12356 Section 3.3/NND No. 785016

(b) Crime throughout liberated ITALY is under control and had not increased since last month's report, particularly in the case of ROME.

(c) The so called black market was still a major problem but often, and with many items, it is the legitimate market hoarding and selling at exorbitant prices. The question of supply and demand is, as usual, the determining factor.

22. Fire and PAD: In forward areas near FLORENCE, UNRRA, directed by Fire and PAD officers, is being used in mine clearance work with excellent results.

PUBLIC HEALTH SUB-COMMISSION.

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In preparation for next season's malaria work a series of classes has begun at the Institute of Hygiene. Medici Provinciali will attend them to learn the most up-to-date methods of controlling malaria.

Plans for the coming malaria season were also being discussed with the Italian Government and it was proposed to start experimental work on the destruction of hibernating mosquitoes in the VOLTURNO area.

(e) The incidence of Venereal Disease in the more Southerly Regions was decreasing and the Italian Government was trying hard to provide additional beds in its hospitals for the treatment of this disease.

(f) Outbreaks/...37.5

Declassified E.O. 12356 Section 3.3/NND No. 785016

(f) Outbreaks of typhoid at SAN MARINO and RIMINI were energetically dealt with and the Army Medical Services gave great assistance. The BENEVENTO epidemic is now over.

(g) November tuberculosis figure for ROME was 193 compared with 238 in Nov 43.

(h) During November, 29 cases of smallpox were reported in the PALERMO area. Cases and contacts were isolated and 400,000 vaccinations have been performed. In mid November six cases of smallpox were reported from a civil hospital in TERNI but there have been no further cases, and the usual precautions have been taken. The BENEVENTO outbreak has now subsided to 30 cases and NAPLES Province had 317 cases, 46 less than in October.

(i) The ROME infant mortality figure for November was 134.9.

25. Veterinary:

(a) The Veterinary Schools of PERUGIA and PISA reopened and the PERUGIA Laboratory produced vaccine for swine erysipelas.

(b) The incidence of all animal diseases previously reported had considerably decreased during the month.

(c) Twenty seven condemned horses have been procured for the Sclavo Institute, SIENA, in order to maintain its production of anti-serum for human beings.

(d) A culture of Brucella Abortus, received from the United States , has been given to the Italian authorities to begin producing the appropriate vaccine.

26. Medical Supply:

(a) ENDILE., the Italian Government organisation, began distributing medical supplies which arrived at LEGHORN during the month and were transferred to FLORENCE. A small quantity of medical supplies was sent to GREECE and YUGOSLAVIA. A shipment of 750 tons captured by the FIFTH Army at SALINO was released for the Civil population and some was also given to the Italian Army.

(b) The clothing Section with all its personnel was transferred to the Transportation Sub-Commission.

27. Welfare:

(a) In SOUTHERN Region and SICILY the Italian Government's interest in welfare was increasing. The Italian Welfare Director for SICILY visited ROME to discuss welfare questions with the Undersecretary for the Interior and suggested that a Provincial Welfare Department should be created for every Province in ITALY.

(b) The Welfare Branch considers that the ONMI (Opera Nazionale Maternite ed Infanzia) should devote greater interest to its activities outside ROME.

LEGAL SUB-COMMISSION.

28. RDL No.151 Constituent Assembly: The Legal Sub-Commission advised on the function of the Constituent Assembly established by RDL No.151 of the 25 June 1944

Declassified E.O. 12356 Section 3.3/NND No. 785016

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LEGAL SUB-COMMISSION.

28. RDL No.151 Constituent Assembly: The Legal Sub-Commission advised on the function of the Constituent Assembly established by RDL No.151 of the 25 June 1944 and expressed the opinion that it was the function of this Assembly to determine whether the Italian Constitution should be monarchical or not.

29. Status of Yugoslav Missions: The status of the members of the Yugoslav Missions in R.I.R.I was considered and the decision was reached that according to existing law, members of these Missions were subject to the jurisdiction of the Allied Military Courts.

30. Regina Coeli Prison Riots: The troubles at the Regina Coeli Prison in ROME were investigated and found to be largely due to delays in the pre-trial procedure of the Italian Courts. To lessen these delays, arrangements were made for the appointment in ROME of four additional judges.

31. GO No.28/.....

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declassified E.O. 12356 Section 3.3/NND No. 785016

31. GO No.28 - Labour Relations: Rules decided upon under General Order No.26 cover the operation of Provincial and Regional Labour Offices and arbitration procedure in cases of labour disputes.

32. Italian Judges: In view of the anticipated shortage of Italian judges in the Northern Regions, Italian Military Tribunals will sit in those areas. The necessary decree to implement this policy was prepared.

33. Espionage trials: The cases tried in AMG Courts and reviewed by this Sub-Commission included nine cases of espionage. Of these cases six death sentences were confirmed, one death sentence commuted owing to the youth of the accused and two prison sentences were confirmed.

EDUCATION SUB-COMMISSION.

34. Visits: The Acting Director and the Minister of Public Instruction visited the Provveditori agli Studi, the pro-rectors and other staff members of the Universities in SIENA, FLORENCE, LUCCA and PISA. A number of informal and informative conferences were held with school officials and students.

35. Printing:

(a) The "summer printing" of new elementary school text books were reaching the book shops and the children, and a large distribution will take place in December throughout liberated ITALY. Paper, ink, etc are arriving in quantity from AMERICA.

(b) The new programmes of study for elementary and secondary schools have been printed and distributed.

36. Universities and Schools:

(a) Educational work progressed in all Regions, but most actively in TOSCANA Region. The Universities of PISA and SIENA have been ceremonially opened though their buildings have been almost entirely requisitioned. Some work was, however, carried on in improvised quarters.

(b) Schools are open and functioned wherever suitable locations could be found. From 50% to 100% of the children normally attending school are at school, the percentage varying according to local conditions.

(c) A hot mid-day meal for school children was offered to schools and they are beginning to avail themselves of it. The programme is, therefore, being extended and will, it is hoped, eventually cover all schools.

37. Boy Scout Movement and Girl Guides:

(a) The two National Boy Scout organisations in ITALY, Catholic and non-Sectarian, have federated, with Vatican approval, each retaining internal autonomy. Requests have been forwarded to the International Commissioner of Boy Scouts for recognition of the federation and its two component organisations.

(b) The Girl Guide organisation in ITALY is being slowly developed.

38. Derequisitioning of School Buildings: Derequisitioning of school buildings proceeded too slowly. Allied Forces were more helpful than Italian officials, though,

Declassified E.O. 12356 Section 3.3/NND No. 785016

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38. Derequisitioning of School Buildings: Derequisitioning of school buildings proceeded too slowly. Allied Forces were more helpful than Italian officials, though, so far, Allied persuasion (as authority was lacking) has been ineffectual particularly in ROME where schools were still occupied by miscellaneous organisations, including leading political parties.

MONUMENTS, FINE/.....

374

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Declassified E.O. 12356 Section 3.3/NND No. 785016

MONUMENTS, FINE ARTS AND ARCHIVES SUB-COMMISSION.

39. Condition of monuments in newly occupied territory:

(a) RAVENNA - First reports showed that, with the possible exception of S. APOLLINARE IN CLASSE, none of the great Byzantine monuments had suffered serious damage.

(b) RIMINI - Detailed inspection by Italian experts confirmed that the TEMPIO MALATESTIANO, despite heavy damage, would be restorable without grave loss to its essential character.

(c) Damage in the Romagna was in general widespread, though FORLI escaped surprisingly lightly.

40. Repairs to Monuments: First-aid repairs to war damaged monuments continued throughout AMG and AC territory. Work was started on the Churches of PISA, and substantial repairs were under way in VITERBO. Great progress has been made in NAPLES since the summer.

41. Monuments in enemy held ITALY: From detailed examination of air photographs damage to monuments in VERONA and PARMA seems to have been slight, and damage in BOLOGNA is far less than might be expected.

42. Deposits of works of art:

(a) Reports have been made based on information obtained from intelligence and diplomatic sources, on deposits in TUSCANY, what has been removed from them by the Germans and the subsequent fate of some of the objects removed.

(b) A completed report on movable works of art in LAZIO revealed a very small percentage of loss.

(c) There are indications that in NORTH ITALY some deposits of works of art have been moved to the ALPINE VALLEYS.

43. Exhibitions:

(a) The Exhibition of European Masterpieces at the PALAZZO VENEZIA continued to attract 800 visitors daily and has been extended to 31 Dec. Similar exhibitions will open shortly at FLORENCE and SIENA.

(b) In ROME preparations were made to reopen the BORGHESE GALLERY and a part of the GALLERY OF MODERN ART. MICHELANGELO's Moses and the mosaics of Santa Costanza have been cleared of their protective covering.

44. Photographic Record: Difficulties of equipment and supply continued to hamper the compilation of essential photographic record. The documentation of NAPLES and BENEVENTO was well advanced. A third group of photographs, illustrating deposits of works of art in TUSCANY, was sent to WASHINGTON and LONDON.

PATRIOTS BRANCH.

45. Reorganisation: A reorganisation of the Patriots Branch has taken place in the light of five months' experience. The Advanced Echelon in FLORENCE has been

0907
Declassified E.O. 12356 Section 3.3/NND No. 785016

throughout [illegible] and AC territory. Work was started on the Churches of PISA, and substantial repairs were under way in VITERBO. Great progress has been made in NAPLES since the summer.

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46. Planning for the North: It is likely that much larger numbers of patriots will be met than hitherto and arrangements have been made accordingly. Centres and points for the reception of patriots are being established in Army areas.

The following have also been requested:

(a) A large scale release of boots, clothing of all kinds, and blankets from military sources for the use of patricts.

(b) The issue of rations on a scale approximate to the Allied Military ration to patriots employed in labour gangs in Army areas or being handled in the recepti[illegible] centres behind the front.

(c) The/.....

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Declassified E.O. 12356 Section 3.3/NND No. 785016

(c) The acceptance of wounded patriots in ITALIAN or Allied Military hospitals.

47. Monetary Allowances: The IMPC decided that monetary allowances would be paid to all fighting patriots and that indemnities and pensions equal to those granted the Italian Regular Army would be paid to wounded patriots and the families of the dead.

48. Certificates issued to Patriots: The IMPC have been informed that no certificates other than those signed by the Allied Commander in Chief can be issued in Military Government territory. They have been informed further that no Patriot Committees other than those constituted by the Allied authorities can be tolerated in Military Government territory.

49. Withdrawal of Patriots Representatives from Italian Government territory: All patriot representatives of the CLN in Army areas have been withdrawn, and all patriot representatives, Military or CLN, will be withdrawn from Italian Government territory by 31 December.

DISPLACED PERSONS & REPATRIATION SUB-COMMISSION.

50. Yugoslavs: A general exodus of Yugoslavs to YUGOSLAVIA began from SOUTHERN ITALY. The original request for 1500 agriculturalists to return was followed by a request for a further 1500 agriculturalists to be sent to the Yugoslav Islands. Finally the Committee of National Liberation Army, Yugoslavia, at BARI said they wished to return all Yugoslavs to their home country. By the end of the month 2,537 had been evacuated. The attention of the Yugoslav Representative was drawn to the fact that conditions for orphan children might be very difficult in Yugoslavia and it was suggested that these might be left in ITALY to benefit from Allied care during the winter months.

51. Health in Camps and Hospitals:

(a) All Northern Camps were visited during the month, with the exception of FLORENCE. The general condition of refugees was fair. Up to 60% or 70% scabies was reported with varying degrees of louse infection (5% to 50% reported). Living conditions are very trying in water logged and muddy camps andthe shortage of blankets is an acute problem.

(b) Hospitals in SOUTHERN ITALY have average number of admittances. The most prevalent disease was mild mumps. One confirmed case of typhus was reported from CSDIC Cage at No.1 Transit Camp (Refugees) and appropriate measures were taken.

(c) A dental clinic has been opened in ROME for refugees at CINECITTA Reception Centre.

52. Repatriation: Nationals of some twenty six nations have been registered for repatriation. The work advanced rapidly but repatriation was still a lengthy procedure.

53. Refugee Movements:

(a) Italian refugees moved from the North to ROME totalled 7,096 and 4,000 Southerners in ROME were repatriated to the South.

(b) At the end of November there were 4,790 persons in SICILY who wished to return to FROSINONE and LITTORIA, ROME, CAMPOBASSO and NAPLES. Due to present conditions in FROSINONE and LITTORIA, no repatriation is possible for at least two

Declassified E.O. 12356 Section 3.3/NND No. 785046

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54. Loans to Allied Nationals: Cash Loans to Allied Nationals through the Banca d'Italia and its branches were started in November. Payments were authorised to be made in 21 Provinces and 4,270 displaced persons received loans totalling 10,435,000 lire, an average of 2,470 lire a person. Displaced persons of 18 different Nationalities have been helped by this scheme. Information was received early in the month that a U.S. Treasury Licence had been issued to the American Joint Distribution Board to effect a transfer of funds to PALESTINE and it was also agreed that the Joint Distribution Board would repay the refugees sent to U.S.A. for lire collected by the Sub-Commission. No information has been received that payment has been made.

Declassified E.O. 12356 Section 3.3/NND No. 785016

PART III

ECONOMIC SECTION

AGRICULTURE SUB-COMMISSION.

Reconstruction of Italian Agriculture, Forestry and Fisheries.

1. The development of a closer working relationship between the field and central staff members of the Ministry of Agriculture and the Agriculture Sub-Commission through a joint conference on Liberated Italy on Agriculture, Forestry and Fisheries and Hunting was the outstanding feature of November. A clearer understanding of mutual problems, the joint development of concrete recommendations for their solution, a gain in self-confidence by Ministry representatives together with the acceptance of increased responsibilities by the Italian Staff was the result of the four-day conference.

The major recommendations of the conference were plans to increase production of cereals, dried vegetables, potatoes, olive oil, fuelwood, charcoal, fish and game. Improvement in the control of livestock slaughter and fish markets, and transfer by motor schooner were also suggested. Methods for improving the status of personnel carrying out the recommendations were suggested, such as the provision of legal status for Provincial and Communal Committees in Agriculture, de-militarization and further epuration for the Forestry Corps and a budget for the re-organized Fisheries Division in the Ministry of Agriculture.

2. A joint programme of requirements for agricultural supplies was being worked out with the Ministry of Agriculture.

3. Wheat production estimates for CALABRIA and SICILY will be reduced one-fourth from the 1944-45 estimates of August. Dried vegetables for ITALY will be one-tenth less due to lack of fertilizer and seed. About one-sixth of the proposed seed wheat program failed to materialize because of transportation difficulties. A report of estimated quantities of vegetable seeds for export is now available. Seed potatoes are moving to SICILY but collections in AVEZZANO are disappointingly low. Increased corn acreage is predicted to use land not planted with wheat, hemp, sugar beet and potatoes because of plant destruction or lack of seed.

4. CAMPANIA and TOSCANA Regions have surpassed their goal in the "Granai del Popolo" and LAZIO-UMBRIA and ABRUZZI-MARCHE were rapidly attaining theirs. The total stands at 9,813,774 quintals, or 85% of estimated collections.

5. Olive Oil collections started late and reached 33,303 quintals, compared with 101,047 quintals in 1942-3.

6. A definition of respective responsibilities for dealing with reclaimed land area problems was being prepared, in conjunction with the other Sub-Commissions involved.

7. Regional Meetings of Prefects and representatives of the Forestry Corps were held at five large consumption centres to discuss fuelwood prices. Plans were made for some shoes to be made available to woodsmen, and charcoal bags allocated to the producers.

8. The Fisheries Division obtained a further relaxation of naval restrictions

Declassified E.O. 12356 Section 3.3/NND No. 785016

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8. The Fisheries Division obtained a further relaxation of naval restrictions and planned for the distribution of recently arrived fishing supplies.

372

COMMERCE SUB-COMMISSION.

9. Materials Division:

(a) Availability of Materials.

A new list of controlled, restricted and Italian Government-controlled materials was compiled and sent out to all interested parties. The list of materials controlled by AMLRS has been reduced from fifty items to thirty-five. In forwarding this list to the Ministry of Industry, Commerce and Labour, it was suggested that the Italian Government might wish to place on their controlled list some of the items taken off AMLRS list. So far, nothing definite has been advised by the Ministry on this point.

(b) Require/.....

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Declassified E.O. 12356 Section 3.3/NND No. 785016

(b) Requirements and Releases.

As the Italian Ministry of Industry, Commerce and Labour have undertaken to furnish returns of availability of controlled materials and their blocking and releasing as from the 1 November 1944, much time during November was devoted to conferences with Ministry officials and the preparation and distribution of the necessary directives to ease the inevitable growing pains of the new system.

Though the whole matter of control and release of materials in general demand for the reconstruction of Italy's industrial and economic structure including, in some instances, the priority requirements of the Allied Armed Forces, is a very complex one, it is already obvious that the original directive was fundamentally sound. This is confirmed by the evidence reaching Commerce Sub-Commission of the apparent smoothness of the switch-over from A.C. to Ministry control in the Provinces.

(c) Newsprint.

There have been very few arrivals of imported newsprint, the total quantity amounting to about 62 tons. Large stocks were on hand, however, and no serious difficulty ensued.

AFHQ approved the requisition of 1000 tons of newsprint a month for the first six months of 1945 and it was forwarded to WASHINGTON.

AFHQ under the terms of Memorandum No.50 of 25 November has approved a plan of A.P.B. to transfer control of the press to the Italian Press Commission. The necessary steps to implement this memorandum as regards distribution of newsprint are being taken.

(d) Textiles, Shoes and Clothing:

As directed by this Headquarters, Commerce Sub-Section, SOUTHERN Region, arranged for the transfer of the shoe repairing and clothing repairing and dyeing contracts to the Ufficio Provinciale del Commercio e dell'Industria of NAPLES. This was carried out and made effective 1 December.

(e) Matches.

The match situation has improved insofar that constant efforts to obtain power for the important S.A.F.F.A. Plant at JESI have been successful. An output of 5,000,000,000 matches has been attained.

(f) Tobacco.

The tobacco situation is bad in SICILY, because of the delays in sea transport from the mainland, which has to supply raw tobacco to the tobacco factories at PALERMO and CATANIA.

(g) General.

Commerce Sub-Commission was charged with obtaining net import requirements for clothing, shoes, textiles, matches, paper (including newsprint), sacks, candles, materials for the functioning of State Monopolies, the manufacture of cigarettes and materials to implement an export program.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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Complying with instructions from Public Health Sub-Commission, 4,500,000 litres of Alcohol were ordered from SICILY.

10. Fuel Section:

Arrangements have been made for the Italian Government to take over the printing of all POL Application forms, Circulation Permits, Petrol Coupons etc. At our suggestion a new type of more flexible coupon is being introduced w.e.f. 1 Jan 45, and the printing is nearly completed.

11. Foreign/.....

0914

Declassified E.O. 12356 Section 3.3/NND No. 785016

11. Foreign Trade Section.

Shipments of various commodities in November totalled approximately 9,000 tons, with a total value of Lire 5½ millions. A further 9,500 tons were at port awaiting shipment at the end of the month.

The silk industry in CALABRIA and SICILY was running smoothly, the monthly production amounting to 4 to 5 tons of raw silk. Some of the silk produced has given disappointing results in the tests carried out in U.K., but generally speaking the standard has been satisfactory.

The first three lemon ships of the season were loaded during the month and from all reports the quality of goods shipped was excellent.

From 25 October to 21 November 2,834 tons of timber were transferred from CALABRIA to SICILY for lemon box making.

A provisional six months program of exports to MALTA has now been authorised.

FINANCE SUB-COMMISSION.

12. The prolonged delay in the formation of a new Government following the resignation of Prime Minister BONOMI and his cabinet on 26 November resulted in a serious interruption of day-to-day business between the Finance Sub-Commission and the Ministries of Treasury and Finance. Long awaited decisions were deferred, and certain decrees essential to the welfare of the community were not ratified. As an example, discussions on the controversial subject of the management and custody of Italian foreign assets were suspended. A decision whether this important function should be centralized at the Istituto per i Cambi con l'Estero or revert to the Banca d'Italia was still awaited.

13. Before and during the interregnum, signs were not lacking that the Italian Government through official and unofficial channels were continuing to press for an extension of the dollar credits made available to ITALY and announced by the President on 10 October 1944. From conversations with the Minister of Treasury it was known that these were his personal views, but it was not until 24 November, at a meeting of the Inter-Ministerial Committee of Reconstruction with members of the Economic Section, Allied Commission, that the Minister presented a memorandum requesting, inter alia, that either goods or foreign exchange should be made available as a counterpart against Allied Military lire paid out by the Allied Forces for goods and services; and, in addition, against those amounts disbursed by the Italian Government on behalf of the Allied forces. While the Minister of Treasury explained that the proposal was not officially presented by the Italian Government, there can be no doubt that its policy was to press constantly for such concessions.

14. From a report forwarded from WASHINGTON by Lieut.Comdr J. J. LAWLER, USCGR, Joint Director of the Finance Sub-Commission, it was evident that the Italian Government Mission, whose visit to the U.S.A. was referred to in the October report, was approaching the U.S. authorities in similar terms. At a meeting on 10 November with representatives of the U.S. State Department and F.E.A., MM.QUINTIERI and MATTIOLI indicated that the basic problem of ITALY was financial and would be largely solved by the creation of countervalue in dollars for AM lire issued in ITALY. Mr. QUINTIERI added that the dollars resulting from net troop expenditures should not be used for the purchase of supplies but as a reserve to back the Italian

Declassified E.O. 12356 Section 3.3/NND No. 785016

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15. The excess of purchases over payments of Buoni del Tesoro Ordinari amounted to 2,025 million lire in October, compared with 2,999 million lire in September, and with an average of 2,652 million lire for the first four months of the current fiscal year. The decline from September resulted largely from reduced purchases in SICILIA and TOSCANA Regions and increased redemptions in ROME.

It will be/.....

371

0916

Declassified E.O. 12356 Section 3.3/NND No. 785016

It will be noted that the October net gain of 2,025 million lire in Buoni Ordinari is in contrast to a net gain of 1,323 in all Buoni. In addition to the Ordinari (discount bonds), the latter figure includes Buoni Novennali and Buoni Poliennali (coupon bonds) and interest payments on both types. For the Novennali and Poliennali, counting interest, there was a net loss of 702 million lire during October.

16. The indicated deficit for October was 5,365 million lire. For the first four months of the fiscal year beginning 1 July, 1944, the deficit totalled 24,818 million lire, a monthly average of 6,207 million lire.

17. The agreement between the Banca d'Italia and the Allied Commission concerning the remittance system was approved by CCS. Following the receipt of approval, representatives of the Banca d'Italia and the Banco di Sicilia and the Allied Commission to effect arrangements respecting the operation of the system on a geographical basis. The various correspondent banks in the UNITED STATES will continue to send lists of remittances to the Banco di Sicilia for SICILY and to the Banco di Napoli for SARDINIA, ROME and the Provinces South of ROME. In addition, following the appropriate amendment to General License 32 A on 24 Nov, they have begun to forward to the Banca d'Italia remittances for the ten (10) extra provinces North of ROME and the Banca d'Italia will effect payment of remittances through the nearest commercial bank, as follows :

Banco di Roma	TERAMO, AQUILA, PESARO
Banco Nazionale del Lavoro	ASCOLI, MACERATA, CHIETI
Monte dei Paschi di Siena	GROSSETO, TERNI
Banco di S. Spirito	RIETI, VITERBO

The "Big Five" banks in the United Kingdom agreed to act as correspondent banks of the Banca d'Italia for all liberated ITALY, and will, no doubt, be forwarding remittances at an early date. The Bank of England is now in a position to withdraw from active participation in the remittance scheme. While it was redised that it would be preferable for the banks in GREAT BRITAIN and UNITED STATES to have direct correspondent relations with Italian commercial banks, there are certain practical difficulties which must be taken into consideration, i.e., the restrictions of the amount one individual may receive in a given period, and the location of the head office of some of the more important banks in that area of ITALY still occupied by the enemy. It is deemed advisable to use the Banca d'Italia for effecting remittance payments North of ROME until the whole of ITALY is liberated.

18. Up to 26 November, 1944, the property of 266 individuals and organizations was placed under protective sequestration, including such Fascist leaders as MUSSOLINI, STARACE, GRANDI, FARINACCI, GRAZIANI, CIANO and FRIGNANI. It is estimated that over five billion lire worth of property has been sequestered. However, as much Fascist property is believed to have been cloaked both in ITALY and abroad, the above mentioned estimate is believed to be low. An active investigation was in process to uncover such further holdings.

19. Further progress was made in the plan for transferring to the Italian Government the responsibility for receiving, distributing and accounting for miscellaneous supplies. The plan followed in general the procedure now employed for foodstuffs. Under the proposed system the Italian Government through the Istituto Nazionale Commercio Estero would receive cargoes of imported supplies based on ships' manifests and thereafter distribute the same through their agents in various cities. Some imported supplies have already been turned over to INCE under the new plan and the required receiving reports obtained by AC. Further extension

Declassified E.O. 12356 Section 3.3/NND No. 785016

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FOOD/.....

Declassified E.O. 12356 Section 3.3/NND No. 785016

FOOD SUB-COMMISSION.

20. The Director of Food Sub-Commission returned to AC Headquarters at the end of the month after completing his special mission to WASHINGTON and LONDON, the object of which was submission of Allied Commission estimates of food requirements for January - June 1945, and a first hand presentation of the information and reports on which the estimates were based.

After a series of discussions lasting nearly two months, the estimate for pulses, meat, milk and sugar was approved. The wheat programme was still under discussion when Colonel Legg concluded his mission on 21 November.

21. General Supply Situation:

(a) The 300 gram ration for the whole of ITALY was again the question of paramount importance throughout the month. Several summaries of the present wheat situation in relation to the establishment of this ration were submitted through AFHQ to the Combined Chiefs of Staff, to enable a decision to be reached.

It was hoped that this decision might have been reached by the end of the month, but such was not the case and demands for an increased bread ration, a possibility that had been receiving increased publicity, had still to be faced with no indication of how demands could be met. The question at issue was the wheat imports required as against the amount of wheat that could be imported due to the world shipping situation and as against the commitments that may be necessary in Northern ITALY when that territory is liberated.

(b) There was no immediate improvement in the prospects with regard to sugar, dried vegetables and dehydrated soup owing to lack of definite news from WASHINGTON. Pending the grant of further imports, ration issues of these items have been consistently reduced since September to attempt to conserve supplies. A final cut in the issues of soup and dried vegetables was postponed as long as possible, but by the end of the month it was found necessary to discontinue issues in urban areas, and only distribute these items to special classes such as hospitals, refugees etc.

Increased imports of dried skim milk were announced at the end of the month

(c) Transporting supplies to the right place at the right time was no easier during November owing to the usual difficulties of scanty imports, slow unloading of civil supplies and difficulties of coastal movement and inland transportation.

22. Under Secretariat of Food.

Though it was hoped as a result of long discussed plans that an Italian Under Secretariat of Food would assume responsibility during the month for the feeding of liberated ITALY, very little progress was made in this direction owing to delays on the part of the Italian authorities. The Royal Decree forming the new Undersecretariat was not finally passed owing to technical difficulties. A draft plan showing the organisation of the new Ministry and roughly how they [illegible] discussed but so far no organization has

Declassified E.O. 12356 Section 3.3/NND No. 785016

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23. Rome Supplies.

With the assistance of the ROME Supply Committee a total of 15,000 tons of non-rationed foods arrived in ROME markets, an average of 585 tons a day. Of these, 1,000 tons were potatoes, and energetic measures were being taken to increase this tonnage for December.

24. Ration/.....

0920

Declassified E.O. 12356 Section 3.3/NND No. 785016

24. Ration Scales:

As a temporary measure pending the decision on the 300 gram bread/pasta ration, an additional pasta ration of 300 grams for a fortnight for all normal consumers North of the GARIGLIANO line was authorized as from November. A ration scale was also agreed upon for feeding returned Italian prisoners of war whilst in disembarkation camps in SICILY and Southern ITALY.

The arrangements for printing ration cards for the period 1 March - 30 June 1945 are well in hand - despite the non-arrival of 440 tons of paper requisitioned for this purpose.

INDUSTRY SUB-COMMISSION.

25. Two major events occurred in the month of November :

(a) The initiation of a basic rehabilitation programme for Italian industry.

(b) The establishment of the Industrial Coordination Committee of the Allied Force Local Resources (Italian) Board.

The Rehabilitation Programme (a) above:

This is a relatively short term policy for putting some of the basic industries of ITALY on their feet, and dollar credits for an amount at present unspecified are to be placed at the disposal of the Italian Government for this purpose. The huge and complicated task of establishing priorities of certain raw materials and of using these credits to the best possible advantage has now to be tackled. This is the responsibility of the Italian Government with the assistance and supervision of Sub-Commissions in the Economic Section.

After a number of conferences between Economic Section and the Italian Ministers it was decided that the relatively modest credits available would be devoted to rehabilitation of the following basic services and industries which are vital to the recommencement of the economic life of the Italian Nation.

Transportation.
Hydro-Electric Service.
Agriculture.
Textiles and Leather.
State Monopolies.

Industrial Coordination Committee (b) above:

In May last Industry Sub-Commission suggested the formation of an Industrial Coordination Committee in a letter to AFHQ, G-5 Section, dated 30 May 1944. It had long been obvious to officers of Industry Sub-Commission that industrial resources in Liberated ITALY were being uneconomically and illogically utilised, that parallel production by various branches of services of the Allied Armies was the cause of waste of available electric power, of imported materials, and of transportation. Materials available and unused in one plant were unavailable to another. Factory equipment such as motors and machine tools were treated by the Allied Forces not as a means of production in the factory in which they were installed but as "local resources". In other words the services were demanding the removal of plant itself instead of demanding from the plant its final product.

[illegible] of AFLRS was formed.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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In November the Industrial Coordination Committee of AFLRS was formed. One of its important functions will be the consideration of applications to derequisition industrial plants, many of which are being utilised by the Armed Forces for purposes other than those for which they were constituted, e.g. as billets or supply dumps.

26. Industrial/.....

Declassified E.O. 12356 Section 3.3/NND No. 785016
09222

26. Industrial Activities:

(a) Textiles and Ancillary Industries:

Further progress was made in the rehabilitation of the PRATO woollen factories, and report were received which indicate that if power and fuel were available, upwards of 1,000,000 Kgs of cloth could be produced a month. Power however remains the limiting factor and at present out of over 50 firms reported to be ready or almost ready to resume operations, only 6, which have their own generating plants, are working partially. Bids have therefore been placed for 700,000 KWH a month, to be consumed largely during night hours to avoid normal peak periods.

Production of leather remains unsatisfactory, and new proposals made by the tanners themselves are under consideration by the Ministry.

(b) Structural Materials:

Grinding of clinker has started at COLLEFERRO and about 600 tons of cement have been produced. Bids for coal and power have also been submitted the cement factories at MONOPOLI and VIBO VALENTIA.

The possibility of reactivating two glass works in the ROME area by modifying the plants to burn lignite instead of long flame coal is being investigated and, pending trials, bids for fuel and power have been made. The production of paraffinised paper as a glass substitute has begun at BOMBRINI-PARODI DELFINO, COLLEFERRO.

S.I.M.S.A., COLLEFERRO, has started making roofing felt and experiments are also being carried out in ROME in the manufacture of roofing materials from salvaged tins.

(c) Coal:

The new coal quay at CIVITAVECCHIA was completed during the month and discharge and distribution have averaged 600 tons a day. FIUMICINO is also ready to discharge barges or small steamers.

AFHQ has decided that AC and the Italian Government shall be responsible for supplying 31,850 tons of coal and lignite a month to the Armies during the winter.

(d) Mining:

SARDINIAN Coal. Production for October was 34,602 tons. Stock on hand on 31 October was 31,875 tons. Increasing production to quantities required is a problem of labour, much of which was lost during the period of curtailed production.

Mainland lignite. Power and transportation are the usual problems of production here and the estimate for November was 20,000 metric tons. Stocks of 200,000 tons of lignite and 15,000 tons of briquettes at CASTELNUOVO may be drawn upon by Allied Forces to the extent of 18,000 tons a month, which will relieve the financial situation.

Sulphur. Production of the SICILIAN mines increased substantially during October from an average of 3,415 tons in the previous two months to 4,928 tons. On

Declassified E.O. 12356 Section 3.3/NND No. 785016

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(e) Caustic Soda:

The Ardeno Plant, ROME, is ready for operation except for supplies of electrolytic Salt. This has been located in SICILY and arrangements are being made for shipment.

LABOUR/.....

369

0924

Declassified E.O. 12356 Section 3.3/NND No. 785016

LABOUR SUB-COMMISSION.

27. The labour situation was still precarious and, although increased wage adjustments stemmed the tide in most instances, the real answer to industrial peace was still sufficiency of food.

28. The Labour Sub-Commission frequently stressed to the Minister of Industry, Commerce and Labour the importance of legalizing the Regional and Provincial Labour Offices in Italian territory by Royal Decree. Reports from various areas showed the increasingly prominent role that these Labour Offices played in the labour field. Further delay is unjustified and is affecting the efficacy of the work being done.

The Labour Offices are the machinery through which the Italian Government can study and solve labour problems and through which a free and independent trade union movement can obtain support. A few of the many problems of the Labour Offices are:

(i) To follow the labour phenomenon in its social aspect so as to be always informed of developments.

(ii) To study labour problems and provide regular compilation of labour statistics.

(iii) To promote the peaceful settlement of labour disputes through conciliation, mediation and arbitration by offering the contending parties a meeting ground as well as a legal means of composing their differences.

(iv) To control and supervise a placement of labour which, according to the decisions of an International Labour Conference, should be a State responsibility.

(v) To supervise the recognition and enforcement of all social legislation.

29. The Labour Sub-Commission did not object to the re-establishment of the Offices of Port Captaincies nor to the registration of seamen through the Personnel Section of that office, providing that these "Capitanerie di Porto" charge no fees and that such registrations will not result in a monopoly of employment process.

30. The labour situation in the LIVORNO-PISA area has been complicated by short supply, and the fact that LIVORNO is a supply base for operations on the fighting front. Upon the request of the Regional Commissioner of TOSCANA Region, the Base Purchasing Agent of PBS, FIFTH Army, Royal Navy and other units, a special Headquarters Labour Officer was detailed as a single authority to coordinate all the labour activities in this area. Problems were generally comparable to those of last winter in the Port of NAPLES. Results already achieved justify the continued assignment of our representative for an indefinite period.

31. Wage agreements between employees and employers of the "S.I.E.L.T.E.", NAPLES - PIEDMONTE D'ALIFE Railroad and COMPAGNIA CONTINENTALE BRUNT were reviewed and approved during the month.

32. Independent investigations were carried out after the PALERMO riot of 18 Oct [illegible] from the labour point of view. From

Declassified E.O. 12356 Section 3.3/NND No. 785016

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32. Independent investigations were carried out after the PALERMO riot of 18 Oct to ascertain the causes of the incident from the labour point of view. From unofficial sources it was learned that the main cause of the demonstration was economic and not political. Good judgment of the Civil Authorities could easily have avoided the tragic denouement. The demonstration arose out of the following:

(i) Proposal to increase the bread ration.

(ii) Lack of control of prices.

(iii) Blackmarket speculation.

(iv) Demand for higher wages.

33. In order/.....

0926

Declassified E.O. 12356 Section 3.3/NND No. 785016

33. In order to parallel the Italian Royal Decree of 31 October for an increase of wages in private industry, the Special Sub-Committee of the Labour and Wages Control Committee approved an increase in the Allied Forces Wage Scale, granting an additional 40 to 60 lire a day to the present wage of workers for the Armed forces. This increase, effective 16 November, was proposed to meet the higher cost of living and to restore the preferred position of the Armed forces.

34. The plan to give full social insurance coverage to Italian workers employed directly by the Allied Forces throughout ITALY was approved by both the Italian Government and Allied Forces during the month and was scheduled to become effective on and after 1 December.

35. Progress was good in the registration of labour. New registration forms have been completed and distribution to all areas will be made shortly.

36. In LAZIO-UMBRIA Region the request for supply of labour to Allied units increased and our labour supply office has been very active. During the month, of the 65 requests processed from Allied units, a total of 1105 of various categories were employed.

Exact statistics of the number of persons unemployed and available for work are difficult to obtain. Though the ROME Province Labour Office registered 49,725 unemployed it is still an incomplete return. A conservative estimate of unemployed figures for the whole of LAZIO-UMBRIA Region is 125,000.

37. In AMG FIFTH Army territory there are 51 Labour Supply Offices in the area now in operation, in FLORENCE, PISTOIA, LUCCA and highway 65, and they have altogether thus far furnished 7,161 men and women.

PUBLIC WORKS AND UTILITIES SUB-COMMISSION.

38. The Italian Government was given greatly increased powers to execute within its territory all projects not involving use of critical (or imported) structural materials. Works of military necessity required by Armies will, however, continue under direct control of this Sub-Commission.

39. A decree covering financial subsidies for building repairs (private properties) was approved by the Council of Ministers. This will be the beginning of a considerable housing programme. The Minister of Public Works has a 500 million lire fund for discretionary allocation in connection with commencing initial projects. Some delay due to administrative difficulties has occurred. There is a similar difficulty in the financing of repairs to hydro-electric plants and power facilities generally for which a fund of 2 billion lire is contemplated.

40. As "black market" activities have extended to building materials, which are increasingly reflected in estimates submitted by Genio Civile, the Minister was urged to establish controls and maximum prices by promulgation of a decree or by some other method.

41. In SARDINIA the Public Works Sub-Commission has had no officer for the last three months and by January 1945 this position will apply to SICILIA and CALABRIA.

42. A draft decree concerning increases in rates for water, gas and electricity (public utilities) was modified, in conjunction with other interested Sub-Commissions, but it has not yet been promulgated.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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43. The general rehabilitation of water undertakings and some sewerage systems continued, water supplies to ROME City being almost back to normal standard.

44. The 50 million lire Pontine Marshes project (Bonifiche) made good progress, particularly towards prevention of further flooding along Route 7. Channels have been cleared, temporary dams built to replace destroyed floodgates and smaller pumping stations restored to service. The largest one (MAZZOCCHIO) remains useless, the enemy having removed all electrical plant. Similar works were executed in TOSCANA Region, viz. valleys river ARNO, ELSA, ALBEGNA, CHIRONE and elsewhere. Studies of the probable situation in PO Valley area continue in conjunction with Agriculture, Public Health and Industry Sub-Commissions. Portable pumping units totalling 10,000 h.p. have been indented for, equivalent to 10% of installed plant now there. (In PONTINE area 90% of such plant found destroyed).

368

45. Special/.....

Declassified E.O. 12356 Section 3.3/NND No. 785046

45. Special works required by P.B.S. on Routes 1 and 7 (NAPLES - ROME - LEGHORN) were begun. Urgent bridge works are in hand on Route 6 (ROME - CASERTA) preparatory to the removal of portable Bailey bridges urgently required by the Armies in the North. Access roads to air fields (FOGGIA area) were taken over from the U.S.A. Air Force Engineers on special request. Floods in North caused extra demands from military Districts for diversions and bridge works. Bailey bridge replacements by more permanent structures continue regularly. Of all Bailey bridges in an area North of ROME 72% will be released by January 1945 and another 14% will be replaced by "FLAMPO" bridges (steel) now being manufactured in ITALY. In November 318 roads and bridges schemes (military) were in hand, value 620 million lire, 85 being completed during the month. The Sub-Commission approved 421 other schemes; viz. roads and bridges, public buildings, schools, debris clearance, public utilities including water works, housing etc., at a total cost of 332 million lire. During the month 273 such schemes were completed at a cost of 194 million lire. Projects dealt with independently by Italian Government totalled 330 end of October. Value 75 million lire.

46. About 20,000 K.V.A. generating equipment (electrical) restored to service, making total 100,000 in Central ITALY. 163 Km transmission lines were restored and in ABRUZZI-MARCHE and TOSCANA Regions considerable similar works was done, as well as on small generating stations. The lack of transport and consequent lack of regular maintenance over a long period caused a serious transmission line breakdown in SOUTHERN Region. The electrical companies concerned were assisted by the Sub-Commission's personnel and special transport. Electrical Reconstruction Committee held first meeting, Lt.Col. LAPPER making reports on his mission to USA, UK and FRANCE. Planning to rebuild repairable power stations by end of 1945 was begun in conjunction with the principal electric companies and the Ministry of Public Works. Electrical construction supplies showed some improvement except for insulating materials. Some of these are now beginning to arrive by sea. The transportation problem of many Power Companies becomes more and more acute, handicapping both reconstruction and regular maintenance. The Ministry of Public Works has been asked to appoint a representative, located at HQ of Sub-Commission, to facilitate interchange of ideas, reduce correspondence and from time to time take over responsibilities.

47. Officer personnel was 71 in total, viz. 19 at HQ and 52 in Regions. The Director of the Sub-Commission, Lt. Col. JEFFY, returned to duty from WASHINGTON and Lt. Col. LAPPER from LONDON.

SHIPPING SUB-COMMISSION.

48. The general situation is satisfactory. Vessels, except schooners, have operated smoothly and no particular difficulties have been encountered.

49. The schooner situation, however, has presented certain anomalies which continue to receive the attention of Economic Section, Mediterranean Shipping Board and the Italian Ministry of Marine. One of the main difficulties, now overcome, is the legalisation of COGENA. This enabled the operating committee to come to satisfactory terms with the schooner industry.

50. Negotiations have continued during November on a freight tariff based on a ton mileage basis to cover all commodities. This tariff is now practically agreed by all parties and supersedes the unsatisfactory methods hitherto in force. These [illegible] will prevent erratic freight rates and will be a considerable help to

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51. The tariff rates for carriage of goods by schooner will be approximately forty-five times greater than was laid down before the outbreak of hostilities in 1939. This was due to increased running costs, delays and rate of exchange.

52. During October, 4944 weight tons of civil cargo was carried by Italian schooners and 3000 weight tons by Italian coaster. In November 8946 weight tons and 3950 weight tons respectively were carried by schooner and coaster. Approximately 6500 weight tons of civil cargo was also carried by vessels under flags other than ITALIAN.

53. In view/.....

0930

Declassified E.O. 12356 Section 3.3/NND No. 785016

53. In view of the cessation of the present service between CAGLIARI and NAPLES a civilian service will be instituted. This service will be the first return to a regular shipping service run by the Italian Authorities for civilian cargo.

54. Schooners are still delayed unfortunately by cargo not being available against individual allocations. It is requested that all concerned give their particular attention to this point so that the maximum use may be made of those vessels which are available for the carriage of civil goods.

TRANSPORTATION SUB-COMMISSION.

Railways.

55. Military railheads have been almost static during the month. Weather conditions have caused damage to various tracks making movement difficult. A plan has been agreed with Director of Military Railway Services for the satisfactory rehabilitation of Italian Railways. This will place additional responsibilities on AC.

56. Fourteen engineering projects were in hand, ranging from long stretches of track to bridge work, and all projects when completed will assist in the distribution of essential needs of the community.

57. The question of a ROME - NAPLES passenger service continued to the fore, but limited track capacity and priority of military and food supply demands have so far prevented its introduction.

58. A violent cyclone in SARDINIA caused a train derailment on 8 November, when one person was killed. Locomotives in that island are being converted to burn Sulcis coal, thus restricting import of coal.

59. The work of wagon repairs has been stepped up to meet acute shortage of wagons.

Roads.

60. Three G.T. Coys were operating, viz: Nos. 1000, 1001 and 1004. The fourth G.T. Coy (No.1002) was made available by AFHQ and is reporting on or about 8 Dec.

61. The progress of ENAC has been very much retarded owing to the crisis in the Italian Government. As a result the revised haulage rates were not published and the formation of ENAC not completed.

62. During the month returns have been received from Regions with information concerning location of vehicles, present holdings, and additional requirements of maintenance, personnel, equipment, garages etc. These returns are now being consolidated and every endeavour made to meet requests still outstanding.

63. Three additional tyre repair plants in ROME have been requisitioned and re-established by this Section. These will assume operations as soon as requisitioned raw material arrives. The collective output of these will average 110 of various sizes a day.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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64. One of the problems encountered by the 1st Truck Battalion was the lack of Control Vehicles. The civilian cars assigned were inadequate in number, not road worthy for operation in Army Forward Areas and difficult to maintain.

Shipment/.....

0932

Declassified E.O. 12356 Section 3.3/NND No. 785016

Shipment.

65. Bad weather caused serious delays in schooner traffic during the month. The small vessels which are operating are confined to port whenever weather conditions are unfavourable. Many of them are under repair and winter conditions generally reduce the available tonnage. During November goods amounting to 8946 tons were lifted by schooner and 3950 tons by coaster.

66. All bids submitted to AFHQ during the month were accepted with the exception of 8600 tons phosphate rock.

67. A regular service from SARDINIA to NAPLES was agreed with AFHQ and will start on 25 December. The S.S. ABRAZIA has been selected for this ferry service and will do two round trips per month. Her capacity will be about 250 personnel and 1000 tons cargo.

68. CASTELLAMMARE, CIVITAVECCHIA, SALERNO and CROTONE all worked satisfactorily.

General.

69. On 21 November the Clothing Section, Medical Supply Branch, Public Health Sub-Commission, was transferred to Transportation Sub-Commission.

0933

Declassified E.O. 12356 Section 3.3/NND No. 785016

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0954

Declassified E.O. 12356 Section 3.3/NND No. 785016

PART IV.

POLITICAL SECTION, PUBLIC RELATIONS BRANCH AND INDEPENDENT SUB COMMISSIONS.

POLITICAL SECTION.

1. November brought many important events of political significance. In spite of the Prime Minister's efforts to strengthen the Government and his pleas for unity early in November, the dissension within the Government and the dissatisfaction without continued to increase until it became clear that reconstruction of the Cabinet was a necessity. Consequently, on 26 November the Prime Minister submitted his resignation to the Lieutenant General of the Realm, thereby precipitating a crisis that was still unsettled at the end of the month.

2. Following constitutional procedure, the Lieutenant General proceeded to hold conversations with the Presidents of the Senate and of the Chamber, with leaders of the six Government parties, and with other political personages. These conversations were concluded on the evening of 29 November and shortly thereafter the Lieutenant General charged Signor Bonomi with the task of forming a new Government.

3. A number of factors had contributed to the political instability. Probably the most important was the realization by the old Government and the public that warfare in Italy will continue for some time and that the existing Government, instead of being an interim organization, as some had originally thought, would be called upon to take planned and energetic action for an indefinite period. The Government had been hanging together largely as a result of the agreement to co-operate which the several parties were attempting to maintain for their individual advantages, in spite of the bitter attacks they levelled at each other in the public press.

4. At the time of the resignation, it was rumored that the Parties of the Left had contributed to the instability by demanding that they be given the portfolio of Interior, War and Foreign Affairs and by asking for the removal of certain representatives of the moderate parties from the Government.

5. Elsewhere it was said that the President of the Council of Ministers had decided to form a Cabinet of technicians. The Communist paper, "AVANTI", was loud in denouncing such a possibility and called it an attempt "to exclude the Communists from the Government".

6. Subsequent to the resignation, Count Sforza was named Chairman of the group of C.L.N. representatives who had met to discuss a means of solving the crisis. It was said that he was cast for the Foreign Affairs portfolio in a new Government. However, Count Sforza resigned as Chairman, after a Committee of the C.L.N. had called upon the British Ambassador. According to BBC they were given to understand by the Ambassador that Count Sforza, would not be welcome to the British Government as a member of the new Italian Cabinet.

7. In spite of numerous contributory factors, it appeared likely that the resignation of the Government was caused primarily by the unwillingness of the President of the Council and of the moderate members of his Cabinet to accede to the demand for key ministerial posts by the Parties of the Left.

8. The announcement of the resumption of direct relations between Great Britain and Italy and the establishment of diplomatic relations by the United States, Russia

Declassified E.O. 12356 Section 3.3/NND No. 785016

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8. The announcement of the recumption of direct relations between Great Britain and Italy and the establishment of diplomatic relations by the United States, Russia and the Latin American countries with Italy has been followed by a considerable degree of diplomatic activity. At the end of November fifteen of the Latin American Representatives had advised the Italian Government of their intention to resume diplomatic relations and five of them, Brazil, Cuba, the Dominican Republic, Mexico and Peru have already appointed representatives.

9. The issuance of instructions to the patriots in the North by Field Marshal Alexander in which the patriots were asked to slow down activity due to the conditions of the winter campaign caused a large amount of public comment. In general, the press called for an intensification of Government and Allied assistance to prevent collapse of all partisan activity, while the press of the Left urged recognition of the Committees of Liberation as "provisional governments" in newly liberated territory.

366

0936

Declassified E.O. 12356 Section 3.3/NND No. 785016

The Socialists in a subsequent resolution urged the recognition of the main Committee in enemy-occupied territory.

10. The arrest of General Mario Roatta and Colonel Bartolini, former Chief and member, respectively, of the Army General Staff brought again into public discussion the possibility of a full inquiry into the cause of, and responsibility for, the collapse of the Italian Army after the Armistice.

11. A very favorable public reaction resulted from the review of the re-equipped and re-organized Italian Army Units that was held when the Units passed through ROME on 24 November. Although the occasion was used by some of the parties as an opportunity to show their political banners, the splendid appearance of both personnel and material provoked favorable comment and no small degree of pride from the large number of spectators.

PUBLIC RELATIONS BRANCH.

12. While carrying on the usual routine work associated with daily press releases, daily digests of the Italian press, trend of correspondent's copy, weekly bulletin and arrangements for interviews and conferences on behalf of Allied, neutral and Italian correspondents, the Public Relations Branch was also increasingly occupied by questions arising from the resumption of Italian activity in the cinema, theatre, radio, and press agency fields, and the question of epuration as it touches the Undersecretariat of the Press and Information and the parastatal agencies depending from it. As a result of protracted discussions, agreement was obtained from AFHQ for the establishment of a temporary Film Board to decide the various complex problems now arising with AC, PWB and Italian Government representation. After considerable discussion with AFHQ a plan for the future structure of the Italian radio was also put forward to AFHQ; a similar plan was laid before the Council of Ministers by the Undersecretary of the Press. Steps were taken to clear up the copyright difficulties existing over theatrical productions translated from English. Agreement was obtained from AFHQ to permit Allied Press Agencies to resume the input of news on 15 January and steps were taken to open the field similarly by Italian news agencies, provision being made against exclusivity.

13. A feature of the month was the delegation by the Allied Publications Board to the Italian Press Commission of all powers regarding the granting or revocation of licenses in territory under Italian jurisdiction, P.W.B. controlled papers remaining exempt from this control and the APB reserving the right of intervention on questions of military security or undemocratic practices.

14. The vexed question of accreditation and procedure for Italian war correspondents was finally cleared up, and a conducting officer was sent with those correspondents to the Fifth and Eighth Army areas. An air tour was arranged for Italian civilian correspondents to Italian air units re-equipped by the Allies.

15. The work of the Archives section proceeded steadily, eight crates of documents being received from SICILLA Region. SOUTHERN Region is in process of sorting out obsolete records for submission.

NAVY SUB COMMISSION.

16. The general disposition of the Italian Fleet remains the same and the ships continue to carry out useful work in the MEDITERRANEAN. The larger vessels have been used mainly as fast transports.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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17. The Navy Sub Commission has received information from the Ministry of Marine, that the Italian organisation of the ports of CIVITAVECCHIA, SAN STEFANO and PIOMBINO is proceeding satisfactorily. The three ports were recently returned to Italian control and the full administrative and operational responsibility is now vested in the Ministry of Marine.

18. The Ministry has announced its intention of establishing a Port Division in its offices in ROME which will be under the direction of a Senior Naval Officer and which will co-ordinate all matters in those ports which have been or which will in the future be returned to Italian Navy Control. In the larger ports the local Italian or-

0938
Declassified E.O. 12356 Section 3.3/NND No. 785016

ganisation will be in charge of a Naval Commander of appropriate rank: in the smaller ports, such as SAN STEFANO, the Tenente di Porto or Harbourmaster will be in charge. The representatives of the Ministry of Marine appear to have accepted their new responsibilities in the ports enthusiastically and have undertaken the necessary arrangements in a business-like manner. It is hoped that it will be possible for the Ministry of Marine to obtain an estimate of the amount of Allied traffic expecting to use the ports so that necessary arrangements can be made by them for labour and equipment.

19. One of the main difficulties regarding the supply of Naval Stores to the Italians is that no central storing system exists in the Italian Navy. The Ministry of Marine has recognised the disadvantage of its departmental system however, and it is understood that it is setting up a central stores department which will co-ordinate the demands of the various departments of the Ministry. It is worthy of note that this step is being taken quite spontaneously by the Ministry of Marine.

LAND FORCES SUB COMMISSION (M.M.I.A.).

20. During November the FRIULI and CREMONA Combat Groups completed their re-equipping and preliminary training in the BENEVENTO Area. Inspections were made by H.R.H. Prince UMBERTO of PIEDMONT and by Field Marshal Sir Harold ALEXANDER who told the commanders he was impressed and well satisfied, and that the Groups would form part of his Group of Armies and be treated in the same way as those of all the other nations fighting under him. Some anxiety was experienced over the standard of training of motor drivers and other mechanical specialists which has resulted in considerable damage to equipment; extra British personnel were provided to raise the standard. Towards the end of the month both Groups moved forward to come under command of British 1 District and 10 Corps respectively for higher training before going into the line. During the moves each Group provided a representative column of 1500 men and 200 vehicles to march through ROME as evidence to the citizens of their existence. They were given an enthusiastic reception from large crowds in spite of the efforts of the younger generation to turn the event into an excuse for expressing their political views. H.R.H. Prince UMBERTO took the salute of the FRIULI combat group on 24 November but was prevented from doing so in the case of the CREMONA group by the government crisis.

21. LEGNANO and FOLGORE Groups remained in the CAPUA Area reorganized on the new basis but awaiting their equipment and vehicles - modified training scales only of which have been received. There was some discontent over clothing and lack of blankets and boots but this situation improved towards the end of November when equipment was released in greater quantities.

22. MANTOVA Group remained in the heel and completed its reorganisation in time to move to BENEVENTO Area at the end of the month to relieve the FRIULI and CREMONA Groups. Training scales of equipment are due to be released during the first week in December. The BLU has been formed and is functioning.

23. PICENO Group is still under discussion and its future was changed many times during the month. The latest decision is that 3,000 of its officers and men should be loaned to the Allied Commission for Caribinieri duties until 15 February 1945. It is undecided whether the remainder is to join the nucleus of the Sixth Combat Group, be used as a reserve holding Group, or be disbanded and converted into a Replacement Training Depot.

24. Reinforcements for the Combat Groups are being provided from call-ups in

Declassified E.O. 12356 Section 3.3/NND No. 785016

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24. Reinforcements for the Combat Groups are being provided from call-ups in various parts of Italy and a Depot has been established at TEANO (N.W. of CAPUA). The problem of equipment, training facilities and future location for this depot has not yet been solved, though considerable attention was given to it during November.

25. Auxilliary units which were to be formed for the first two Groups are now ready to accompany them to the forward area. The rest are slowly forming alongside their respective Groups but their equipment presents a difficult problem.

AIR FORCES SUB COMMISSION.

26. The Italian Air Force continues to support the Allied war effort in active

0940

Declassified E.O. 12356 Section 3.3/NND No. 785016

operations over the BALKANS. The scale of effort during November has greatly exceeded that ever achieved before. This has been due partially to the arrival at operational bases of squadrons equipped with Allied types of aircraft which have been under training during the past months, and partially to an increase in serviceability.

27. Fighter Wing: The whole of the Italian Fighter Wing is now fully operational. The number of sorties carried out by the Wing is an all time record and considerably in excess of that ever carried out before. Enemy transport has been damaged or destroyed, and a considerable weight of bombs has been dropped by fighter bombers on important targets. Unfortunately this effort has not been carried out entirely without loss.

28. Seaplane Wing: There has been little demand of an operational nature on the activities of this Wing, and the number of sorties carried out shows a considerable reduction. Permission has been granted by H.Q. M.A.A.F. for a limited number of the aircraft of this Wing to be used on transport service, and preparation of the bases for this service is now being actively carried out. The air sea rescue commitment still remains, but during the month few sorties have been carried out and there have been no results.

29. Light Bomber Wing: One of the squadrons has been on active operations and has carried out a number of sorties, it is claimed, with average results. Half the second squadron is at its operational base and the other half is held up by weather conditions, but will move to the operational base as soon as these improve.

30. Bomber Transport Wings: In spite of difficulties through serviceability of aircraft more sorties were carried out during November than in October, and a satisfactory weight of supplies was either carried or dropped.

31. Progress has been made in the formation of the school, and the aircraft and personnel are now located on the training airfield. Training flying at the school has actually started, but because of the considerable surplus of trained crews it has not been found necessary to carry out any intensive flying, and the main effort has been devoted to the improvement of serviceability.

32. The serviceability of the Italian Fighter aircraft again shows an increase which is greatly to the credit of all concerned. In spite of considerable technical difficulties the serviceability of the Bomber Transport aircraft has improved slightly compared with October. The initiative, ingenuity and hard work of the technical personnel and ground crew of this Wing is most praiseworthy. The serviceability of the Light Bomber Wing is good and demonstrates the ability of the Italian technical personnel to keep these aircraft in a serviceable condition.

33. The situation as regards manpower is unchanged, but the I.A.F. is making a substantial contribution to both the R.A.F. and the U.S.A.A.F.

34. It is regretted that the question of an increase of rations for aircrews is still not settled. A visit by a Staff Officer from H.Q. M.A.A.F. Rear, has been made and certain definite recommendations have been forwarded by that H.Q. to higher authority, and it is hoped that these will have some result in the immediate future.

35. The morale of the Italian Air Force still remains high. A special message of congratulation was received by the Fighter Wing from the Air Officer Commanding, BALKAN Air Force, for their operations during the early part of the month.

36. The political crisis which occurred in the last week of the month has na-

Declassified E.O. 12356 Section 3.3/NND No. 785016

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36. The political crisis which occurred in the last week of the month has naturally had its effect on the Italian Air Force, but so far this effect seems to be less far reaching than usual, and at any rate in so far as the operational units are concerned they are putting their active aid to the Allies first.

37. The question of defascisation is still highly unsatisfactory.

COMMUNICATIONS SUB COMMISSION.

38. Telecommunications.

(a) Telephone. Exchanges were repaired or installed and brought into use

0942

Declassified E.O. 12356 Section 3.3/NND No. 785016

in: FIUGGI, ANZIO, VENTRAILLA, TUSCANIA, LORIANO, NARNI, AMELIA, ACQUASPARTA, TODI, RONCIGLIONE, ANCONA, JESI, OSIMO, CASTELFIDARDO, LORETO, EMPOLI, PRATO and FOGGIA. Circuits were completed from ROME to TERNI (additional), RIETI, ANZIO, AQUILA (additional) and between many towns in the UMBRIA-LAZIO, ABRUZZI-MARCHE and TOSCANA Regions.

(b) Telegraph. Many additional offices have been connected to the telegraph network, and between 50% and 80% of offices in the forward provinces in the authorised zone are now open.

The pneumatic tube distribution system for the telegraph service in NAPLES has been restored.

Many conferences, in which the U.S. and British Embassies took part, were held in an attempt to reach an agreement on the conditions for opening of a radiogram and cablegram service to the U.S. and U.K., but no decision was taken.

39. Postal.

(a) Commercial correspondence was authorised in the U.S. and U.K. with certain restrictions, and the weight limit for this class of correspondence has been increased from 210 grams to 1 Kilo.

(b) T he overprinting of large stocks of certain denominations of Fascist Republican stamps was agreed with the Italian Government and 80 bags of stamps and postcards were sent to FLORENCE in readiness for extension of services.

(c) The withdrawal of the Italian Naval ship service to SARDINIA has made postal connection insufficiently frequent. A merchant ship service now carries correspondence only bi-monthly, though urgent official and air mail stamped private correspondence is being taken by air.

(d) The forms originally intended for International Red Cross messages to civilians in enemy occupied territory many now be used for Italian soldiers in GERMANY. Previously these men could not receive any mail as the Germans refuse to let them be considered entitled to Prisoners of War treatment.

(e) The foreign mail letter traffic now totals about 15 tons a month, of which about 10 tons in P.O.W. mail. This is approximately 3 million letters a month.

WAR MATERIALS DISPOSAL AND ITALIAN P.W. SUB COMMISSION.

40. War Materials Disposal.

In respect to the War Material Disposal side few words should suffice to explain what covers a considerable amount of constructive effort and planning.

41. The main problem of the month was in connection with transference of salvage material between the Commission, PBS and British Salvage. Opinion was divided as to whether Commerce Sub Commission should handle directly all material offered by salvage agencies or if it should in the first instance go through the War Material Disposal Sub Commission. The question is still under consideration and a decision awaited.

42. The day to day work of the Sub Commission included the inspection of all the goods yards in ROME Area with a view to clearing material, (mostly salvage) from loaded trucks. After inspection a number of trucks containing machinery etc. were despatched to factories in agreement with Industry Sub Commission. Other material which

0943
Declassified E.O. 12356 Section 3.3/NND No. 785016

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43. Seventy derelict ME vehicles which had been recovered and brought into ROME Area were inspected. It was found possible to make eleven available to Italian Ministry of War and nine to LAZIO-UMBRIA Region, Transportation Division. These vehicles will, in due course, after repair, be back on the road again.

44. A considerable number of jerricans were returned through the Sub Commission to the Petrol Section of RAAC.

0944

Declassified E.O. 12356 Section 3.3/NND No. 785016

ITALIAN PRISONERS OF WAR.

45. The work of the Italian Prisoners of War Division of the Sub Commission was centered on the adjustment of past policy to meet new directives, the continuation of Italian Prisoners of War repatriations, the co-ordination and control of Italian Prisoners of War repatriated to fill specific appointments in Italian Government and local administration, and the study of a plan for the ultimate absorption by Italy of over one million and a quarter of the male population who are now Prisoners of War. In the carrying out of these duties, the Sub Commission was ever cognizant of the necessity to avoid or give rise to such questions as might cause political issue or agitation on the subject of Italian Prisoners of War.

46. On all questions of Italian Prisoners of War the Sub Commission stipulated that the main issue was for all Italians to understand how essential it was that Italian Prisoners of War should contribute the maximum possible to the war effort.

47. The Sub Commission has always worked on the lines that the Italian Government should assume the maximum amount of responsibility in connection with Italian Prisoners of War and by gradually making the problems relative to Italian Prisoners of War, Italian Government problems rather than ones for the Commission, a considerable amount of unnecessary work should in due course be eliminated. In accomplishing this the relationship between the Sub Commission, the Italian High Commissioner for Prisoners of War and the Undersecretary of State for War has continued to be cordial and understanding. On the 8 November, the Italian Ministry of War set up a new branch called Autonomous Office for Veteran Prisoners of War and Repatriated soldiers. It is too early to express an opinion as to how this department will carry out its function: so far it has been entirely satisfactorily.

48. Detailed work of the Prisoner of War Sub Commission included sorting and forwarding to the High Commissioner for Prisoners of War semi-monthly allotments by Italian co-operators to their families in Italy, the total amount of allotments made for November being 6,106,000 lire, balances due to repatriated Italian Prisoners of War amounting to 3,600,000 lire were also forwarded to the Italian High Commissioner for Prisoners of War to pass to the Italian Ministry of War for payment.

49. The final decisions in respect of liability for the payment of the repatriation balances, is still unsettled.

50. Complaints on conditions of Italian Prisoners of War in MEDIA, 136 individual enquiries concerning the health of Italian Prisoners of War whose families had not heard from them for over 6 months, the despatch of 6,000 copies of Notizie Nazioni Unite daily to Prisoners of War in NORTH AFRICA, and the forwarding of Italian packages to Prisoners of War in SARDINIA and CORSICA were all duties carried out during the month.

51. Repatriations during the month of November totalled 1,141 and a return of approximately 2,400 Italian Prisoners of War during December has been arranged. Requests for repatriation of 3,556 Italian Prisoners of War were passed through the Sub Commission during November. During the previous month the Sub Commission has in conjunction with PWB been able to inform the Italian public both by radio and through the Italian press the numbers and names of the Italian Prisoners of War who have been repatriated. The Sub Commission originated a bi-weekly radio program giving the names of the recent repatriated Italian Prisoners of War and certain other information which would help to give peace of mind to Italian families regarding their prisoners of War. The work in connection with this radio program has now been handed over to the Italian Red Cross who will continue the program as in the past; in transfering this work to the Italians the Sub Commission passes on another duty which rightly belongs to the Italian Government.

0945

Declassified E.O. 12356 Section 3.3/NND No. 785016

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52. The staff of the Italian Prisoners of War Division of the Sub Commission working on the plan for the mass repatriation of all Italian Prisoners of War are completing their study on this subject. The object has been to find ways and means of returning these Prisoners of War to ITALY so as to cause as little discontent and unhappiness as possible. Throughout the study the heads of the other Sub Commissions and different parties of the Italian Government have been consulted and discussions with those most interested in the Vatican are also taking place. The report on this plan should be ready for consideration within the next few weeks.

Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

0946

Declassified E.O. 12356 Section 3.3/NND No. 785016

Political Section

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Chief of Staff.
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Ref/825/128/COS. 4 Jan 45

SUBJECT : Abridged Monthly Report.

TO : Distribution below.

1. An abridged version of all Regions' and Sub-Commissions' Monthly Reports is sent to LONDON and WASHINGTON every month. Information for this has been obtained up till now from Part I of the Regional Reports and an abridged version of Sub-Commissions' full Monthly Report. But the compilation of this abridged report has become extremely difficult due to the manner in which Regions and Sub-Commissions present these portions of their report.

2. In future Regions will submit Part I and Sub-Commissions their abridged version set out in paragraphs exactly as they appear finally in the complete report. (See Monthly Abridged Report for October forwarded under 825/COS)

3. Regions.

a) Regions will as suggested in letter No. 497/79/CA of 2 September, divide their Monthly Reports into Parts I and II.

b) Part II will be the normal full length Monthly Report, exactly as previously submitted.

c) Part I, however, which has not been satisfactory, will comprise from ten to twenty (at the very outside) paragraphs on both outstanding facts of the month and the general position regarding supply, Public Safety, Transportation, Reconstruction, etc. It will not be a summary of Part II but a concise, independent report. Statistics will be included where precise information increases the value of the statement and there will be no vague or redundant comment.

4. Sub-Commissions.

a) Similarly, the full length report of the Sub-Commissions does not need alteration.

b) The abridged version, however, fails to achieve the purpose for which it was intended.

It will comprise a well-balanced ten to twenty paragraphs containing the outstanding events of the month, written as a concise individual report and not as a summary of the detailed Monthly Report. It can therefore be compiled from facts collected throughout the month [illegible] to the detailed Monthly Report.

0947
Declassified E.O. 12356 Section 3.3/NND No. 785016

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5. All Parts I and abridged versions will be submitted not later than the 15th of every month.

Brigadier,
Chief of Staff.

DISTRIBUTION

See over.

0946

Declassified E.O. 12356 Section 3.3/NND No. 785016

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION
AFO 394

Ref: 825/COS.

MONTHLY REPORT

OCTOBER 1944

PART I -	AMG Armies and Regions	Pages 1 - 7
PART II -	Civil Affairs Section	Pages 8 - 11
PART III -	Economic Section	Pages 12 - 25
PART IV -	Political Section	Pages 26 - 31
	Navy Sub-Commission	
	Land Forces Sub-Commission (LFSC)	
	Air Forces Sub-Commission	
	Communications Sub-Commission	
	War Material Disposal & Italian POW Sub-Commission	
	Public Relations Branch	

CONFIDENTIAL

Declassified E.O. 12356 Section 3.3/NND No. 785016

OCTOBER 1944

PART I	-	AMG Armies and Regions	Pages 1 - 7
PART II	-	Civil Affairs Section	Pages 8 - 11
PART III	-	Economic Section	Pages 12 - 25
PART IV	-	Political Section Navy Sub-Commission Land Forces Sub-Commission (FAMLA) Air Forces Sub-Commission Communications Sub-Commission War Material Disposal & Italian POW Sub-Commission Public Relations Branch	Pages 26 - 31

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Declassified E.O. 12356 Section 3.3/NND No. 785016

PART I.

AMG FIFTH ARMY.

1. During the month very little advance was made in the difficult mountainous country of the APPENINES. In all, about a dozen new communes were occupied in the Provinces of BOLOGNA, RAVENNA and FORLI. The four Provinces of PISA, FLORENCE, LUCCA and PISTOIA remained under command of AMG FIFTH Army throughout the month. Half of LUCCA Province and one commune in PISTOIA were still in enemy hands at the end of the month, while the liberated parts of these Provinces were for the most part full of tactical troops.

2. In the interest of good administration TOSCANA Region specialist officers have been encouraged to work in the Army area on long term problems and are in fact handling Education, Engineering, and certain phases of Economics.

3. Six Provincial teams of TOSCANA and EMILIA Regions have been under command, waiting to operate in their own areas, and during the month five other teams for Northern ITALY were added.

4. Because of the special eminence of TUSCANY in this field, Fine Arts have been of greater importance than ever before. Considerable progress has been made in repairs to the Campo Santo at PISA and the restoration to FLORENCE of paintings and sculpture, which had been taken elsewhere for safety.

5. In FLORENCE the chief interest has been over the food and fuel supply, which are both still far from satisfactory, and the political-constitutional struggle between the Prefect and the Committee of Liberation, in which important issues of national importance were raised. At one time the political atmosphere was lively but things had quietened down by the end of the month.

6. In PISA life is still paralyzed by the physical destruction and mining of the city and the grave housing shortage, which is further aggravated by large scale requisitioning of accommodation for military units.

7. Public morale generally was far from high, largely owing to the present inferiority of physical living conditions as compared with those prevailing under German occupation. While the people are in general friendly towards the Allies, empty bellies and economic distress are submitting this new friendship to a severe test.

8. In the towns the food situation was bad. There were demonstrations during the month in FLORENCE, PISTOIA and PISA, in each case dispersed without much difficulty. LUCCA and PISTOIA Provinces both ran out of locally produced grain and PISA will do so early in the New Year. There are a large number of towns in the area economically dependent on industry and in these the shortage of groceries and animal products caused severe hardship.

9. Much of the wheat crop on the Southern side of the APPENINES has been lost as a result of military operations. The shortage of livestock hampers autumn planting and precludes the distribution of any dairy products in the cities. Prospects for the olive crop are good.

10. Some 1800 refugees were sent South during the month. With the slowing down of the advance and the onset of bad weather, both of which make necessary the accommodation in buildings of large numbers of troops, it is expected that large-scale evacuation from forward areas will soon start.

0952

Declassified E.O. 12356 Section 3.3/NND No. 785016

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AMG EIGHTH ARMY.

11. The Province of AREZZO was handed over to Regional administration on 21 October and it has been arranged that the Provinces of ANCONA and PESARO will be handed over to ABRUZZI-MARCHE Region on 1 Nov.

12. The new territory captured by EIGHTH Army can be divided into two geographical categories :

(a) The low lying/.....

Declassified E.O. 12356 Section 3.3/NND No. 785046

(a) The low lying agricultural plain in the triangle RAVENNA - RIMINI - FORLI, which is rich agricultural land producing grain, sugar beet and market garden produce. There was considerable damage to dwelling houses in this area and a very large portion of it is now under water as a result of the destruction of dykes, retaining walls and pumping stations.

(b) The mountain territory lying directly south of Route 9 and forming the most northerly ridges of the APENNINES. Here there was heavy damage to some of the villages and an almost complete destruction of the bridges which cross the not inconsiderable rivers running down to the PO Valley.

13. From the above description it will be appreciated that damage generally was heavier than in the past and that the outlook for the coming winter is extremely gloomy. The progress of troops has become slow and the war may almost be stated to be in a static phase, with large numbers of troops seeking winter quarters in the much reduced number of available houses. To this must be coupled great destruction caused by flooding on farm land, with the resulting impossibility either of harvesting this year's crop or of sowing next, and the difficulty of transporting such supplies as there are over bridgeless roads.

14. Committees of Liberation were not with in all newly captured areas but no particular difficulty was found in dealing with them. Prefects of all Provinces operated satisfactorily and Sindaci and Giuntas functioned in the communes of ANCONA Province, as well as in all but the ten most northerly towns in PESARO Province.

15. Miscellaneous food supplies from ANCONA and flour from SENIGALLIA were brought up to the advanced base supply depot at RIMINI. Special issues of grain were authorised to consumers in the Provinces of ANCONA and PESARO, where much of the wheat crop was lying unthreshed in the fields until an unusually late date. Measures were taken in FORLI and RAVENNA Provinces to supplement the very inadequate diet of the civil population by a properly organised distribution scheme for fruit and vegetables, which are plentiful in the plain.

16. The Civil Police performed excellently during the month in keeping the main Army roads free of civilian traffic.

17. Operation of tented refugee camps was greatly handicapped by the weather, which also made it more difficult to move displaced civilians to neighbouring communes. In all 8326 civilians were evacuated through AMG camps, of which 1890 passed through a camp in FIFTH Army area. The necessity of housing troops in an over-crowded and damaged zone may mean that a considerable number of refugees will have to be evacuated South.

18. All troops have now evacuated the Republic of SAN MARINO. Supplies of food and medical stores have been arranged for the Republic.

SICILIA REGION.

19. The tide of unrest caused during the early part of October by shortage of food, the rising prices of essential commodities, unfulfilled expectations as to increases in pay and the general inability of the local administration to control the situation culminated in an unpleasant incident at PALERMO on 19 October, when troops opened fire on and used grenades against a crowd (from which a bomb is reported to have been thrown) which was gathered in a confined area outside the Prefettura and the Office of the High Commissioner. Serious casualties occurred, 26 civilians

Declassified E.O. 12356 Section 3.3/NND No. 785016

destruction caused by flooding on farm land, with the resulting impossibility either of harvesting this year's crop or of sowing next, and the difficulty of transporting such supplies as there are over bridgeless roads.

14. Committees of Liberation were met with in all newly captured areas but no particular difficulty was found in dealing with them. Prefects of all Provinces operated satisfactorily and Sindaci and Giuntas functioned in the communes of ANCONA Province, as well as in all but the ten most northerly towns in PESARO Province.

15. Miscellaneous food supplies from ANCONA and flour from SENIGALLIA were brought up to the advanced base supply depot at RIMINI. Special issues of grain were authorised to consumers in the Provinces of ANCONA and PESARO, where much of the wheat crop was lying unthreshed in the fields until an unusually late date. Measures were taken in FORLI and RAVENNA Provinces to supplement the very inadequate diet of the civil population by a properly organised distribution scheme for fruit and vegetables, which are plentiful in the plain.

16. The Civil Police performed excellently during the month in keeping the main Army roads free of civilian traffic.

17. Operation of tented refugee camps was greatly handicapped by the weather, which also made it more difficult to move displaced civilians to neighbouring communes. In all 8326 civilians were evacuated through AMG camps, of which 1890 passed through a camp in FIFTH Army area. The necessity of housing troops in an over-crowded and damaged zone may mean that a considerable number of refugees will have to be evacuated South.

18. All troops have now evacuated the Republic of SAN MARINO. Supplies of food and medical stores have been arranged for the Republic.

SICILY REGION.

19. The tide of unrest caused during the early part of October by shortage of food, the rising prices of essential commodities, unfulfilled expectations as to increases in pay and the general inability of the local administration to control the situation culminated in an unpleasant incident at PALERMO on 19 October, when troops opened fire on and used grenades against a crowd (from which a bomb is reported to have been thrown) which was gathered in a confined area outside the Prefettura and the Office of the High Commissioner. Serious casualties occurred, 26 civilians being killed and 156 wounded. The bomb thrown from the crowd injured 11 soldiers.

20. Many misrepresentations of the incident appeared both in the press and elsewhere, where the impression was sometimes given that a serious battle between strikers and the Italian Armed forces had occurred, or that an attempt had been made by the Separatists to initiate violent action. It seems clear that the causes of the trouble were in the main economic and that, though the situation at the time was tense, had the forces of law and order been properly employed bloodshed could have been avoided or at least only a few casualties caused. Though excitement subsequently ran high in the city of PALERMO for some days and strong patrolling of the streets was necessary, the situation by the end of the month was outwardly calm and normal. Throughout the rest of the Island the situation was not abnormal, though there was continuous agitation against the low rate of wages and the high cost of living.

Declassified E.O. 12356 Section 3.3/NND No. 785046

21. During the month the Separatists held a congress at TAORMINA. The meeting was orderly but it appears that the movement is gaining strength. The congress was attended by some 250 individuals, mainly from CATANIA, MESSINA and PALERMO. Although the delegates held different political views there was complete unanimity over the fundamental aims of the movement.

22. Food and its price continue to dominate everything, while the approach of winter makes the lack of clothing, material and of shoes most serious. Workers would prefer a stabilization of prices at a reasonable level rather than a rise in wages, which may tend to drive prices still higher. Efforts are being made by the local administration to bring prices down and to exercise some rigid form of control but the shortage of commodities, the operations of those interested in keeping black market prices high, non-observance of laws and regulations and the inefficiency of the lower administration make the problem most difficult.

23. Grain availability, which has a disturbing influence on the whole situation, is most serious as present stocks will be exhausted by the end of the year and no plan has as yet been made to meet this situation. It is estimated that about one million quintals have not been amassed. Unfortunately activity in enforcing the amassing laws was seriously hampered by the PALERMO disturbance on 19 October. Black market prices of bread and pasta are rising steadily.

24. Communal soup kitchens are being set up in all the larger towns. Soup kitchens sufficient to feed fifteen thousand poor people will shortly be functioning in PALERMO.

25. Preparations have been made for the reopening of the schools on 1 November, but many school buildings are still occupied by the military, either Allied or Italian, and many others are uninhabitable due to war damage. Certain buildings are occupied by refugees but the utmost is being done to return these to the schools.

SOUTHERN REGION.

26. The Regich continues to give day-to-day assistance to Allied forces. Amongst other routine work more than 2,000 civilians were found alternative accommodation in NAPLES Province to make room for Allied troops.

27. During the month a large number of activities were handed back to Italian control, including two cement and two brick works, distribution of [illegible] control of certain industries such as soap, repairs to power stations and the operation of public utilities etc. At the provincial level the Italian authorities are functioning fairly well but they complain of a lack of guidance from their Government in ROME.

28. The political position continued to be confused but the activities of the various parties were under reasonable control. The Communist Party was stimulated by a visit of the Russian Trade Union delegation. The Socialist Revolutionary Party declared itself against the parties of the Committee of Liberation and also sponsored the newspaper "Bandiera Rossa". The great mass of the people, however, remained indifferent to the political situation and were more concerned with the problems of food and clothing for the winter. Fears for the future persisted, fear that the Italian currency would collapse and that the withdrawal of the Allies from ITALY would result in chaos.

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29. As regards local government, the low salaries of all grades of state and municipal officials and employees was a subject of complaint, and inaction at ROME caused irritation locally and created a deepening mistrust.

30. The main difficulty in connection with the food supply was [illegible] transport. Fruits and vegetables were plentiful in producing areas but scarce elsewhere. The situation remained unchanged insofar as rationed items and free market goods were concerned. FOGGIA exported 27,000 tons of grain and [illegible] to other Provinces during the month and 4,300 tons of wine were transported by [illegible] ROME.

31. Total grain collections reported up to 29 October were 3,[illegible],666 quintals of wheat and 305,792 of barley. Provincial grain collection committees were requested to submit plans for action to bring in as much additional grain as possible.

360

Declassified E.O. 12356 Section 3.3/NND No. 785016

32. Prices in general rose and in NAPLES today are double those of a year ago.

33. New olive oil control officers, in training at FOGGIA, seized on their first effort 9 quintals of wheat, a truck with a false bottom containing two quintals of oil and 80 gallons of Allied petrol.

34. The promise of an increased food ration for civil police agencies resulted in a marked uplift in morale. A number of crimes of violence, mostly committed jointly by deserters from Allied Forces and civilians, were reported in outlying districts of NAPLES Province. Operations of all police agencies against the black market were continued with success.

35. The local Housing Commission in NAPLES commenced a programme of house repair, in conjunction with the Genio Civile.

36. As regards public health, Italian smallpox vaccine was found to be defective and it is not now clear how many of the 1,300,000 persons vaccinated in NAPLES area have actually been immunized.

LAZIO-UMBRIA REGION.

(A) ROME City.

37. Both the general population of ROME and others entitled to rations in ROME received their quota of rationed food during October, with only slight exceptions. The issues were within 2% of the ration entitlement, a considerable improvement on September. The distribution of foodstuffs available in ROME no longer presents a major problem but transportation difficulties hinder the bringing in of food.

38. Labour made "strike talk" more often during October. Organised labour in ROME is getting stronger and finding its voice. A half-hour strike to take place on 31 October was proposed by the ROME Chamber of Labour, but was later called off.

39. The City Sindaco has formed a Committee for Coordination of Technical Services, the initial meetings of which indicate constructive and helpful cooperation.

40. Police agencies have worked better during the month but are still short of food, boots and clothing. However, the increase as from 1 November of the rations of Metropolitani, Finance Guards, Prison Guards and Fire Brigade personnel to a similar scale to that of the CC.RR is appreciated by the men and should still further improve efficiency.

41. Although crime decreased in October there has been a number of hold-ups and robberies after dark, against which concerted drives are being made by the civil and military police.

42. Public health has remained good. Typhoid cases have decreased to about seven daily and will decrease further. Infant mortality, which was high, has also improved as has the malarial situation, the cases in ROME city and Provinces having dropped to 110 a week. The only concern at present is the supply of chlorine for the water of ROME, but is is hoped that adequate future supplies will soon be available.

43. At the end of the month 235,700 daily bowls of soup were being served in industrial kitchens.

44. Schools were due to open on 6 November. The situation as regards de-requisitioning of schools is still unsatisfactory but is improving.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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45. There was no marked change in the black market where food still appears to be plentiful. Prices have not been increased.

46. A control post has been established North of ARSOLI in LAZIO Province in order to expedite the delivery of potatoes to the general markets in ROME.

47. Detailed instructions for the formation and operation of truck pools have been prepared and translated into Italian. Provincial Commissioners have also been contacted in connection with the formation of provincial pools.

48. The unblocking of uncontrolled materials has proceeded according to plan. As from 1 November the Italian Government will assume responsibility for controlled materials in Liberated Italy, with a few exceptions.

(B) PROVINCES./.....

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Declassified E.O. 12356 Section 3.3/NND No. 785016

(B) PROVINCES.

49. Lack of transportation and communications are primarily responsible for failure to improve the supply situation. In many instances Provinces had on 1 October sufficient of certain foodstuffs to make the prescribed distribution but failed to do so for one or other of the above reasons.

50. Housing is a serious problem which the Italian Government has not successfully tackled.

51. The official scheme for dealing with landmines is now in the training stage, In the meantime one company has picked up a few and is helping to clear power lines etc. A small band of volunteers has also collected some eight thousand in FROSINONE.

52. Two new Prefects took office during the month. The change in LITTORIA was a great improvement and in VITERBO it seems likely that the high standard already reached will be maintained. Good progress is being made by the Italian Government with building up the rest of their provincial administration.

53. The main task in industry was the unblocking of various commodities. TERNI, the only industrial center in the Provinces, showed remarkable progress.

54. The transportation of seed wheat was the main agricultural problem of the month, and a reasonable degree of success was achieved.

55. Ploughing is behind schedule owing to bad weather and POL shortage. The collection of grain is still progressing well, with over-flowing granaries as one of the difficulties. 94% of Allied Commission goals was reached by 23 October.

56. The revival of the fishing industry is showing slow progress.

57. In the labour field, so long as the Italian Government does not hold up the release of funds for public works there will be no great unemployment problem. Provincial Labour Offices are in operation.

58. The only reports of serious crime come from Provinces where there are bands of Allied deserters but these are not widespread.

59. The proper equipment of Carabinieri is extremely urgent if public order is to be upheld.

60. A seasonal increase in malaria and typhoid is general but VITERBO reports concern over tuberculosis and LITTORIA over scabies.

61. Heavy rains and the removal of Bailey bridges for more urgent military needs have made travel by road increasingly difficult. All Provincial capitals except FROSINONE are now in signal communication with ROME.

ABRUZZI-MARCHE REGION.

62. Political activity was more widespread, with meetings throughout the Region, chiefly of a communist nature. The Christian Democrat party was reported to be in the lead with members but the Communist party was well to the fore with propaganda.

63. Welcome changes continued to be made in the Italian local government personnel.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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62. Political activity was more widespread, with meetings throughout the Region, chiefly of a communist nature. The Christian Democrat party was reported to be in the lead with numbers but the Communist Party was well to the fore with propaganda.

63. Welcome changes continued to be made in the Italian local government personnel. Prefects were co-operative and were beginning to take their full share of responsibility. A provincial epuration committee was set up in ANCONA and PESARO Provinces.

64. Collection of grain slowed down considerably in the last half of the month, especially in those Provinces handed over to the Italian Government. The weather was very bad and it may be that this was the reason. Collection was, however, approaching the target figure.

65. While the supply of salt improved, the olive oil position has deteriorated. The olive oil allocation for October and November had not yet been received. Up to the date of handing over AQUILA Province to Italian administration potatoes were coming in faster than they could be transported.

359

Civilian/.....

Declassified E.O. 12356 Section 3.3/NND No. 785016

66. Civilian labour offices were organized in all Provinces except in ANCONA and PESARO. There were no widespread clashes between employers and employees but dissatisfaction continued regarding the relationship of wages to purchasing power.

67. Work continued on the reconstruction of roads and bridges, though such work was hampered by bad weather latterly.

68. A number of plans for the rebuilding of schools, government offices, etc., were approved, the largest of which was the reconstruction of the AVEZZANO Prison at a cost of L. 2,400,000.

69. Some 41,000 mines were removed during the month from the Provinces of CHIETI, PESCARA and TERAMO. There is still a great amount of clearance to be done. This is also the case in PESARO Province, from which area the battle has only recently gone forward.

70. An improvement in the electricity supply is expected shortly, when it will be augmented by an allotment of power from Southern Region.

71. The Region continued to be free from serious crime and no large black market activities are reported. The political demonstration staged at ORTUCCHIO appeared at one time to be formidable. It was firmly handled by the Carabinieri and it is not thought that another such outbreak is likely to occur.

72. The health of the population is satisfactory and twenty tons of medical supplies received will be of great benefit.

73. The majority of the schools have been reopened, with the exception of those in the Province of PESARO-URBINO. Reopening in the Northern Provinces was hampered owing to the lack of accommodation, the schools having either been destroyed or occupied by the Army. New Rectors were elected in the three Universities of the Region and examinations were being held prior to reopening.

74. About 1300 refugees were received from the forward areas and dispersed in the Provinces. The organisation for their reception and dispersal functioned admirably and no difficulties were experienced.

SARDEGNA REGION.

75. General progress was made towards all round better cooperation and improved administration, the improvement being reflected in the absence of serious reaction following the reduction of the workers' food ration. Although the reduction was considerable and affected more than 200,000 workers there were only five food demonstrations in September and October against seventeen in the two previous months. But although the change has been accepted in good spirit, anxiety is not over as the grain collected on the Island will only maintain the ration until mid-December. 7000 tons of imported grain will then be required by the 15th of each month. This calculation is based on the assumption that locally amassed grain will amount to 300,000 quintals. At the end of October just over 276,000 quintals had been collected and an energetic drive to reach the target figure continued.

76. A serious factor in the food situation is a universal lack of sugar.

77. The political situation remained comparatively quiet. On 15 October the [illegible] Action Party and the Italy Action Party was announced. The [illegible] organised group during the

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77. The political situation remained comparatively quiet. On 15 October the fusion of the Sardegna Action Party and the Italy Action Party was announced. The Communist Party had an opportunity to show itself as an organised group during the visit of the Russian Labour Delegation, at whose meetings it was prominent. Other visitors included Dott. CORSI, the Socialist Under-Secretary for Marine and EMILIO LUSSU, the leader of the Action Party, who on this occasion came in connection with welfare matters and not politics. Summarising political tendencies on the Island, there is an expressed desire for greater administrative autonomy under the High Commissioner but . there is no real separatist movement.

78. The functioning of the SARDINIA Courts of Law is again causing anxiety. There is an accumulation of over 16,000 cases awaiting trial and more than 1600 prisoners in jail awaiting trial. Despite this congestion, which continues to grow worse, the additional Judges sent to the Island have been removed.

Progress/.....

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Declassified E.O. 12356 Section 3.3/NND No. 785016

79. Progress was made in the release of 611 time-expired prisoners at ASINARA Penal Settlement; 362 of these, whose homes were in Southern Italy, were embarked for the mainland on 29 October. One of these men said that he had completed his sentence sixteen months ago and another protested that his crime had been anti-fascist activity. There are still 250 men imprisoned in this Settlement who have completed their sentences.

80. Rain fell during the month and cultivation is well forward; barley and oats for forage have already been sown in many districts and the preparation of land for wheat is well forward. Prospects for the olive crop continue to be good.

81. Clearance of badly bombed CAGLIARI is a tale of slow progress, due to lack of transport to remove debris, Repairs to schools and public buildings are in hand.

82. 25 cases of armed robbery were reported during the month, whilst organised banditry continues in NUORO. A shepheard's vendetta resulted in the wanton slaughter of 800 sheep.

83. There was no unusual trend in Public Health except for an epidemic of typhoid in ORUNI, which has subsided.

TOSCANA REGION.

84. At the end of the month Regional Headquarters were obliged to move from SIENA in order to make room for an operational HQ. FLORENCE was the obvious centre but it proved impossible to find accommodation and the HQ had perforce to move to LUCCA.

85. The slowing up of the Armies' advance caused unavoidable congestion in the area close behind the fighting line, resulting in increased demands on stocks of food, fodder, accommodation etc. The widespread destruction to communications added to the difficulties experienced.

86. The various political parties continued to play for position, but on a reduced scale. Public morale generally was good. The necessity of requisitioning buildings to house troops caused concern in some areas, notably in AREZZO and LIVORNO, where anxiety was aggravated by a number of crimes committed by troops against civilians.

87. Local government functioned well in SIENA and GROSSETO. Communal Committees for aid to Patriots were established in LIVORNO and though in AREZZO no Sindaci have as yet been confirmed, all Northern communes are gradually being brought into the governmental administration.

88. There is ample lignite in AREZZO and GROSSETO Provinces and in the latter there is a good supply of charcoal, pyrites, pelts, wheat, oats, and olive oil when harvested. Shortage of sugar, however, will probably be seriously felt. A comprehensive programme to supply the Northern Provinces with seed wheat was worked out and some 250 tons have already been moved.

89. There were no labour disputes nor trade union developments during the month. The most difficult unemployment problem is at PIOMBINO but this will decrease when mining in the area is increased.

90. The Public Works and Utilities Division worked hard during the month, the drainage of flood water being among the most important tasks. Work on roads has also been constant and the railway has reached LIVORNO. A civil mail service from GROSSETO was resumed on 16 October.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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91. Civilian crime in general was not serious and Allied and Italian courts functioned satisfactorily. Health in the Region continued to be good, the outbreak of typhoid in AREZZO Province having decreased. Finally, schools opened in GROSSETO, SIENA and AREZZO Provinces and are expected to open in LIVORNO during November.

Declassified E.O. 12356 Section 3.3/NND No. 785016

PART II.

CIVIL AFFAIRS SECTION.

1. The Italian Government has issued a decree directing that priority be given to the epuration of the four senior grades of government and railway employees and requiring that epuration of these grades be completed by 31 Dec. It has also issued the Rules of Procedure for the epuration courts. Both decrees should expedite the process of epuration.

2. Despite shortage of equipment and other handicaps progress is being made by the Italian Government in mine clearance. The Centre of Instruction at PISA has completed its first course and squads are now operating in that area. The Centre at SPOLETO has been visited, where about 20 men are under instruction on the first course. At CHIETI a course of instruction for 30 men has commenced and a group of about 100 men are reported to be at work in PESARO.

LOCAL GOVERNMENT SUB-COMMISSION.

3. The Provinces of PESCARA, TERAMO, ASCOLI, MACERATA, ANCONA and PESARO have been surveyed and good progress is noted in the reorganisation of local government.

4. On representations of this Sub-Commission, the post of Prefetto Ispettore was created by the Italian Government. He is to visit Provinces in restored Italy, advising Prefects and to report, his reports being made available to the Local Government Sub-Commission.

5. A Decree has been published by the Italian Government in connection with the preparation of electoral lists. Implementation in Military Government Territory is held up pending study of the new decree.

6. At the request of the VP, the Director visited FLORENCE to investigate relations between the CLN, the Prefect and AMG.

7. Reports from political sources severely attacking the AMG Prefect of TERAMO have been submitted to the Italian Government. They have been investigated by this Sub-Commission and found to be baseless. The Italian request for the removal of the Prefect was refused and the Prefect is to receive all possible support.

8. Naples CLN was consulted by the Zone Commissioner as to the appointment of a new Sindaco. No suitable nomination was submitted by them and under pressure from the CLN through newspapers the AMG nominee withdrew. The Zone Commissioner therefore appointed a Commissario Prefettizio. The situation is being watched and the Regional Commissioner is to include in his monthly report special reference to this question.

PUBLIC SAFETY SUB-COMMISSION.

9. Agreement had been reached that the Carabinieri would be temporarily augmented by 5,000 Italian troops who would be attached to Regions in Southern ITALY, thus releasing trained Carabinieri for Northern ITALY. The whole scheme has been rendered however futile by a ruling that the 5,000 troops (who are not expected to arrive until the end of November) must return to military duties on 31 December. Suitable protests are being made.

10. The disturbance in PALERMO on 19 October (see account in report on SICILIA Region) was exploited by political factions and on the following day leaflets of a Separatist character were distributed in the streets. On 21 October the Separatist

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8. Naples CLN was consulted by the Zone Commissioner as to the appointment of a new Sindaco. No suitable nomination was submitted by them and under pressure from the CLN through newspapers the AMG nominee withdrew. The Zone Commissioner therefore appointed a Commissario Prefettizio. The situation is being watched and the Regional Commissioner is to include in his monthly report special reference to this question.

PUBLIC SAFETY SUB-COMMISSION.

9. Agreement had been reached that the Carabinieri would be temporarily augmented by 5,000 Italian troops who would be attached to Regions in Southern ITALY, thus releasing trained Carabinieri for Northern ITALY. The whole scheme has been rendered however futile by a ruling that the 5,000 troops (who are not expected to arrive until the end of November) must return to military duties on 31 December. Suitable protests are being made.

10. The disturbance in PALERMO on 19 October (see account in report on SICILIA Region) was exploited by political factions and on the following day leaflets of a Separatist character were distributed in the streets. On 21 October the Separatist Headquarters in PALERMO were raided by the Police, documents were seized and 11 persons arrested. No repercussions followed the incident and public order is normal.

11. The police (particularly the Carabinieri who are popularly supposed to be Monarchists) have been accused of being influenced by politics. The Commanding General of the Carabinieri has issued an order to the Force, again emphasising the need for the police to remain strictly non-political. To counteract certain Press criticism, which was undermining public confidence in them, Col. Young of the Public Safety Sub-Commission, addressed the editors of the Italian Press in ROME, asking for their cooperation in restoring the prestige of the police.

The Italian/.....

Declassified E.O. 12356 Section 3.3/NND No. 785016

12. The Italian Government is now aware of the danger of weapons and ammunition being collected by political parties and instructions have been issued for the seizure of firearms illegally held by civilians.

13. Armed hold-ups in SICILY are on the increase. In ROME there has been an out-break of theft in the streets at night, particularly robbery with violence.

14. The Council of Ministers has passed a decree re-naming the Corps of Agents of Public Security the "Guardia Nazionale di Polizia". 300 recruits have commenced a course of instruction at the Training School in ROME.

15. All Public Safety Agencies have been granted an increased ration scale, equivalent to the Italian Army ration.

PUBLIC HEALTH SUB-COMMISSION.

Public Health.

16. Only 15 cases of typhoid have been reported in BENEVENTO up to 26 October as compared with 90 for the whole of September.

17. Smallpox continued in NAPLES and adjacent areas, but the epidemic is of such a mild nature that it is largely disregarded and many cases are concealed by the local population, thus increasing the difficulties of control measures.

18. A grossly exaggerated account of V.D. amongst young girls in NAPLES has appeared in the Italian press.

19. The total tuberculosis death rate for ROME has also fallen, the October figure being 323.

20. Plans are being prepared for the 1945 Anti-Malarial Campaign.

21. Two cases of Endemic, i.e., not louse borne, typhus have occurred in NAPLES Province.

Veterinary.

22. Italian laboratories are producing all requirements for animal diseases with the exception of Hog Cholera.

23. The incidence of Rabies is decreasing, but the incidence of Bovine Tuberculosis is high among dairy cattle. Recommendations concerning the pasteurisation and boiling of milk have been made.

Medical Supply.

24. Medical supplies to the total value of $5,335,000 and the approximate weight of 3,000 long tons have been imported into ITALY from the start of AMG operations in ITALY.

25. The National Wholesale Druggist Association, formed for the distribution of Medical Supplies, was due to start operating on 1 November.

Welfare.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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Welfare.

26. Satisfactory conferences with the Italian Government regarding the allocation of funds for Welfare projects have been held and as the result of a meeting held in the office of the Director of Public Health and attended by H.E. CANEVARI, Under Secretary of the Interior, the establishment of a Commission to deal with devastated areas resulted.

LEGAL SUB-COMMISSION.

357

27. The Office of the Chief Legal Advisor was concerned during the month with completion of documents for restoration of additional territory to Italian jurisdiction and consideration of various needs pertaining to the future structure of the press, radio and film industries in ITALY. The problem of desequestration of the property of United Nations nationals was also considered, as well as a decree to restore property to Jews. Finally, a directive on enemy partisans was issued by the Office of the Chief Legal Advisor.

Amongst work/.....

Declassified E.O. 12356 Section 3.3/NND No. 785046

28. Amongst work carried out by the Office of the Chief Counsel was preparation of opinions on:

(i) Right to require Italian Army to supply material and services;
(ii) to control appointment and personnel of Commissarii;
(iii) to control general economy.

Rules and regulations to supplement General Order No.28 (Labour Relations) were prepared, and the subject of control of utility rates was considered.

29. The Italian Branch was concerned with the control of draft decrees prior to their submission to the Council of Ministers and the procedure to be adopted, as well as with rules for restoration of property rights to Jews. Work was done on the reorganisation of the administration of Italian military justice. A memorandum on the complaints made by the Waldesian Church, arising out of its position in ITALY under the Lateran treaty, was considered and a decree was drafted on property control for administration by the Italian State of the property of members of the United Nations. A decree to facilitate marriage of the members of the U.S. Forces under the Italian law was approved.

30. The Office of the Chief Judicial Officer was visited by Chief Judicial Officer of TOSCANA Region, who reported that things were quiet in that Region and there was little work for Allied Military Courts, except at LIVORNO.

31. Espionage cases in October were:-

Death sentences confirmed - 6;
" " confirmation by Chief Commissioner awaited - 2;
" " commuted - 0.

There was no case for review in which a person convicted of espionage had received any sentence other than death.

EDUCATION SUB-COMMISSION.

32. The extensive printing inaugurated during the summer is far from complete. Some books have been published in NAPLES. In ROME most of the printing is done but the covers are not yet available. In FLORENCE, four of the ten books are printed, except for covers, others are getting under way. The paper and ink ordered from the UNITED STATES last April had begun to arrive. This has been the principal cause of delay in NAPLES and ROME. Delays have been due to difficulty in getting electricity for the presses and the taking over of presses, in the midst of printing, by PWB. In FLORENCE there was unfortunately a late start.

33. Defascism of school and university personnel proceeds on normal lines - at least, the mechanism is excellent.

34. The gravest problem is in regard to school buildings. The number occupied by Allies, by Italian Military and Carabinieri and by refugees and homeless constitutes the majority in most Provinces; many of the rest are either destroyed or badly damaged.

35. This building problem is being vigorously and systematically attacked by the Regional Education Officers. Occasionally it is possible to get the military units [illegible] pressure is being put on Prefects

Declassified E.O. 12356 Section 3.3/NND No. 785016

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35. This building problem is being vigorously and systematically attacked by the Regional Education Officers. Occasionally it is possible to get the military units to move over and make room for children. Strong pressure is being put on Prefects to get refugees out. Sindaci and Genii Civili are being pushed into making repairs and disinfesting and disinfecting buildings. Their great cry is for materials.

36. Schools opened in the majority of Provinces from ROME north in October. In the rest of the Provinces and in all Southern ITALY they are ready for opening early in November - the date set by the Minister.

MONUMENTS, FINE ARTS AND ARCHIVES SUB-COMMISSION.

37. Liaison with LONDON and WASHINGTON: During October the Sub-Commission began its first sending of photographs to WASHINGTON and LONDON as records of damage to and repair of monuments in ITALY. These shipments will be carried on crescendo provided that the photographic equipment can be properly maintained. Special reports were also submitted on the condition of monuments and art objects in GREECE and on the removal of German archaeological libraries from ROME.

Declassified E.O. 12356 Section 3.3/NND No. 785016

38. Liaison with Italian Government: Meetings with Italian officials were concerned chiefly with taking energetic steps on the question of the budget for repairs, and assisting representatives of the Ministry of Public Instruction to go to SARDINIA and to cities in the MARCHE, where inspections and repairs were necessary.

39. Activities in various localities: In ROME the Exhibition of European Masterpieces still attracts many people. It will be kept open until 1 December. To-date 1,210,000 Lire have been deposited in the bank for use in monument projects, from the gate and photograph receipts at the exhibition. Repairs in the Protestant cemetery are practically complete. MICHELANGELO's "Moses" is being freed from the air-raid protective masonry and will shortly be on public view. In the field many repair projects are under way in LAZIO, UMBRIA, the ABRUZZI, the MARCHE and TOSCANA Regions.

(i) At FLORENCE the long labour of inspection and check-up of the deposits of art treasures and of many of the villas in the vicinity was concluded and reports submitted.

(ii) At PISA the emergency roofing of the CAMPOSANTO was completed and work on the damaged frescoes continued by Italian experts.

Both at FLORENCE and SIENA exhibitions are being prepared of works of art brought back to these cities from the deposits.

40. Operations of MFAA Officers (General): During this month MFAA Officers with FIFTH and EIGHTH Armies and the Regional MFAA Officers have been able to collaborate more closely in actual problems of inspection and repair and in planning for the future. Various tours of inspection in LAZIO-UMBRIA Region were undertaken by the Deputy Director.

DISPLACED PERSONS AND REPATRIATION SUB-COMMISSION.

41. No evacuation of Allied Nationals from ITALY has taken place during the month. Of the 7,000 Italian refugees arriving in refugee camps in ROME, some 5,000 have been repatriated to their communes. The shortage of transport in No.1 Sub Section, LECCE, is becoming acute. The need for release of blankets for Italian and Allied refugees is stressed.

42. In the southern camps the epidemic of measles and whooping cough had died down as the result of control measures. Mumps of a mild form has been prevalent and there have been a few cases of diphtheria. Immunisation against diphtheria is in process of completion. Adult health in general was good. Among new arrivals few cases of tuberculosis were reported. All camps north of ROME were visited during the month. General conditions were fairly good, although sanitation requires improvement in some instances. An automatic water pump and chlorinator has been installed at CINECITTA and AVERSA Camps.

43. Excellent work has been done during the month by the Records Bureau and 62,740 displaced persons are now recorded. Welfare and whereabouts enquiries continue to be received in large numbers.

44. Preliminary work on repatriation of 900 Jews to PALESTINE has been begun.

45. Advances to Allied Nationals continue and some 1611 people of 18 different

Declassified E.O. 12356 Section 3.3/NND No. 785016

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45. Advances to Allied Nationals continue and some 1611 people of 18 different nationalities have received sums totalling 6,736,200 Lire. These loans average 2,686 lire a person and 1,360 of the beneficiaries are ex-internees of the Italian Government. Final arrangements have been made regarding Italian Government financial assistance to ex-internees. Currency conversion of those refugees proceeding overseas still awaits a ruling. The move of the further 900 Jews to PALESTINE in the near future emphasised the need for formulation of policy and planning at a high level, in anticipation of mass repatriation at the close of European hostilities.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

PART III

ECONOMIC SECTION

AGRICULTURE SUB-COMMISSION.

Reconstruction of Italian Agriculture, Forestry and Fisheries.

1. Progress in the acceptance of responsibility by the Italian Government has been made during the past month in all three fields, Agriculture, Forestry and Fisheries. Programs have jointly been determined, responsibilities for securing results have been accepted and certain personnel changes, which should ensure speedier results, have been made.

2. Another step in the direction of closer working relationships with the Italian Government for King's ITALY resulted in the assignment of greater responsibilities to the Allied Civilians, who will work even more closely with the Italian Civilian representatives in the Ministry of Agriculture.

Agriculture.

3. Progress in developing a uniform livestock program was made by the Ministry through issuance of a decree prohibiting the slaughter of bovines, buffaloes and equines, except in certain unusual conditions.

4. Lack of transportation has been an especially important problem during the month with regard both to movements of seed wheat and seed potatoes. It is now clear that yields of these crops will be lowered by many thousand quintals during the coming season due to the use of poor quality local seed and actual reduced acreage in certain war damaged areas. In addition, the decision of AFHQ to reduce the imports of seed potatoes will mean a greatly reduced production of this important food item in 1945, as local seed potatoes are not being made available because of lack of transportation and of the high prices obtained as food.

5. Progress of the "Granai del Popolo" continues in many areas in spite of transportation and warehousing difficulties, showing an increase of 7½% during the month, reaching a total of 9,197,232 quintals. Three Regions have now surpassed 90% of the estimated quantity of wheat to be amassed. SICILY and CALABRIA are still lagging far behind.

6. Wheat amassing will be limited in the forward areas due to a large proportion being damaged by weather conditions. In some communes it has been necessary to distribute such damp wheat as quickly as possible after occupation to all families in order to save it. In a few cases lack of warehousing has caused some damage, since sufficient transport was not available.

7. To increase delivery of the 1944 wheat as well as to give a reward for a high proportion of the crop amassed over family retentions, a limited quantity of the available nitrogenous fertilizers in SICILY are being used on an incentive basis in accordance with plan worked out jointly with the Regional personnel.

8. Olive oil amassing has now started. No reports are as yet available but estimates of production, consumption and quantities to be amassed are in the process of preparation.

9. The prices of rice, olive oil, silk cocoons and nitrogenous fertilizers have been approved by the Price Committee, and this information is being distributed to the forward areas as well as to other Regions.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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10. For the first time since the Allied occupation a limited quantity of rock phosphate imports were received on the mainland for processing.

Forestry.

11. Acceptance by the Ministry of Agriculture of the responsibility of the Royal Forest Corps for carrying out a six-point Forestry program for charcoal and fuel wood production, allocation and distribution, marks another step forward toward turning the job of A.C. over to the Italian Government. The appointment of a few key people in the Royal Forest Corps and the re-activation of certain field offices lend further encouragement.

Fisheries/.....

Declassified E.O. 12356 Section 3.3/NND No. 785016

Fisheries.

12. To increase the supply of fish at regular fish markets two interdependent plans to bring about uniformity in the distribution of Nafta for motor fishing schooners and to discipline marketing centres, have been circulated to all Provincial Prefects in Italian territory by the Ministry of Agriculture through its Ufficio Centrale della Pesca e della Caccia. The Nafta circular goes into effect on 1 January 1945, while the one on the discipline of marketing centres goes into effect upon receipt. The plans are interdependent, since the assignments of Nafta and Oil Products depend on the amount of fish taken to the collection centres.

13. The problems of requisitioning and derequisitioning of motor fishing vessels and jurisdiction in transferring fishing craft from one area to another for increased production have been discussed with the various authorities concerned.

COMMERCE SUB-COMMISSION.

14. Materials Division:

(a) Availability of Materials.

Difficulties were encountered in connection with handing over to the Italian Ministry of Industry, Commerce and Labour the work of collecting data on, and reporting availability of, controlled materials in Italian Government territory; but eventually a formula was found which was acceptable both to AFLRS and to the Ministry, whereby it was agreed that Military Units requiring Italian controlled materials should notify the Ufficio Provinciale before withdrawing them.

(b) Requirements and Releases.

Releases from AFLRS to AC were on a reduced scale.

The Italian Ministry of Industry, Commerce and Labour circularised the Uffici Provinciali, putting into effect the new system of dealing with controlled materials as from 1 November.

Distribution of cement releases was hampered by the general shortage and poor quality of sacks.

Military demands for calcium carbide created a serious problem in connection with supply of this material in the ROME area.

(c) Special Materials.

Newsprint arrivals enabled stocks to be built up at distribution points in anticipation of demands for Northern ITALY when liberated. Supply of newsprint to SARDINIA was difficult, owing to lack of transportation facilities, but one ton was sent by air and 25 tons by boat. A plan for turning over control of this commodity to the Italian Government was put forward by the Allied Publications Board and is now awaiting approval of AFHQ.

Printing Ink. A supply sufficient for two to three months' requirements has been built up. 15 tons were received at LEGHORN and shipped to ROME, and a further seven tons are expected shortly at NAPLES.

Declassified E.O. 12356 Section 3.3/NND No. 785046

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Textiles, Shoes and Clothing: Negotiations were in progress regarding the transfer of the distribution of repaired clothing and shoes to the Italian Government to fit in with the proposed transfer by Industry Sub-Commission of the actual repairing process.

63,665 pairs of workers' canvas shoes imported from the U.S. arrived at LEGHORN, were shipped to ROME and transferred to the Ministry of Industry, Commerce and Labour. Another 234,000 pairs at NAPLES were in the process of being transferred.

335

(d) General/.....

Declassified E.O. 12356 Section 3.3/NND No. 785016

(d) General.

Allegations concerning purchases for export by French agencies were investigated and evidence on the question was submitted to AFHQ, G-5, with the recommendation that French purchases should be coordinated with those of other forces and their export should go through regular channels.

Over 100,000 square metres of light, heavy and waterproof canvas were obtained by allocation from AFLRS for the FROSINONE-CASSINO housing project.

The situation in regard to the availability of sacks for foods and grains was well in hand and no undue difficulty was expected in providing for current needs of sacks for charcoal.

Leather continued to be critical in supply but current needs for boot repairs were met by using rubber soles and also surplus leather soles and heels from Army sources.

Production and distribution of belting was satisfactory.

Commencing in November the ration of matches was to be increased from 25 to 50 per month in the whole of occupied and liberated ITALY. This was made possible by improved production figures, availabilities found in forward areas and some importation from abroad.

Bidding for transportation of tobacco was turned over to the State Monopoly and all other questions concerning tobacco were transferred to Finance Sub-Commission, to avoid overlapping.

15. POL Section.

Control over POL allocations in Southern ITALY, SICILY and SARDINIA was handed over to the Italian Government, to whom bulk allocations were made.

Further work was done on canalising demand and control of POL for fleets of vehicles operated by the Vatican, Knights of Malta, Diplomatic Corps and Consular Offices.

16. Price Section.

The work of the Sub-Commission in connection with prices officially was concluded on 9 October and was transferred to Economic Section.

17. Foreign Trade Section.

Shipments of various commodities to the value of Lire 90,000,000 were made during the month, and at the end of the month goods purchased but not yet shipped consisted of 8751 tons of various items ready at ports, for which space had been bid, and 3623½ tons ordered forward to ports for which space had not yet been bid.

A shipping program for 20,000 tons of lemons for U.K. during Nov/Jan was arranged and bids were made for the first two shipments.

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Declassified E.O. 12356 Section 3.3/NND No. 785046

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30 tons of silk cocoons were imported and contracts for raw silk production in the next three to four months totalled 27,630 Kgs.

A serious theft of 2200 Kgs of silk, valued at 4 million Lire at controlled prices, took place between REGGIO CALABRIA and NAPLES and is being investigated by SIB Military and civilian police forces in NAPLES and REGGIO.

Initial reports and investigations were made in regard to export possibilities of the many artisan and small industries of Central ITALY.

The Istituto Commercio Estero was rapidly developing its work and had opened inspectorates at NAPLES, BARI and in SICILY; they were supplied with all relevant data in possession of the Sub-Commission.

18. General/.....

Declassified E.O. 12356 Section 3.3/NND No. 785016

18. General.

Col. W. P. EVANS, Director of the Sub-Commission, proceeded to LONDON for consultation with the Ministry of Supply, Ministry of Food, War Office and Board of Trade.

A number of officers from HQ were assigned to forward Regions but remained with the Sub-Commission on call by the Regional Commissioners, whilst certain newly-assigned officers commenced work at HQ in preparation for later assignment to field activities.

FINANCE SUB-COMMISSION.

19. Financing of Imported Civilian Supplies.

On 10 October President ROOSEVELT announced that the United States Government would make available to the Italian Government the dollar equivalent of all lire issued as pay up to now and hereafter to troops of the United States in Italy. Later it was clarified that this referred only to that part of the dollar equivalent of lire issued to troops of the U.S. which is not sent home by way of remittances or through purchases of War Bonds. In addition there were, and will continue to be, made available the dollar proceeds representing (a) Italian exports to the U.S.A., and (b) remittances to ITALY from or through the U.S.A. The dollars made available will be used by the Italian Government to pay for essential civilian supplies to be purchased in the UNITED STATES.

It is contemplated that the Italian Government with the Allied Commission will jointly prepare a program of essential civilian imports.

Although the dollars accruing from all the sources indicated will not be applied by the U.S. Government against any claims upon ITALY, it is made clear that the provisions of the agreement do not affect the terms of the Armistice nor prejudice the final settlement between the Governments of the UNITED STATES and ITALY.

No similar announcement has been made by the UNITED KINGDOM, which will continue to provide its quota of essential civilian supplies but under different financial arrangements.

20. Italian Government Financial Mission to the UNITED STATES.

In July, 1944, the Italian Government raised with the UNITED STATES Government the possibility of sending a group of technical experts to the U.S. to discuss financial and economic questions. The U.S. State Department indicated that there was no objection to such a mission.

The Italian Government nominated as its representatives Ing. Quinto QUINTIERI, President of the Banco di Calabria and Minister of Finance in the third Badoglio Government (April, 1944); Dott. Raffaele MATTIOLI, Joint Managing Director of the Banca Commerciale Italiana and one of ITALY's most prominent bankers; Dott. Egidio ORTONA, of the Italian Ministry of Foreign Affairs; Dott. Enrico CUCCIA and Avv. Mario MORELLI, Secretaries. The mission, which is due to leave ITALY on 3 November, will be accompanied by Lieut-Comdr. J. J. LAWLER; recently appointed Joint Director (A) Finance Sub-Commission, in place of Col. E. H. FOLEY, Jr.

Declassified E.O. 12356 Section 3.3/NND No. 785016

it was clarified that this referred only to that part of the dollar equivalent of [illegible] issued to troops of the U.S. which is not sent home by way of remittances or through purchases of War Bonds. In addition there were, and will continue to be, made available the dollar proceeds representing (a) Italian exports to the U.S.A., and (b) remittances to ITALY from or through the U.S.A. The dollars made available will be used by the Italian Government to pay for essential civilian supplies to be purchased in the UNITED STATES.

It is contemplated that the Italian Government with the Allied Commission will jointly prepare a program of essential civilian imports.

Although the dollars accruing from all the sources indicated will not be applied by the U.S. Government against any claims upon ITALY, it is made clear that the provisions of the agreement do not affect the terms of the Armistice nor prejudice the final settlement between the Governments of the UNITED STATES and ITALY.

No similar announcement has been made by the UNITED KINGDOM, which will continue to provide its quota of essential civilian supplies but under different financial arrangements.

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21. Modification of British and United States Trading with the Enemy Legislation.

The British Prime Minister and President ROOSEVELT, in a joint statement on 26 September, announced that the application of the Trading with the Enemy Act would be modified so as to enable business contacts with ITALY to be resumed for the benefit of the Italian people.

Banks and other financial institutions in the U.S. and U.K. may now reply to requests for information from their depositors in Liberated ITALY, documents such as birth, death, marriage certificates, wills and legal notices may be transmitted, and US/UK and Italian firms may exchange business information with a view to the future resumption of business relationships. The resumption of private trade is not yet permissible. It is understood that no licences will be granted for private trade transactions at the moment, since trade with ITALY is now being carried on only through governmental agencies. The transmission of payment orders, proxies and powers of attorney from UK/US to ITALY will continue to require licences from the existing control authorities.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

The status of Italian assets in the U.S. and U.K. is not in any way affected by this modification of the Trading with the Enemy legislation.

22. Investment in Treasury Bills.

The excess of purchases over payments of Buoni del Tesoro Ordinari amounted to 2,999 million lire in September; the net investment for the first three months of the fiscal year was 9,461 million lire.

23. Tax Receipts.

Available information indicates that gross revenue receipts for the first quarter of the fiscal year 1944/45 (July through September, 1944) were approximately 2,500 million lire for the 44 Provinces of Liberated ITALY.

24. Rehabilitation of Industrial Plants.

The Italian Government has set up an appropriation of two billion lire to be used as a fund to guarantee loans to be made by credit institutions to private firms. The credit institutions may advance money on loans up to 75% of the estimated works cost, at a rate of interest to be fixed by the Ministries concerned. The Italian State will pay part of the interest charges provided they do not exceed 3%. This arrangement will continue in force for four years, after which time loans will be consolidated on new conditions as to the re-payment of the capital and interest.

25. Advances to United States and British Nationals.

The U.S. and British Consuls have assumed the responsibility for making loans to their respective nationals in Liberated ITALY, with the following exceptions :

(a) SICILY and SARDINIA. British Consul NOT yet responsible.
(b) Provinces of AREZZO, FIRENZE, FORLI, LIVORNO, LUCCA, PISA, PISTOIA, SIENA and RAVENNA. Swiss Legation will continue to look after the interests of British and U.S. Nationals.

Emergency payments will be made by Finance Officers of AMG FIFTH and EIGHTH Armies in newly liberated territory, until the Swiss Legation is able to take over the responsibility.

26. Defascism of Financial Institutions in AMG Territory.

The first specially trained group of Guardia di Finanza left for FIRENZE, PISTOIA and LUCCA in October to facilitate defascism in forward areas. Additional groups have been trained and will move forward as important additional territories are liberated.

27. Property Control.

A draft of decree under which the Italian Government will assume responsibility for the care and custody of Allied property in transferred territory was finally approved by AC and by a committee representing the Ministry of Treasury on 17 October, but the decree had not been passed by the Italian Government when the month ended.

28. Distribution of and Accounting for Imported Foodstuffs.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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28. Distribution of and Accounting for Imported Foodstuffs.

In the last month's report mention was made of the arrangement which went into operation on 1 September. On that date the Italian Government, through the Ministry of Agriculture, assumed responsibility for receiving, distributing, and accounting for imported foodstuffs. Cargoes arriving at ports (except NAPLES) now pass directly to the local Consorzio Agrario, who prepare receiving reports. Such reports are ultimately routed through the Federazione dei Consorzi Agrari to the Chief Accountant. This new arrangement was extended to certain forward areas during October.

Food Sub-Commission/.....

Declassified E.O. 12356 Section 3.3/NND No. 785016

FOOD SUB-COMMISSION.

Grain Situation.

29. A topic which received a great deal of attention during the month was that of the general grain situation in relation to the proposed universal 300 grams bread ration. Representations continued to be made by Northern Regions of the prevailing discrepancy between Northern and Southern bread/pasta ration scales. It has long been recognized that such a discrepancy is illogical and the whole purpose of recent discussions and the visit of the Supply Section to WASHINGTON has been to have this discrepancy removed.

General Supply Situation.

30. It has been reported in previous months that the general supply situation has been deteriorating. A large extension of areas to be fed, coupled with almost complete cessation of imported foodstuffs other than grain, have led to a steady eating down of stocks. A memorandum to this effect prepared early in October showed that at present rate of consumption and present scheduled imports, stocks of dehydrated soup, meat and dried vegetables would be exhausted by January 1945. The situation was explained at the SIEVE Conference in early October and views were asked as to the principle of Selective Rationing being applied to make the best possible use of existing stocks of miscellaneous items, and to make presently available supplies last at least through the winter.

31. This was also discussed at a meeting with Italian Ministers, called owing to the imperative necessity of getting a decision in agreement with the Italian authorities upon vital questions such as the idea of Selective Rationing, the release of present controls upon some or all of locally produced foodstuffs, and the provision of supplies by the Italian authorities when they no longer have our imported supplies upon which to rely. At this conference it was decided that the Italian Government should put forward concrete proposals upon the points submitted to them, but at the end of the month these proposals were still awaited.

32. Studies were made of the actual bread/pasta ration that would be available throughout ITALY if present scheduled import tonnages were maintained, and also of the actual amount of grain imports that would be required if the higher ration of the South were to be made universal. The conclusion reached on the first was that a considerable reduction of the ration in the South would be necessary if no further increase upon scheduled imports were granted. The result of the second was communicated to AFHQ and an early decision upon the question of the higher ration for the present "unprivileged" part of ITALY was requested.

33. The necessity for such a decision became more pressing as the month went by, as statements in the Press, based upon the joint statements made in WASHINGTON, reflected the growing assurance of the Italian population that such a concession would, in fact, be granted to them.

34. By the end of the month, however, no definite program of increased imports had been issued and the question of the 300 gram universal ration was still in abeyance.

35. The SICILIAN wheat situation also was the subject of a special study during October. Amassing had been disappointing in the Island and by the end of the month the total amassed was still 100,000 tons below even the revised and decreased target figure. The Regional authorities are doubtful if much more amassing can be expected and at the moment it appears certain that SICILY will have to be "baled out"

Declassified E.O. 12356 Section 3.3/NND No. 785016

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36. Barley imports arrived during the month for the first time. The idea is that a certain amount of barley, surplus in certain countries, will be imported into ITALY to ease the pressure upon world supplies of wheat. Present proportion is 20% of barley will be imported to 80% of wheat. Certain stocks of local barley also exist and therefore instructions were sent to all Regions ordering the use of barley flour in bread making and a directive issued laying down milling ratios for barley and the amount of barley flour that is to be mixed with wheat flour in the making of bread. At present this is 20% but a possible revision will be made when the Italian Ministry of Agriculture, in agreement with us, issues complete instructions on the whole subject. The Ministry has also been requested to make allocations of all present stocks of locally grown barley.

37. Data to/.....

Declassified E.O. 12356 Section 3.3/NND No. 785016

37. Data to show the diminishing scale of imports are as follows :

MONTH	SUGAR	MILK	MEAT	DRIED VEG.	SOUP	FISH	TOTAL
JULY	-	1,375	6,306	2,634	-	404	10,719
AUG.	+2,687	10	-	-	-	158	2,855
SEPT.	-	-	-	1,834	-	291	2,125
OCT.	2,682	-	-	4,661++	-	326	7,669

\+ Into SICILY.
++ Into LEGHORN - stockpile earmarked for NORTH ITALY.

38. The first ship with sugar to reach the mainland since May arrived in NAPLES. It came in so late in the month, however, and rate of discharge was so slow, that for the second month in succession it was not possible to issue a sugar ration in large areas of the mainland.

39. Pending the final settlement of the question of the universal high bread/pasta ration it was decided, with the approval of AFHQ, to authorize an issue of 300 grams of pasta or flour fortnightly in all Provinces north of the CARIGLIANO. First issue was to take place during the first week in November.

Rationing.

40. A new ration scale for Guardia di Finanza and Public Security Agents was formulated to come into effect from 1 November. The new scale is near that of the existing military scale.

41. Further progress was made to provide special rations for meals for school-children.

42. Italian Under-Secretariate of Food: The question of the formation of all Under-Secretariats of Food has been followed up and after much discussion it is hoped that the whole organization will be prepared to function in a very short time under the leadership of the former Under-Secretary of Agriculture, Prof. H. E. BERGHI.

43. Port Facilities: The Army authorities ceased operating the ports of CASTELLAMMARE and TORRE ANNUNZIATA and arrangements were made to hand them over for civilian operation.

44. Rome Supply Committee: This Committee continued to operate and an average daily tonnage of 500 tons plus a daily average of 2500 eggs were brought into ROME. Wine has also started to flow, a shipment of 4300 tons arriving in CIVITAVECCHIA.

45. Olive Oil: The movement of olive oil from APULIA was delayed by lack of tankers. 800 tons were scheduled to move but the total arrivals in the ROME area to 30 October, including oil railed from NAPLES, only amounted to 35 tons. 318 quintals of edible oil have been distributed in ROME to cover the September issue of 200 grams p.c.

Declassified E.O. 12356 Section 3.3/NND No. 785046

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46. Transportation: Problems increased in October with the continued shortage of rail cars, wet weather and railway operating difficulties. Because of this tonnage bids were out and other bids accepted to remote stations, necessitating long road hauls. These set-backs increased the already difficult job of keeping the food supplies flowing.

INDUSTRY SUB-COMMISSION.

47. General.

(a) On 9 October the directorship of the Industry Sub-Commission was handed over to a civilian, Mr. W. S. VAUGHAN. Colonel J. S. E. TODD, the Acting Director, is leaving for another assignment, making this the first of the Sub-Commissions to have a civilian as its head.

(b) The suggestion/...

Declassified E.O. 12356 Section 3.3/NND No. 785016

(b) The suggestion that small committees of experts in the Ministry of Industry should handle individual types of industries has materialised and the Ministry has now an organisation of some 60 odd engineers at work collating, correlating and resolving the data submitted by individual plants into lists from which it can be decided which products to manufacture. Certain technical organisations as well as the C.E.I. (Comitato Esperti Italiani) have been engaged on this task for a considerable time. This mass of information will finally be condensed into many requisitions for material items to be purchased either in ITALY or from foreign sources.

(c) The weekly meetings with the Minister of Industry have continued and it is felt that much is being accomplished by these contacts. Many items on the weekly agenda are settled at once and thus much loss of time in correspondence is avoided. This personal touch brings together many technical officers from the various divisions of the Sub-Commission - Building Materials Division, Textile Division, Chemicals Division, Mining Division, Coal Division and Hemp Division - with their opposite numbers in the Ministry.

(d) It was pointed out in the last report that the Minister of Industry was showing a strong desire for complete independence of action when making appointments to industrial posts under the Ministry. H.E. the Minister of Industry, Commerce and Labour, during the month insisted on the appointment of his nominees in connection with the discipline of the hemp and Sardinian coal industries. Industry Sub-Commission registered strong protests in writing but up-to-date has heard nothing further regarding them.

(e) The month of October brought to a successful conclusion the question of whether or not an Industrial Coordinating Committee should be formed. It had been felt for a long time that the Allied Commission should have a stronger representation on Committees, especially those where the allocation of industrial plant or equipment was concerned, and where the well-being of the Italian civilian economy was affected. Industry Sub-Commission now feels that through the proposed committee not only will military and civilian needs be protected, but productive capacities will be maintained at a higher level than would be possible without the direction of an organisation of this kind.

48. Decrees. During the month additional decrees were published by the Italian Government. Those of particular interest were :

(a) Regarding the appointment of a Commissary for the National Institute of Processed Food Products.

(b) Regarding the control of hides and tanning products.

(c) Regarding the blocking of olive-oil by-products and of sulphur oil.

(d) Regarding the declaration and blocking of industrial raw materials.

49. Industrial Activities. These can only be referred to briefly. The most outstanding activities during the month were :

Declassified E.O. 12356 Section 3.3/NND No. 785016

Division, Mining Division, Coal [illegible]
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(a) Transfer of control of Soap and Paper Manufacture to the Italian Government, with the exception of plants producing for the Allied Forces.

(b) Progress toward the rehabilitation of the important Solvay Soda Plant at ROSIGNANO, the reactivation of which will eliminate completely need for imports of caustic soda and sodium carbonate. One 30 Km long pipeline has already been repaired and the difficult problem of repairing bridges, particularly that of the railway bridge at VADA, seems likely to be successfully solved shortly.

(c) The first/.....

Declassified E.O. 12356 Section 3.3/NND No. 785016

(c) The first imported American cotton has been delivered and is already in work. Production plans have been drawn up by the Italian Government with the advice of A.C. for manufacture of essential civilian fabrics, chiefly bed and personal linen, and sewing thread. These plans also include conversion of 400 tons of Sicilian Cotton now en route to the mainland of ITALY.

LABOUR SUB-COMMISSION.

50. A draft decree concerning Chambers of Commerce, submitted to AC by the Italian Government, was altered so as to transfer all functions in the labour field to the Provincial and Regional Labour Offices.

51. An active part was taken in the matter of wage increases and as a result the advance in the Armed Forces Wage Scale, which became effective on 1 October, was further increased by a mandatory 40 to 60 lire daily increase in wages. This matched the action taken by the Italian Government on 31 October, which made effective a mandatory increase to workers in Italian industry in similar amounts.

52. Wage control can in part be exercised by an active inspection service. Such a service, known as the "Ispettorato dell'Industria e del Lavoro", has been in existence since 1906, and representatives of the Labour Sub-Commission have recently made a number of trips in the field so as to aid in the reactivation of this excellent service.

53. Continued efforts have been made to facilitate the return to normal functioning of the national offices of the five major social insurance institutes: Previdenza Sociale, Malattia and Infortuni (covering workers in private employment); Previdenza Statali and Previdenze Enti Pubblici (covering government employees).

54. Although the Italian Government had made a commitment to provide for social insurance coverage for employees of the Armed Forces, definite action on their part through the issuance of a Royal Decree has not yet taken place and conferences between our representatives, the Minister of the Treasury and the Minister of Industry, Commerce and Labour are leading to imminent action upon the adoption of the implementing decree.

55. Because of the involved labour situation in the LIVORNO-PISA area, due to overlapping territorial authorities, this Sub-Commission, by request, has taken the matter in hand and sent a representative to take charge of the problem in that area.

56. Colonel J. R. SMITH was appointed Acting Director vice Colonel J. T. R. BAIN. He was also appointed as Chairman of the Labour and Wages Control Committee of the Allied Forces Local Resources (Italian) Board, AFHQ.

PUBLIC WORKS AND UTILITIES SUB-COMMISSION.

57. Epuration.

Defascism of Ministry of Public Work's personnel proceeded satisfactorily (refer September report). Special instructions given to Ministry to expedite cases down to and including Grade IV.

58. Mine Clearance.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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Repairs and reconstruction of bridges, roads, buildings and other schemes were still being seriously retarded by lack of a mine clearance organisation. (A single commune reports the presence of at least 150,000 mines).

59. ROME Tunnel.

Request by Italian Ministry of Communications for engineering measures to pump out a flooded tunnel near the Colosseum (Ferrovia Metropolitana di Roma) was rejected after two detailed inspections. A simpler alternative was suggested after consultation with Public Health Sub-Commission.

60. Financing/.....

Declassified E.O. 12356 Section 3.3/NND No. 785016

60. Financing (repairs).

Conferences were held with Minister of Public Works (Signor MANCINI) and his Director-General, directed to proper financing of electrical rehabilitation (power stations and transmission lines) and that of first-aid repairs (war-damage) to private properties. Issue of certain decrees is being expedited.

61. Road Reports.

Heavy rains and floods causing many road blocks and interruptions, even in October, revealed value of the small "Road Reports Bureau" now maintained by this Sub-Commission.

62. Companies (increase of charges).

Increasing and more urgent demands from Public Utility Companies to be allowed to increase their charges to consumers (gas, water, electricity, etc.) resulted in conferences with other Sub-Commissions (Finance, Legal and Industry) at which principles suitable for general application were settled. These concern a decree about to be issued by the Italian Government.

63. ROME Electricity.

Complaints were lodged with Electricity Control Board (Rome Area Allied Command) concerning apparent lack of control of the situation, both by correspondence and in personal interview with Chairman of Board. A particular complaint was made about the energy allocated to local tram services whilst lighting situation remains so serious and preventing operation of lifts in a building such as A.C. Headquarters. Sub-Commission succeeded in getting a direct representative on the Board and also took other appropriate steps to bring about some improvement.

64. Controls and Approvals (Italian Government).

A codified system for approval of public works projects was prepared, setting out types and cost limits in Italian Government and A.M.G. territories respectively. It has operated satisfactorily and is now thoroughly understood by all concerned. It is being further modified almost immediately by permitting the Italian Government widely extended further powers, viz., to plan and execute works of a civil character without any cost restrictions, provided use of critical materials is not involved.

65. Highways, Bridges, Public Works.

Under Military Highways and Bridges headings 53 new contracts were made in October, and 41 for miscellaneous works (civil) including bridges, buildings and ports.

Expenditure on the former since last January reached a total of 887 million lire, and on the latter nearly 450 million lire. Monthly rate of expenditure is increasing rapidly. Serious local flooding on Routes 1, 2, 3, 6 and 7 in October was caused by temporary bridges built by the Armies with insufficient waterway or by culverts having been filled in with earth during spring and summer. Emergency gangs [illegible] and interruptions continued for only short periods. Route 1 at end [illegible] consistent with severely res-

Declassified E.O. 12356 Section 3.3/NND No. 785016

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64. Controls and Approvals (Italian Government).

A codified system for approval of public works projects was prepared, setting out types and cost limits in Italian Government and A.M.G. territories respectively. It has operated satisfactorily and is now thoroughly understood by all concerned. It is being further modified almost immediately by permitting the Italian Government widely extended further powers, viz., to plan and execute works of a civil character without any cost restrictions, provided use of critical materials is not involved.

65. Highways, Bridges, Public Works.

Under Military Highways and Bridges headings 53 new contracts were made in October, and 41 for miscellaneous works (civil) including bridges, buildings and ports.

Expenditure on the former since last January reached a total of 887 million lire, and on the latter nearly 450 million lire. Monthly rate of expenditure is increasing rapidly. Serious local flooding on Routes 1, 2, 3, 6 and 7 in October was caused by temporary bridges built by the Armies with insufficient waterway or by culverts having been filled in with earth during spring and summer. Emergency gangs were organised and interruptions continued for only short periods. Route 1 at end of October still remained blocked in three places. Consistent with severely restricted transport these "floating gangs" will be moved to critical places throughout the winter. But the only real remedy is reconstructing culverts and bridges as they previously existed.

Main railway line near CASSINO (Route 6) was closed by a "wash-out"; traffic was unloaded and carried forward by road for some distance, involving crossing of a large concrete bridge, fortunately just completed (20 October) in time to carry this unusual traffic.

66. Housing.

Schemes from the LAZIO-UMBRIA Region were approved as to repairs (32 million lire) and new construction (116 million lire).

67. Electrical/.....

Declassified E.O. 12356 Section 3.3/NND No. 785016

67. Electrical Division.

Revised organisation and increased officer personnel were arranged for to carry out AFHQ instructions dated 5 October making the Sub-Commission wholly responsible for all reconstructional and repairs activity in ITALY. Special conferences were held with Electrical Companies (co-ordination of all repairs that can be completed by 1 January 1945).

Several conferences were held with WASHINGTON and LONDON representatives. Detailed information was furnished to them.

Copies of approved estimates supplied by Electrical Companies in South ITALY were furnished to Finance Sub-Commission (repairs of war damage). Special maps were furnished to A.A.I. and also to AFHQ at request of respective Chief Engineers, relating to Northern plants and transmission lines.

Measures were taken under which all generating capacity in Central ITALY was put under impartial and equitable distributional control.

Fuel situation at ROME Power Stations (thermal) was critical throughout October; mechanical condition also was poor but output was increased. Special arrangements were made to provide energy to numerous industrial plants.

New rationing scheme ROME City to be put into force on 1 November.

68. Miscellaneous.

Repairs to damaged water-works continued steadily, including large scheme at TERNI. Tendency on part of Italian authority to carry out more work than is strictly necessary, in several cases, checked. Supplies to ROME City will shortly be back to normal.

Repairs to sewage systems in various towns were continued and also several land reclamation schemes ("Bonifiche"), including PONTINE MARSHES and protection of Route 7 from local flooding.

As to gas, production in SICILY was suspended owing to lack of coal. Elsewhere restricted supplies were maintained, in ROME, NAPLES, BARI, TARANTO etc.

69. Personnel.

Lt. Cols. JENNY and LAPPER were absent during the whole month in AMERICA on special duty.

Four American civilian engineers joined the Sub-Commission in October making a total of 72 officers, viz., 19 at Headquarters and 52 in the Regions.

70. SICILIA Region.

The Sub-Commission has now only one Engineer Officer on the Island. In October 137 projects were in hand (estimated cost 73 million lire) including 63 public buildings, 10 bridges, 19 harbours and lighthouses, etc. Works at MESSINA and AUGUSTA required by Navy were in hand. In general, satisfactory progress was made throughout the Island in restoring roads and bridges (on one road, length 100 Km., there were, last Spring, 10 interruptions, including thirty demolished bridges; all now completed or almost

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71. SOUTHERN Region.

Requests for works are continually being received from Royal Navy, F.B.S., Military Districts, Air Forces and Sub-Commissions of A.C. There was a severe electrical breakdown on 29 October at hydro-electric station in CALABRIA. Repairs to three other plants were continued, also transmission lines and transformer stations.

Principal electric supply company in the Region estimates war damage at 200 million lire.

Fresh applications for power were 250, of which only 64 were approved owing to general power shortage.

Desperate/.....

Declassified E.O. 12356 Section 3.3/NND No. 785016

Desperate shortage of road transport was reported for bridge and road works and also to enable Electricity Companies to maintain their hundreds of miles of transmission lines.

Distribution of gas in NAPLES was still further extended and aqueduct repairs (water supply) was continued. Elsewhere throughout the Region water supply conditions are almost back to normal and restrictions on consumption have been cancelled.

Fair progress on road works is reported, with eight bridges completed in October, five new contracts let and many others in hand.

For supply of stone (highways) a working agreement was reached with United States Air Corps for pooling joint resources and equipment.

Regional Engineer reports that Genio Civile officials (NAPLES) have recently been very lax and unhelpful, adding that this may be, in part, because they are very poorly paid.

72. LAZIO-UMBRIA Region.

Electric power available is barely 10% of pre-war demand. There has been a slight improvement which is continuing. ROME water-works repairs are still in hand.

Since July 146 bridge projects have been approved but 40 await financial sanction. Of bridges (classification Military) 43 were handed in October, bringing total to 137, of which only 19 were completed.

Housing schemes were obstructed by financial difficulties and absence of decrees. Over 130,000 people are homeless in FROSINONE and LITTORIA Provinces. Severe criticism is felt of Italian administrative and financial delays.

Clearance of FIUMICINO port made progress. There is a general shortage of cement, bricks and bitumen.

Slightly better progress was made in mine clearance.

73. ABRUZZI-MARCHE Region.

The Regional Engineer has a forward office at ANCONA. Genio Civile are still very disorganised, particularly in PESARO-URBINO. In PESARO Province all bridges are destroyed and communication is impossible.

Several bridge contracts were arranged permitting removal of Bailey bridges further northwards; numerous bridges and diversions are in hand on Route 16; ten out of eleven bridges are nearly finished. Road and bridge works are in progress on many secondary and minor roads. In ANCONA and PESARO enemy carried out demolitions with exceptional thoroughness. A scheme is in hand at mouth of MISA River to prevent flooding of SENIGALLIA town. Repairs to five water undertakings are well in hand, also drainage repairs at PESCARA and land reclamation near FUCINO LAKE. Numerous schemes for public buildings are in hand (reconstruction), and re-building of ATEZZANO Prison (cost 2½ million lire).

PESARO Province is without electric power. Elsewhere extensive repairs are in hand to power stations. Rainy season has slightly improved output of energy.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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PESARO Province is without electric power. Elsewhere extensive repairs are in hand to power stations. Rainy season has slightly improved output of energy.

A general shortage of transport, cement and bitumen is reported.

74. SARDEGNA Region.

The Island is under Italian control and there is no Regional Engineer. Debris clearance in CAGLIARI City is 84% completed. Program amounting to 80 million lire for re-housing in CAGLIARI were prepared. In October 11 million lire spent on [illegible] works, with a further program of 92 million lire.

Water supply position at CAGLIARI has improved but strict rationing is still in force. Electrical situation is satisfactory. Street lighting has been re-started. Normal progress was made on ports, highways, bridges and other matters.

75. TOSCANA/.....

Declassified E.O. 12356 Section 3.3/NND No. 785016

75. TOSCANA Region.

More engineering tasks were taken over from FIFTH Army. Electric power situation is serious and joint conferences were held with FIFTH Army, AAI, PBS and other interests. Several transmission lines and small power stations are under repair. Close liaison was maintained with Industry Sub-Commission to ensure power for special industries, with particular reference to that for oil presses.

There is a very heavy bridge reconstruction program; in hand 36 on Military highways, 45 provincial and 4 in FLORENCE City. Latest bridge survey shows total of nearly 1400 bridges needing heavy repairs or complete reconstruction. Demolition of dangerous buildings and removal of debris cost 14 million lire in October. A survey is in hand of damaged provaye houses.

First priority is given to flood control schemes, having regard to conditions near rivers ARNO, SERCHIO and OMBRONE.

Works projects totalling over 76 million lire were in hand at end of October.

All officials of Genio Civile in Region are working well. There is an acute general shortage of road transport, both for supervisory personnel and materials.

76. EMILIA Region.

Assistance was given to FIFTH and EIGHTH Army AMG Headquarters. PISTOIA City aqueducts were repaired as well as small power plants. Water pumping stations were reconstructed for RICCIONE, CATTOLICA and RIMINI. At RICCIONE enemy had used reservoir for sewage; it is being emptied, cleaned and sterilised.

Generally, conditions are extremely serious over a wide area as to bridges, roads, utilities and general public works problems. There has also been serious flooding of areas through enemy destruction of dykes and pumping stations.

77. PIEMONTE, LIGURIA, LOMBARDIA and VENEZIA Regions.

No active work was possible and activities were confined to collecting information, planning, etc. Officers of Regional Engineer's staffs were temporarily transferred to give assistance in other active Regions.

TRANSPORTATION SUB-COMMISSION.

Rail Section.

78. During the month there have been many critical moments due to shortage of freight cars and concern is felt that traffic has been accepted for movement whilst the actual facilities for movement have not been available. Rolling stock has been shipped from SICILY and SARDINIA but this can only be a temporary relief as it soon gets merged into the general pool.

79. Plans are in hand for close working between Military Railway Service and Italian State Railways to ensure that rehabilitation of tracks is carried to greater effect. A number of important lines have been scheduled for repair and contracts signed by the Italian State Railways with contractors. In Southern ITALY improved rail services have been agreed, while SARDINIA Railways have been handed over to AC for supervision.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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80. A decree has been agreed authorising increase in Railway rates and fares to 100% over June 1943 figures. Severe restriction to coal in SICILY is causing considerable difficulty and urgent requests have been made for reversion to original tonnage.

Shipments, Ports and Warehousing Divisions.

81. Shipment: Schooner traffic has been severely curtailed by the weather during the month. Schooners allotted to civil trade are the smallest type which are most affected by weather conditions, being constantly forced into port and remaining there for days. This will get worse during the winter and most civil bids have to be carried on other ships set up by AFHQ. The position cannot be improved until larger schooners are allotted to carry civil supplies.

82. Ports/.....

Declassified E.O. 12356 Section 3.3/NND No. 785016

82. Ports.

(a) CIVITAVECCHIA: A port Committee is now set up and an AC Port Liaison Officer appointed to ensure the smooth turn-over of the port to civil uses. The rail served berth should be completed shortly.

(b) CASTELLAMMARE: To enable a discharge of a top-loading of bag grain lighters and tugs have been obtained for the use of the civil contractors operating these ships, but bad weather has prevented this discharge.

(c) SALERNO: An inspection has been made of the port. It may have to be used for final discharge of ships with civil supplies, in order to avoid the rail congestion round NAPLES. The port is capable of taking ships alongside quay with the draught up to 21 ft. Warehouse accommodation is being repaired and all necessary arrangements made for accepting a ship with 4000 tons of cargo.

83. Warehouses.

As of 1 October the Warehouse and Forwarding Division of the Food Sub-Commission became the warehouse Section of the Shipment, Port and Warehouse Division of the Transportation Sub-Commission. The following were the principal changes made during the month:

(a) A.C. Dept No.49 in SIENA was turned over to TOSCANA Region for operation.

(b) A.C. LEGHORN accommodations were greatly expanded, increasing the capacity from about 14,000 tons to 40,000 tons. This change was necessary in order to accommodate the increase in Food Sub-Commission stock-piling activities. Further expansion is contemplated to bring capacity up to 70,000 tons.

Roads Section.

84. Of the two G.T. Coys (Italian) promised by AFHQ, one, the 1004 G.T. Coy, has been assigned and is operating out in the ANCONA area. Of the American personnel required to operate the Truck Battalion 9 officers and 20 enlisted men have been received, but we have no assurance as to the definite date when the remaining personnel will be made available. Three Q.M. Truck Coys have been formed and the training of two more is proceeding. Of the 250 vehicles promised by AFHQ, 100 have been drawn and it has not been considered advisable to draw any more until the necessary supervisory personnel have been obtained.

85. A standard work ticket has been agreed with ENSC and it is hoped that this standard work ticket will shortly be in operation throughout the whole of occupied ITALY.

86. Maintenance instructions have been published, setting out a complete system of maintenance to be applied to all vehicles. These instructions have been forwarded to all Regions and the system has now been put into effect. At the present moment a combined maintenance team, consisting of two British and two American officers from AFHQ, are in the process of making a study of all existing garages and garage facilities.

87. Steps have been taken for the manufacture of a number of spare parts and the outlook is fairly promising.

Declassified E.O. 12356 Section 3.3/NND No. 785046

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88. The tire position, although still acute, has improved slightly as a shipment of tires and tubes has been received from Army sources. Tubes, however, are rapidly becoming a more serious problem than tires.

Declassified E.O. 12356 Section 3.3/NND No. 785016

PART IV

POLITICAL SECTION, PUBLIC RELATIONS BRANCH
AND INDEPENDENT SUB-COMMISSIONS

POLITICAL SECTION.

1. There were no major political developments during the month of October. It was a period of marking time for the moment when the Commission would be in a position to explain to the Italian Government the meaning of the joint declaration of 26 September by President ROOSEVELT and Mr. CHURCHILL, in its day-to-day application towards ITALY. The good intentions of the Allied statesmen were shown in the announcement that the word "Control" would be eliminated from the title of the Commission as from 23 October.

2. Certain further statements of policy were made in WASHINGTON. The lifting of the trading with the enemy regulations for Liberated ITALY was announced. A more profound expression of Allied policy was the announcement on 25 October that direct relations had been resumed between GREAT BRITAIN and ITALY and a following announcement that diplomatic relations with ITALY had been established by the UNITED STATES and RUSSIA. The U.S. Government stated that its action had been taken after consultation with the other American Republics, all of whom, excepting ARGENTINA, had agreed to resume relations with ITALY. The communique made it quite clear that no change in ITALY's status of co-belligerency was inherent in the government's announcement which, however, would signify its intention to return to ITALY control of her internal affairs as soon as possible.

3. The Italian press viewed these developments as an important step toward ITALY's emergence from isolation and towards the government's obtaining greater autonomy. The Prime Minister found that by them ITALY had regained her individuality as a nation but that this situation was incompatible with the state of subjection in which she was held by the terms of the Armistice.

4. The encouragement offered the Italian government and people by these developments was damped by a statement made in the House of Commons which the press attributed to Mr. EDEN, saying that the British Government was opposed to the return of colonies to ITALY, and that the Italian Empire in AFRICA was irrevocably lost. A clarification of these reported statements indicated that the questions and answers made in the House of Commons sought to lay down the present attitude of the British Government and that the future of territories will have to await consideration by the United Nations at the conclusion of peace. The public feeling of resentment toward s the British Foreign Secretary was assuaged by his visit to ROME at the end of October. At this time he conferred with the Prime Minister, the Under-Secretary of Foreign Affairs and the Italian representative designated to LONDON. The visit was regarded as significant, coming as it did on the heels of re-establishment of direct relations between the two countries and in light of the antagonism which had existed between Mr. EDEN and the Fascist regime. Press comment was friendly and stressed the fact that Mr. EDEN was opposed to Fascism, not to the Italian people.

5. In the field of domestic affairs the most important developments were a decree providing in certain special cases for the cultivation of large holdings of land by the peasants through properly organized and recognized peasants' cooperatives and measures to increase the wage scale.

6. Incidents occurred of the seizing of land by peasants which, in some cases, led to conflicts between them and the Carabinieri. As a consequence the Prime Minister issued a circular instruction to the Prefects explaining the decree and urging strict

1002
Declassified E.O. 12356 Section 3.3/NND No. 785016

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7. Following the incident in PALERMO on 19 October the Council of Ministers prepared the necessary decrees to set up in SICILY a consultative body of 24 members representing various interests on the Island, the financing by special funds of further industrial development and agrarian reform.

NAVY SUB COMMISSION.

8. Three of the seven active Italian cruisers have been refitting during the past month. The remainder and the destroyers and small craft continue to be fully employed in their transport and escort duties. The morale of officers and men remains satisfactory.

9. The Ministry/.....

1903 Declassified E.O. 12356 Section 3.3/NND No. 785016

9. The Ministry of Marine has been notified of the turn back of the ports of CIVITAVECCHIA, PIOMBINO and SAN STEFANO to Italian Navy Control and has been requested to issue appropriate organisation orders for the above ports to ensure their efficient operation.

10. During the past several months the Navy Sub-Commission has arranged for the evacuation from the ROME area of over 1,000 inactive members of the Italian Navy and their families. The evacuees have been removed to SOUTHERN ITALY and SICILY under the guidance of the Ministry of Marine, to locations where they will be able to obtain better living conditions.

11. Routine activities of the Commission have included the usual problems of supplies and materials for the Italian Navy and control of movements of Italian Navy personnel.

LAND FORCES SUB-COMMISSION (MMLA).

12. The call-up of the 1915 to 1924 classes in the LAZIO Region continued during October. Personnel were recruited with a view to completing outstanding commitments for Allied Units. Certain units of the Italian Combat Groups were still in need of reinforcements and instructions were issued to the Ministry of War that all suitable personnel recruited at FROSINONE were to be allotted to these Groups and dispatched to the Reinforcement Depot for posting to units in the Combat Groups.

13. The results of the LAZIO call-up did not fulfill the necessary requirements. Land Forces Sub-Commission consequently authorised the War Ministry to extend the call-up of the 1914 to 1924 classes to CALABRIA, CAMPANIA, FOGGIA, PUGLIA and LUCANIA. Later the period of this call-up was extended owing to transport and communication difficulties in recruiting, assembling and dispatching this personnel.

14. Total reinforcements sent to Allied Units and the Combat Groups was 3,813.

15. The Italian Army Patriot screening agencies operating in the Army areas continued their work and sent 460 patriot volunteers to the Combat Groups.

16. The organisation and training of the Italian Combat Groups continued during October. By 3 October CREMONA Division had been reorganised and training had commenced.

17. Frequent visits to the Combat Groups were made by Land Forces Sub-Commission officers to discuss equipment, training and reinforcement problems. The issue of British clothing and equipment continued, as did the training of regimental instructors. Results of courses held during October were good and reports showed great keenness and ability on the part of the Italian students attending these courses.

18. October was a heavy month for the movement of Italian Army personnel. The main commitments were :

(a) Movement of troops from SARDINIA to the mainland.
(b) Regional call-up of classes to the Italian Army.
(c) Large moves of labour personnel to ports after re-forming at MINERVINO Camp.
(d) Additional movement of personnel and supplies to the Combat Groups training areas.

19. The evacuation of the first batch of Italian Military from the Balkans commenced towards the end of the month. Land Forces Sub-Commission ensured that the War

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19. The evacuation of the first batch of Italian Military from the Balkans commenced towards the end of the month. Land Forces Sub-Commission ensured that the War Ministry made full arrangements for the reception, housing and screening of these men. Any suitable volunteers for the Army would be accepted after screening and sent to the Reinforcement Regiment of the Combat Groups after a period of leave. A Land Forces Sub-Commission Liaison Officer was dispatched to TARANTO in order to deal with any questions and problems of urgency.

AIR FORCES SUB-COMMISSION.

20. For most of the month of October the Fighter Wing was bogged down by heavy rain. On 19 October, however, it began operating with considerable intensity and has achieved good results. Enemy motor vehicles have been damaged or destroyed and a train knocked out. Successful bombing attacks have also been made on bridges and other communication targets. Although the number of sorties carried out is not as high as usual, the daily average is far above that ever carried out before.

21. The operations/..

Declassified E.O. 12356 Section 3.3/NND No. 785016

21. The operations of the Bomber Transport Wing were considerably curtailed owing to bad weather but a satisfactory weight of supplies was dropped over YUGOSLAVIA. In addition to their active operations, Bomber Transport Aircraft have proved a valuable means for evacuating damaged fighters from airfields which are inaccessible to transport. A method has been evolved whereby damaged fighters can be flown out in the SM.82's without extensive dismantling. In addition a shuttle-service has been in operation between ITALY and NORTH AFRICA carrying spares and equipment. Without this it would have been impossible to have made the Light Bomber Squadrons operationally ready by the end of October.

22. The Light Bomber Wing is now fully operationally trained and is about to move to its operational airfield.

23. Very few operational demands have been made on the Seaplane Wing. Two British aircrew and a dinghy were picked up under extremely difficult weather conditions, the aircraft being damaged during the process of landing and picking up the survivors.

24. The serviceability of the Italian Fighter aircraft shows a substantial increase. This is due to the protracted efforts of the Air Forces Sub-Commission Technical Staff and the Italian Technical Staff. With the aid of salvaged spare parts and a certain amount of improvisation, very creditable results have been achieved.

25. The demands for manpower from the I.A.F. in substitution for R.A.F. and U.S.A.A.F. manpower are gradually being satisfied.

26. The question of an adequate ration for aircrews is still in abeyance but the Sub-Commission has been visited by a Staff Officer from M.A.A.F. (Rear) and it is hoped that something will be done very shortly.

27. The morale of the Italian Air Force remains high, particularly in the Fighter Wing. The fighter squadrons have earned the praise of the Air Officer Commanding, Balkan Air Force.

28. Defascism within the Service is still proceeding very slowly and it is clear from some of the verdicts that some of the tribunals cannot be considered to be free from taint of favouritism.

29. Since the declaration by Mr. CHURCHILL and President ROOSEVELT it is clear that the Italian Air Force has expected something quite out of the ordinary to be done for them in the way of direct assistance, so that they can take their part to better advantage with the Allies. Air Forces Sub-Commission has done everything possible to discourage any undue optimism in this respect.

COMMUNICATIONS SUB-COMMISSION.

30. Telecommunications.

(a) Telephone: Intra-provincial service was authorised in the four additional provinces, and inter-provincial service was authorised in fourteen additional provinces. The telephone cable to SARDINIA was restored to the Italian Government and taken into use by them.

(b) Telegraph: Telegraph service was authorised in fourteen provinces. Restoration of circuits has now given the Italian Government telegraph communication

Declassified E.O. 12356 Section 3.3/NND No. 785016

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(b) Telegraph: Telegraph service was authorised in fourteen provinces. Restoration of circuits has now given the Italian Government telegraph communication to all provincial capitals of provinces under Italian administration plus five provinces to the North of Italian Government territory.

About 150,000 telegrams a month are now passing through the ROME office.

Notification was received from AFHQ that civil radio and cablegrams would be permitted to U.S. and U.S. possessions, and to the U.K. and BRITISH EMPIRE from 15 November.

31. Postal.

(a) Internal postage rates were doubled on 1 October.

(b) Allied Military postage stamps were withdrawn from use in SICILY on 1 Oct.

(c) Internal/.....

Declassified E.O. 12356 Section 3.3/NND No. 785016

(c) Internal and foreign mail services were restored in all the further Provinces of ASCOLI, GROSSETO, MACERATA, TERNI and VITERBO. Preparations made in the Provinces of ANCONA, AREZZO, LEGHORN, PESARO, PERUGIA and SIENA, which are now ready to introduce services on receipt of the necessary authority.

(d) Restriction on type of language used in civilians' letters to places abroad removed. Any language now permissible.

(e) Direct despatches of mails from ITALY to MALTA introduced.

(f) Conference held at AFHQ on subject of delay to POW and civilian mails addressed to U.S.

(g) Announcements were made in press and radio broadcasts regarding resumption of commercial correspondence between U.S. and U.K. with ITALY, and action was taken regarding postal arrangements.

(h) Announcements were made in radio broadcasts and press of limited parcel service to be introduced between U.S. and ROME, NAPLES and PALERMO. Action was also taken regarding censorship, restrictions on contents, custom charges and operating accommodation and transport.

(i) Postcard services between members of Allied Forces in this theatre with civilians in parts of liberated FRANCE; application has been made to extend the service to Italian civilians.

WAR MATERIALS DISPOSAL AND ITALIAN P.O.W. SUB-COMMISSION.

War Materials Disposal.

32. During October progress was made with the proposal for re-forming and expanding the Italian Air Force Salvage Unit. Should the scheme be approved by HQ AAI it can start to operate at once. It is considered that when the organisation starts to function a considerable number of vehicles, stores, etc., will be made available to the Italian armed forces which are at present a dead loss. It is also considered that a good number of vehicles will become available for Allied Commission purposes.

33. In conjunction with Regional Transportation Divisions, 51 derelict vehicles were inspected, the majority of which were recovered and a considerable number put under repair. A number of these are now on the road working for Allied Commission, or have been handed back to the Italian Army. A further 16 are undergoing repair and will be on the road at an early date.

34. The Sub-Commission, with representatives from the Italian War Ministry, and at the request of the Italian Air Ministry, inspected a number of Italian military vehicles which were held illegally. Most of these vehicles have been returned to the armed forces and are now back working for the Italian Army or Air Force.

35. Experiments are being carried out by the Italian War Ministry for repairing tyres classed as BLR by REME. Ten such tyres are being tried out now and, if the experiments prove successful, a scheme is prepared and it will be possible to commence work on a large scale.

36. The problem of clearing derelict ammunition and mines is still acute. Applications from farmers etc., for assistance in this matter arrive almost daily. Inspections have been made and AFHQ requested to give permission for the Sub-Commission [illegible] ammunition experts to collect and break down such ammunition, and

Declassified E.O. 12356 Section 3.3/NND No. 785016

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36. The problem of clearing derelict ammunition and mines is still acute. Applications from farmers etc., for assistance in this matter arrive almost daily. Inspections have been made and AFHQ requested to give permission for the Sub-Commission to employ Italian munition experts to collect and break down such ammunition, and remake into explosives. If AFHQ agree to the collection and breakdown of such ammunition, a means will be found of providing explosives, of which Allied Commission alone requires several hundred tons.

37. Several truck loads of Italian guns and materials were located, inspected and the Italian War Ministry instructed with regard to disposal.

38. The question/.....

1006

Declassified E.O. 12356 Section 3.3/NND No. 785016

38. The question of salvage was discussed with the Economic Section, who were in agreement that all salvage should in the first instance be handled through this Sub-Commission. A scheme is being prepared for discussion and consideration.

Italian Prisoners of War.

39. As forecast in the September report, the repatriations of Italian Prisoners of War increased to an average of some 120 a day during October. The return of these Italians to ITALY were :

(a) Sick and wounded, of whom the total was 1500.

(b) Specialists to fill administrative and medical appointments, some Carabinieri and Guardia di Finanza, totalling 2400.

40. The question of broadcasting messages to Italian Prisoners of War in AMERICA, GREAT BRITAIN and GERMANY had been discussed and approval has now been received to broadcast messages from the Italian Government to their Prisoners of War. A Committee to approve the broadcasts has been formed.

41. Weekly broadcasts from Radio Rome continue to be made, giving the names of those Prisoners of War who have been repatriated.

42. The official intimation of the release of the 65,000 parolled Prisoners of War in SICILY was made to the Italian Government.

43. The question of apprehending Prisoner of War co-operators stationed in ITALY who had absented themselves - or had not returned from leave - was raised with AFHQ and instructions on this subject are awaited. If a Prisoner of War co-operator gives himself up to an Italian Army Unit it is extremely difficult to apprehend him without causing certain embarrassment to the Italian Government.

44. During the last week of October some 800,000 lire a day were paid in allotments from Prisoners of War to their families in ITALY.

45. Transit Camps for the reception and disposal of Prisoners of War have been opened in NAPLES, BARI, TARANTO and PALERMO, under Italian administration.

46. The difficulty of finding transport to move sick and wounded Prisoners of War from ship to hospital has always been a problem. For the present the arrangement that we can, in emergencies, call on the military to help out with ambulances has been sufficient to cover all requirements.

47. The Sub-Commission is now dealing with some 20/30 requests a day for repatriation on compassionate grounds. Since only cases for compassionate repatriation forwarded by Allied Commission will be considered by AFHQ, an extra strain has been thrown on the Sub-Commission. Ways and means are being devised so as to cut down the number of applications received from the Italian High Commissioner for Prisoners of War which in many cases do not come under the conditions approved.

48. Among the complex questions of Italian Prisoners of War, the ever recurring one of the removal from Prisoner of War status was raised on every possible occasion by the Italian High Commissioner for Prisoners of War.

1010

declassified E.O. 12356 Section 3.3/NND No. 785046

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49. The Italian newspapers wrote a number of articles attacking the system of repatriation of their Prisoners of War and also the High Commissioner for Prisoners of War.

50. On an average 10 to 15 people call daily regarding Prisoners of War, mostly female, enquiring for husbands, sons, fathers and sweethearts, whom they have been told are on their way home and who have not yet arrived. To tell them to go to their own High Commissioner for Prisoners of War takes more time than to give a soft answer which at least turns away wrath.

3-16

PUBLIC RELATIONS/.....

Declassified E.O. 12356 Section 3.3/NND No. 785016

PUBLIC RELATIONS BRANCH.

51. Re-organisation: On 1 October PRB took over responsibility for operation of the Information Division and Archives.

52. News Production: Daily releases to Allied, neutral and Italian press and PWB on normal range of topics, including civilian movement, FLORENCE art caches, malaria control record, infant mortality and tuberculosis statistics, typhus, Allied Advisory Council meetings, mail service, and particularly food announcements. Also arranged for, advised on and reviewed stories on AC by PWB for distribution through United Nations News News Service.

53. Journalists:

(a) Italian - Number of accrediting cards issued to screened journalists now total approximately 40. Interviews arranged with AC officers. Correspondence with ROME editors on various items of news. War correspondents finally sent in the field with Italian armed forces. Permits obtained for visits to forward areas.

(b) Allied - PRB Villa (billeting and mess) put into operation and used as a gathering place for political correspondents. Interviews arranged and information given on request. Trips arranged to NAPLES and field. PRO assigned to FIFTH Army AMG to assist correspondents.

(c) Neutral - Interviews, briefings and information arranged and given.

54. Relations with Italian Government: Recommendations forwarded to G-5, AFHQ, on re-activation of Italian news agency, films and radio. The Allied Publications Board also recommended that responsibility for licensing of newspapers and distribution of newsprint in Italian Government territory be given to Italian Press Commission. Arrangements made with Italian authorities on Allied coverage of ROZZOLINI and other epuration trials.

55. AC Anniversary: Extensive research and writing devoted to production of press release marking one-year anniversary of AC and 16 months of military government in ITALY. Release now in hands of AFHQ for approval.

56. Information Division: Activities of Central Reference Library, distribution of maps and issuance of news bulletins continued. Increasing use of library by AC personnel noted as well as by Italian journalists who ask for Allied publications.

57. Archives: Documents have been placed in chronological order and gaps are being filled by requests from appropriate agencies possessing original files.

58. Routine: Trend of Correspondents' Copy, Daily Digest of Rome Press and Weekly PRB Bulletin continued to be issued.

Ellery W. Stone

ELLERY W. STONE
Commodore, USNR
Chief Commissioner

1012

Declassified E.O. 12356 Section 3.3/NND No. 785016

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55. AC Anniversary: Extensive research and writing devoted to production of press release marking one-year anniversary of AC and 18 months of military government in ITALY. Release now in hands of AFHQ for approval.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

1014

Declassified E.O. 12356 Section 3.3/NND No. 785016

Ref: MR

30 December 1944

Dear Mr. Malcolm:

I refer to our conversation by telephone two days ago regarding distribution of Allied Commission Monthly Reports to the British Embassy. Chief of Staff Section of this Headquarters have now noted that you require six copies of the Monthly Report and they will be sent to you in future.

Herewith are the three extra copies of the Monthly Report for September and October, which you requested.

Very truly yours,

Chief Clerk
Political Section

A.C.E.Malcolm, Esquire
Head of Chancery
British Embassy
Rome

1015

Declassified E.O. 12356 Section 3.3/NND No. 785016

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Chief of Staff

Tel. 735

30 December 1944

Ref. 825/127/CCS

SUBJECT: Copies of Monthly Report.

TO : Political Section.

1. We have noted that you require 11 copies of the Monthly Report and will send these to you in future.

2. Herewith are the 3 extra copies of the Monthly Report for Sept and Oct.

H. Macmillan

for Chief Staff Officer,
To the Chief of Staff.

344

1916

Declassified E.O. 12356 Section 3.3/NND No. 785016

29 December 1944

TO: Chief of Staff

FROM: Political Section

1. Political Section has received until now 6 copies of each monthly report. This has proved to be an insufficient number as the British Embassy requires 6 copies and the American Embassy 4 copies, which include those to be forwarded to the Foreign Office and State Department, respectively. With an additional copy for the files of the Political Section, the latter will require a total of 11 monthly reports on each distribution.

2. The British Embassy has requested Political Section to obtain for them 3 copies each of the Allied Commission Monthly Reports for September and October for transmission to the Foreign Office. It would be appreciated were the Office of the Chief of Staff to forward these reports to Political Section.

WILLIAM W. SCHOTT
Vice President, Political Section

1017

Declassified E.O. 12356 Section 3.3/NND No. 785016

Political Section's Monthly Report

Original & one copy handed to
Jr. Cmdr. Mason — 15 Dec 44.
(prepared by WWW)

1018

Declassified E.O. 12356 Section 3.3/NND No. 785016

15 December 1944.

POLITICAL SECTION, A. C., REPORT FOR NOVEMBER 1944

[redacted] November brought many important events of political significance. In spite of the Prime Minister's efforts to strengthen the Government and his plans for unity early in November, the dissension within the Government and the dissatisfaction without continued to increase until it became clear that reconstruction of the Cabinet was a necessity. Consequently, on November 26th the Prime Minister submitted his resignation to the Lieutenant General of the Realm, thereby precipitating a crisis that was still unsettled at the end of the month.

Following constitutional procedure, the Lieutenant General proceeded to hold conversations with the Presidents of the Senate and of the Chamber, with leaders of the six Government parties, and with other political personages. These conversations were concluded on the evening of November 29th and shortly thereafter the Lieutenant General charged Signor Bonomi with the task of forming a new Government.

A number of factors had contributed to the political instability, probably most important was the realization by the old Government and the public that parties in ready will continue for some time and that the existing Government, instead of being an interim organization, as some had originally thought, would be called upon to take planned and energetic action for an indefinite period. The Government had been hanging together largely as a result of the agreement to co-operate which the several parties were attempting to maintain for their individual advantage in spite of the bitter attacks they levelled at each other in the public press.

At the time of the resignation, it was rumored that the Parties of the Left had contributed to the instability by demanding that they be given the portfolio of Interior, War and Foreign Affairs and by asking for the removal of certain representatives of the moderate parties from the Government.

Along another line it was said that the President of the Council of Ministers had decided to form a Cabinet of technicians. The Communist, AVANTI was loud in denouncing such a possibility and called it an attempt "to exclude the Communists from the Government".

Subsequent to the resignation, Count Sforza was named Chairman of a group of C.L.N. representatives who had met to discuss the means of solving the crisis, and it was said that he was cast for the Foreign Affairs portfolio in a new Government. Count Sforza resigned as Chairman of the C.L.N. Parliamentary Liberale after a C.L.N. Committee reportedly had been informed by the British Ambassador that Count Sforza would not be welcome to the British Government as a member of the new Italian Cabinet.

341

1019

Declassified E.O. 12356 Section 3.3/NND No. 785016

In spite of the numerous contributory factors, it appears likely that the resignation of the Government was caused primarily by the unwillingness of the President of the Council and of the moderate members of his Cabinet to accede to the demand for key ministerial posts by the Parties of the Left.

The announcement of the resumption of direct relations between Great Britain and Italy and the establishment of diplomatic relations by the United States, Russia and the Latin American countries with Italy has been followed by a considerable degree of diplomatic activity. At the end of November fifteen of the Latin American Representatives had advised the Italian Government of their intention to resume diplomatic relations and five of them, Brazil, Cuba, the Dominican Republic, Mexico and Peru already have appointed representatives.

The issuance of instructions to the patriots in the North by Field Marshal Alexander in which the patriots were asked to slow down activity due to the conditions of the winter campaign caused a large amount of public comment. In general, the press called for an intensification of Government and Allied assistance to prevent collapse of all partisan activity, while the press of the Left urged recognition of the Committees of Liberation as "provisional governments" in newly liberated territory. The Socialists in a subsequent resolution urged the recognition of the main Committee in enemy-occupied territory.

The arrest of General Mario Roatta and Colonel Bertolini, former Chief and member, respectively, of the Army General Staff brought again into public discussion the possibility of a full inquiry into the cause of and responsibility for the collapse of the Italian Army after the Armistice.

A very favorable public reaction resulted from the review of the re-equipped and re-organized Italian Army Units that was held when the Units passed through Rome on November 24th. Although the occasion was used by some of the parties as an opportunity to show their political banners, the splendid appearance of both personnel and material provoked favorable comment and no small degree of pride from the large number of spectators.

1020

CONFIDENTIAL.

HEADQUARTERS ALLIED COMMISSION,
APO 394

MONTHLY REPORT

SEPTEMBER 1944

PART I -	AMG's Armies & Regions.	Pages 1 - 8
PART II -	Civil Affairs Section.	Pages 9 - 14
PART III -	Economic Section.	Pages 15 - 29
PART IV -	Political Section, and Public Relations Branch, Navy Sub-Commission, Army Sub-Commission, Air Forces Sub-Commission, Communications Sub-Commission, War Material Disposal and Italian Prisoners of War Sub-Commission.	Pages 30 - 35

CONFIDENTIAL.

Declassified E.O. 12356 Section 3.3/NND No. 785016

HEADQUARTERS ALLIED COMMISSION,
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CONFIDENTIAL.

Declassified E.O. 12356 Section 3.3/NND No. 785016

PART I.

AMG FIFTH ARMY.

1. At the beginning of September AMG Fifth Army had ten Provincial Commissioners and their teams in operation on the Arno, with a wide front to cover, and about twenty new communes were opened up. SIENA Province was turned over to Regional administration on 5 Sept and the commune and city of LIVORNO was handed over to the P.C. shortly afterwards, the AMG Army team being withdrawn for duty further North.

2. Among new communes occupied later in the month was PISTOIA, entered by AMG on 15 Sept and found to be considerably damaged. Later the communes of FIRENZUOLA and S.CODENZO were occupied. Both towns have been completely destroyed.

3. Towns along the Arno Valley between PISA and FLORENCE had largely been evacuated during the last weeks of August, but many inhabitants have since returned to their homes. There are many minefields in the area, much of the harvest has been lost and considerable unemployment exists.

4. The food situation is generally serious: local resources are poorer than was expected and a large proportion of the wheat harvested has been spoilt by war and weather and is unfit for consumption. But food in small quantities is reaching the bulk of the population.

5. There has been much political activity during the month, especially in FLORENCE. The patriot problem is synonimous with politics: they are the bone of contention between various political parties. Attempts made to recruit patriots for the regular Italian Army have not been very successful: patriots wish to join the Army in organized bodies rather than as individuals.

6. Carabinieri for the Northern Regions are arriving satisfactorily.

7. AFHQ is making arrangements with the Transportation Sub-Commission for the formation of Truck Companies to haul civilian supplies.

8. PISA was under intermittent shell fire until 28 Sept. Inhabitants of the city, estimated at about 15,000 persons, were all North of the river and in view of the water shortage all entry into the town was temporarily stopped by a ring of police posts. Later the supply improved and many people returned to their homes. Patriots, who co-operated well, were duly disarmed and public order was good. The famous leaning tower suffered a few unnoticeable chips.

9. Conditions in FLORENCE improved noticeably when the Germans had withdrawn from the Northern suburbs. The sanitation of the city, which was in a terrible state when the Allies entered, is now in hand. Law and order are good and all hospitals are functioning normally. Schools are to reopen on 2 October. A committee formed of prominent persons deals exclusively with Anglo-American nationals. Two hundred homeless Southern Italians are being evacuated daily. The food supply to the city is still unsatisfactory.

10. Political interest in the city centres around the conflict between the Prefect and the Committee of National Liberation: AMG support is being given to the former. The city has attracted many visitors, including the Lieutenant of the Realm, Togliatti and the Prime Minister, and a host of unauthorised persons.

AMG EIGHTH ARMY.

[illegible] month has seen little change in the area administered by AMG, Eighth Army. [illegible] AREZZO Region / AREZZO will shortly pass to

Declassified E.O. 12356 Section 3.3/NND No. 778516

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AMG EIGHTH ARMY.

11. The month has seen little change in the area administered by AMG, Eighth Army. The Province of PERUGIA was handed over to LAZIO Region. AREZZO and will shortly pass to TOSCANA Region.

12. Most of the new territory occupied comes into FORLI Province of EMILIA Region. The mountain regions present no unusual administration problems but the coastal belt has suffered very badly in the fighting. The destruction in parts is as great as that in the LIRI Valley and the approach of winter will cause considerable hardship to the population.

13. The neutral Republic of SAN MARINO was entered on the night of 20/21 Sept. This situation had unusual features and considerable preparations had been made to handle it in a way that would give the least possible offence to the sensibilities of a neutral nation. It was pointed out to the Captain Regent of the State that Allied troops had been forced to enter the State to pursue the enemy who had violated its neutrality and it was the intention to evacuate all troops as soon as operations permitted.

1023

Declassified E.O. 12356 Section 3.3/NND No. 785016

14. Proclamations 1 and 2 were not posted but a copy of Proclamation No.1 was handed to the Captain Regent.

15. The Republic was found to be well stocked with food, but 40 tons of supplies were nevertheless sent in as soon as conditions allowed. 12 loaded trucks were standing by at the time of entry but owing to heavy rain the roads were temporarily impassable. This food was distributed mainly to refugees, of whom there was a large number. The State has normally a population of 18,000 but above this were 80,000 refugees, mainly from RIMINI. It was a considerable problem and great credit is due to the Republic for the organisation it had set up to deal with it.

16. Both electricity and water supplies were disrupted but water trucks were loaned as a temporary measure.

17. Damage otherwise was slight except for the roads, which had been destroyed.

18. RIMINI, when entered, was very seriously damaged. The town was empty of civilians who had mainly dispersed in SAN MARINO and along the coast. Emergency measures had to be made to house and feed the returning civilians (needed for military labour) until they could be distributed among the habitable buildings left in the town.

19. In nearly all cases of towns liberated during the month, Committees of Liberation have been formed which have rendered great assistance in reforming administration. The Committees have been representative of nearly all Parties and have appeared less interested in the existing Italian Government than in restoring local administration on a non-political basis.

20. A fairly substantial (1700 tons) stock pile of flour has been built up from local grain milled in the area. Lack of electric current is still a limiting factor in the milling, but recent rains will allow water mills to operate more freely from now on.

21. The lack of warehouse accommodation, owing to destruction, is a great handicap in the amassing programme. Harvesting was held up by operations and much grain layn until it was wet; owing to lack of warehouse accommodation much will be lost.

22. It was presumably due partly to this factor that the administration during the German occupation distributed grain for the whole of the coming year to consumers, who will be able to turn, dry and store the individual allotments. Varying amounts were allotted; the present indications in FORLI Province are that grain was distributed to a considerable portion of the population to last till next August in a basic ration of approximately 400 grammes of grain a day, with approximately 550 grammes for workers.

23. All Provinces report the chief shortage to be salt and olive oil. Salt is, of course, particularly important in the pig farming areas where farmers cure their own bacon in Nov/Dec.

24. The immediate agricultural problem in the forward areas is unfortunately insoluble. It is the inability of the farmer to get on to his land at all, due to its being either in an area of operations or else mined.

25. Unemployment is considerable in the manufacturing areas of AREZZO Province and will not be solved until power is available in the factories.

1024

Declassified E.O. 12356 Section 3.3/NND No. 785016

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26. Refugees during the month have not presented serious problems. There are, of course, large numbers of civilians in the coastal belt from PESARO Northwards who are not in their own houses but distributed somewhere in the countryside. With the slowing down of the advance at the end of the month and the breaking of the weather, these displaced civilians may cause a considerable problem. As usual at this time of year, the refugee problem is entirely dependent on the speed of advance and the ability of the Army to find sufficient billets without disturbing local inhabitants.

27. Very considerable destruction of bridges and roads has occurred throughout the area, and if large areas are not to be isolated this winter when Bailey bridges are withdrawn, construction programmes will be heavy. Regional Public Works officers are aiding reconstruction.

28. Very few patriots have been met, and none who can be described as organised bands. There has been real difficulty in disarming some of these, particularly in the coastal belt.

1025

Declassified E.O. 12356 Section 3.3/NND No. 785016

SICILIA REGION.

29. The political atmosphere remains unchanged, though the Separatist Movement has shown an increase of strength and activity. There is a widespread spirit of laissez-faire and the administration generally makes little or no effort to improve the situation or to enforce the law. Political and personal feelings carry too much weight and officials appear to be afraid to take necessary steps for the common good or in the interests of the war effort. Many changes have taken place recently in higher grade appointments and it is hoped that these may lead to improved results. Subordinate local administration generally is ineffective, a fact which became most obvious in connection with the Granai del Popolo. Everything is dominated by the food situation and prices of foodstuffs in the markets. Food is short and prices of many normal items are very high.

30. The internal security situation is delicate and the operations of armed bands are increasing. At the same time public security and police forces are suffering from reduction in numbers and no improvement in armament or equipment. Their morale among a well-armed population cannot be high. Much praiseworthy work, is, however, carried out in many of the country districts, particularly in dealing with acts of banditry.

31. The present food situation is comparatively satisfactory. Almost all stocks of AC tinned goods have been handed over to Italian agencies as from 30 Sept and the distribution of three months rations of sugar was completed early in Sept. But with the failure of the grain collection the future cannot be regarded with equanimity.

32. Road transportation continues to be a serious problem, due almost entirely to lack of tyres and spare parts. It is quite obvious, however, that vehicles are frequently used for unessential purposes and large numbers of vehicles bearing no proper registration marks can be seen on the roads. The police take no action and a state of affairs is allowed to exist which should not be tolerated in any law-abiding country.

33. The Granai del Popolo has been disappointing. The local target figure of just over 3 million quintals, which it was estimated would have fed Sicily up to the next harvest, is generally admitted to have been too high, but 50% of this total has not been reached. Since the middle of September the return of grain has fallen off alarmingly. Voluntary collection of grain has, to all intents and purposes, practically ceased./ Only when force is employed do small quantities come in. It is hoped to extend this system but the small forces available make this extremely problematical and every day that passes makes their future task more difficult, as more grain goes into hiding. It is to be remarked, also, that even these special forces are not above suspicion.

34. The popular opinion that the price for grain is quite unremunerative still holds and, in existing circumstances, farmers prefer grain to money.

35. The proposals concerning an additional indemnity for Italian workers that have appeared in the press have added to the difficulty of maintaining industrial peace among labour.

36. The public works programme is proceeding without serious difficiulties and about 112,000 workmen are employed in public works in the MESSINA Province.

37. Lastly, plans have been prepared for the repatriation of refugees to the

Declassified E.O. 12356 Section 3.3/NND No. 785046

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37. Lastly, plans have been prepared for the repatriation of refugees to the mainland when it becomes possible, and efforts are being made to improve the conditions of those who must remain during the winter months.

SOUTHERN REGION.

38. Southern Region was set up on 28 August. Its tasks, as indicated to officials and Press by the Regional Commissioner, are threefold: firstly, to satisfy the operational needs of the Allied Forces in all things concerning civilians and to prevent civilians interfering with the war effort; secondly, (subject to safeguarding o the first task) to hand back to the Italian authorities as much as possible of the work which was previously done by AC; and thirdly, to help the Italian authorities in their new duties and to reduce dishonesty, inefficiency and delays to a minimum. Leading Italian authorities were informed of these tasks and a similar announcement made in the Italian press. During the month progress in all tasks has been satisfactory.

1027

Declassified E.O. 12356 Section 3.3/NND No. 785016

39. The operational needs of the Allied Forces have been met wherever possible. To augment the supply of potatoes to the Armed Forces, the block was reimposed in the NAPLES area. No.3 District supplied six officers with cars to "dimyer up" producers. The controlled supply was materially increased as a consequence. Questore and CC.RR assisted the Military Police in a round-up of deserters and a fairly satisfactory bag was secured. Normal day-to-day assistance to Allied Forces was rendered in all Zones to the apparent satisfaction of local commanders. Incidentally, Relationships with the French Forces are improving. Strong Representations to the new French Provost Marshal in NAPLES and through him to his Commander, have resulted in a welcome abatement of Ghoum activities. A joint Italian-French organisation, set up to purchase sheep in Calabria, worked both amicably and successfully.- to everyone's surprise.

40. The gradual handover of AC functions to the Italian authorities proceeds. Reception, warehousing and distribution of AC foodstuffs have been handed over to Consorzii; bids for rail transport are now largely through Italian channels. Except in NAPLES Commune AMG, the Legal, Finance, Public Health and Public Safety Sections now work largely through Italian channels. Public Works and Utilities, Industry and Commerce, and Property Control, continue to do a great deal of detail work, partly because Allied interests are directly concerned and partly because the provincial organs of the corresponding Italian Ministries have not yet been set up. The decree for the new Transport Organisation (ENAC) has been published, but its functioning must wait for the appointment of Directors by the Government. (The organisation is naturally unpopular and special police methods are planned to force it on the trade). The Property Control Decree is expected in a few days. The Provincial Offices and Chambers of Industry and Commerce are still apparently in the planning stage. The Epuration Committees continue to wait for the appointment of Presidents by the Italian Government. The sooner the Committees are formed the better, as they will be a welcome curb on Fascist-baiting and on the accusation of innocent people; semi-Fascists will know where they are.

41. In performing their tasks, Italian authorities eagerly seek AC assistance. They are prepared to do the work, but prefer that the responsibility should continue to be, at least nominally, AC's. All fear what will happen after we have gone, and an AC "request" is a convenient alibi to political opponents. It is probably desirable that this should continue until the Italian Government is strong enough to give proper support to its local representatives. If support is not accorded, essential services might deteriorate to a dangerous level through sheer inanition. When the remaining Provincial organisations are set up, the machinery of local government in Italy will in many ways be more highly organised and more comprehensive than in most Allied countries. What is lacking is driving power and this must inevitably be found by AC until the Government can supply it.

42. Throughout the Region, Communists are showing markedly increased activity. At the instigation of the local Communists, peasants in the VOLTURNO area have threatened to recapture by force the land appropriated by the Fascist Government for the O.N.C. farms, and stories of hidden machine guns are current. (Fifty additional CC.RR have been drafted into the district). There are rumours in FOGGIA that the Communists are acquiring arms, but no confirmation has been obtained.

43. Apart from the Communists' activities, the people at large are outwardly docile as ever. On the surface there is little prospect of widespread disturbances; below the surface there is no doubt some discontent and some subversive organising, but it is hard to gauge the extent of the one or the success of the other. CC.RR officers are worried and have expressed fears at the consequences which may arise from the loss of the 1,200 CC.RR withdrawn from the Region during the month. The position will be watched.

1028

Declassified E.O. 12356 Section 3.3/NND No. 785046

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44. The Italian Government Refugee Committee is apparently getting into its stride. Properly organised repatriation movement is increasing and the arrangements show improvement, but earlier advice of movements is needed. Unfortunately, many people are not content to wait; patience is becoming exhausted and unorganised movement is on the increase. Unauthorised refugees are dammed back by the "Restricted Line" and tend to accumulate in NAPLES and FOGGIA. Efforts will be made to disperse these accumulations, but concerted efforts to deter unauthorised movement seem called for and are being placed in hand in this Region.

45. The wage structure of the Region is worsening. There are so many means of paying illegal wages with impunity (piece-work, premiums, "loans", bargain buying through subsidized cooperatives, under-the-counter pay checks, free meals and the like), and the standard of living which can be supported by the legal wage is so ... low, that any real control of the wage structure is far becoming impossible. Once "black market" wage rates are established it is well-nigh impossible to reduce them.

Declassified E.O. 12356 Section 3.3/NND No. 785016

An early fulfilment of the promise of substantial legal increases all round seems the only solution, but the miserable wages paid to state employees should have special treatment first.

46. On general questions the following comments can be made. Political activity during the month was in general slight and apathetic. As regards food, shortage of transport throughout the Region was the main difficulty that faced the food supply authorities. The total grain amassed in the Region at the end of September was satisfactory, but not outstanding. During the month FOGGIA road blocks impounded 21 military vehicles, mostly French and Italian, engaged in the black market. As regards crime conditions, the general situation throughout the Region was satisfactory.

LAZIO-UMBRIA Region.

47. On 21 September PERUGIA Province came under Regional control, completing the final handover of Regional territory from the Armies. At the end of September there were three Provinces under the Italian Government and four under AMG but it was planned to hand over two more Provinces, (RIETI and VITERBO), to the Italian Government during October.

48. In the Provinces there has been little or no change in political tendencies, the Communist Party still boam the on, showing the most activity. In ROME also the political situation remains much the same.

49. Considerable progress has been made with the provision of postal facilities in all but PERUGIA Province and a much better understanding has been reached over the control of civilian movement. The food situation is serious: but the shortage of sugar could probably be overcome if something could be done to satisfy the pasta and oil demands. In ROME available rationed foodstaffs have been distributed to the population but the ration scale continues low.

50. Industrial reactivation in ROME continues to be restricted for lack of electric power and coal supplies, and it is now often necessary to unblock rather than block the materials used in industry. Industry does not play a big part in the Provinces, except in TERNI, but such as there is gives an encouraging picture.

51. Water available in ROME is now about 95% of the pre-war total but it has to cater for a larger population than in pre-war days.

52. Projects for State and military roads in ROME area which have been approved include 106 bridges in permanent construction and 24 contracts for maintenance. Expenditure approved for Public Utilities includes Lire 120,000,000 for new houses and 38 bridges on other than State and military roads. In the Provinces the shortage of materials is still causing concern. Housing and communications give the most anxiety and even a small allocation of cement would help. Housing is a little more hopeful in the CASSINO area. Some progress was made in mine clearing and a batch of volunteers picked up 2,000 in a very short time. Plans are now in hand to tackle this work with properly trained men and proper equipment.

53. There were no serious crimes in ROME apart from the CARETTA incident, the disturbance to CARUSO's grave on 30 September and rioting among prisoners at REGINA COELI Prison.

54. There has been no change in public health during the month. In the [illegible] there is the danger of anaemia as an aftermath of malaria, caused by a lack

Declassified E.O. 12356 Section 3.3/NND No. 785016

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54. There has been no change in public health during the month. In the Provinces there is the danger of anaemia as an aftermath of malaria, caused by a lack of fats and meat.

55. The trend in the movement of refugees in ROME began to swing towards the exodus during September. The programme of dispersal was a planned scheme of rehabilitation rather than haphazard dispersal, as in August. All the refugees who were sent from ROME went back to their home communes or Provinces. Two large Caserme in ROME were taken over solely for refugees. There is a very urgent need for blankets at refugee camps in the Provinces.

56. Provincial motor pools are going ahead and VITERBO has nearly 150 vehicles available. Bus services, on a restricted schedule, are gradually opening up.

57. Property control in ROME is now very much concerned with the operation of businesses.

1031

Declassified E.O. 12356 Section 3.3/NND No. 785016

58. Deposits in the Banks continued to increase during the month and the general banking situation is satisfactory.

59. Approval is awaited for the issue of supplementary rations to Allied nationals in ROME but otherwise the general situation as regards Displaced Persons has been static during the month.

60. The exhibition of Masterpieces of European Painting in the Palazzo Venezia raised the sum of Lire 821, 044,25.

ABRUZZI-MARCHE Region.

61. Political activity has been at a minimum during the past few weeks, owing perhaps to the harvest. The Communist Party has been the most noticeable and articulate.

62. The Italian administration, despite the changes made among the senior officials, continues to function smoothly and well. These officials are still in need of the encouragement given by AMG officers but it is thought that they will soon be able to stand on their own feet.

63. Amassing of grain proceeds very satisfactorily, though the people in grain-producing Provinces are shortly expected to protest against the 200 gram ration, compared with the 300 gram ration in Southern Italy. There is justification for this as they have already collected three-quarters of the target amount which represents one-sixth of the total amount collected in liberated Italy.

64. The lack of olive oil and salt is another cause of dissatisfaction but this is likely to be rectified during the coming month. The olive harvest is reported to be good and if the fiscoli are forthcoming the oil situation will be much easier than at present.

65. The potato crop produced in the AVEZZANO district has been given such prominence lately that the farmers now have an exaggerated idea of the importance of their product. It is anticipated that the matter will be dealt with satisfactorily during October, since the main part of the crop will then have been dug and collections thus made easier.

66. The repair and reconstruction of roads and bridges is proceeding as fast as the problems of labour, supply and transportation can be surmounted.

67. The question of housing for devastated areas is urgent.

68. Electricity remains a problem which is not easily overcome, though every effort is being made to improve on the existing arrangements.

69. Mine clearance presents an almost hopeless situation and deaths continue to be reported. One Italian mine clearing company has been transferred from the PESCARA-CHIETI area and one company is left. In one commune alone there are 150,000 mines and there is only one company left to deal with them.

70. The Public Safety Section report that the Region is practically free from serious crime.

71. Health is good and there have been no epidemics.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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71. Health is good and there have been no epidemics.

72. Those schools not rendered unusable will be opened as from 1 October, as far as possible. The screening of teachers is near completion.

73. In the devastated areas the return of the population is presenting a great difficulty. These people are brought from the South by the Italian Army who continue to carry hundreds of civilians in their vehicles.

SARDEGNA Region.

74. During the month of September the new Prefects have had an opportunity to settle down to work and all three are at present satisfactorily carrying out their duties.

75. The High Commissioner's staff is also beginning to take shape under Signor CATTENACI. It is still too early to give a considered judgement but the changes in the administration have already been a decided help to [illegible]

-6-

1033

Declassified E.O. 12356 Section 3.3/NND No. 785046

76. The main preoccupation of the month has been the reduction in the workers' food ration, due to take effect on 1 October so as to bring Sardinian workers into line with the rest of Italy. At least 200,000 workers will be affected and in some cases the reduction is considerable, 150 grams of bread per day in the case of miners for example. PWB, under M. D'AGOSTINO, has helped with a carefully worked out radio and press campaign. The radio talks were followed by published notices and by the actual announcement of the new ration scales on 26 September. On the same date the Regional Food Officer held a good meeting with seven Labour leaders, representing 40,000 workers, including 11,000 miners. He explained the situation to them and made known small concessions in the way of additional soup powder, dried vegetables, etc. It will not be possible to say how the change affects the situation until next month. Only two food demonstrations occurred in September.

77. Giuseppe SARAGAT, the Italian Socialist Minister, and CORBI, Under-Secretary of Merchant Marine, visited SARDINIA during the month and made several speeches. They also paid a courtesy visit to the Regional Commissioner and, as far as can be seen, the effect of their visit to SARDINIA has been beneficial and they showed a good understanding of the help given by the Allies. Emilio LUSSU has again visited the Island and has also been attending a number of meetings. He appears to be a visionary and is swayed by the last group of workers he happens to have visited. This month it was the CAGLIARI salt workers. He painted a very grim picture of the bad conditions under which these men worked and compared them to galley slaves of 3000 years ago, finishing up with a plea that they be given more boots. These men do not work in a salt mine but in open salt beds where the salt has been evaporated out from sea water. There is nearly always a cool breeze and the work is not unduly hard, the only troublesome feature being that those who are bare-footed suffer, to some extent, from the salt in contact with the skin of their feet. A small issue of shoes has bee made to them but the conditions under which they were said to be working were unduly exaggerated by LUSSU.

78. One of the enemy agents dropped by parachute over SARDINIA has escaped and one wireless transmitter has not been located. A ninth agent was dropped on 27 September and fortunately rounded up at once.

79. The case of the Penal Settlement at ASINARA is being taken up by the High Commissioner and arrangements are being made for the repatriation of a number of prisoners who have completed theirsentences.

80. The Regional Engineer left SARDINIA on 14 September and an Italian Engineer, Sig. BUTTINI, is in charge of Public Works. This is an experiment.

81. The storms on 18 September caused the loss of one of the regular Courier Aeroplanes. 16 persons are now reported missing but it is believed only 2 bodies have been recovered so far. The missing include Lt.Col.aESSNER, Major KNAUER and three Italians, FURA, GORDANO and SAPIENZZA, all from AC.

82. 22 Italian Government officials taking a census for the Demographic Industrial Survey are in SARDINIA and have been distributed to selected communes throughout the Island.

TOSCANA Region.

83. The Province of SIENA reverted to Regional control on 4 September and the Province of LIVORNO on 8 September, making a total of three Provinces out of nine under the Regional Commissioner..

84. On 20 September the Island of ELBA reverted to Regional control. The Officer Commanding the French Forces is styled Deputy Military Governor of the Island.

1054

Declassified E.O. 12356 Section 3.3/NND No. 785016

visionary and is swayed by the last group of workers he happens to meet. This month it was the CAGLIARI salt workers. He painted a very grim picture of the bad conditions under which these men worked and compared them to galley slaves of 3000 years ago, finishing up with a plea that they be given more boots. These men do not work in a salt mine but in open salt beds where the salt has been evaporated out from sea water. There is nearly always a cool breeze and the work is not unduly hard, the only troublesome feature being that those who are bare-footed suffer, to some extent, from the salt in contact with the skin of their feet. A small issue of shoes has bee made to them but the conditions under which they were said to be working were unduly exaggerated by LUSSU.

78. One of the enemy agents dropped by parachute over SARDINIA has escaped and one wireless transmitter has not been located. A ninth agent was dropped on 27 September and fortunately rounded up at once.

79. The case of the Penal Settlement at ASINARA is being taken up by the High Commissioner and arrangements are being made for the repatriation of a number of prisoners who have completed theirsentences.

80. The Regional Engineer left SARDINIA on 14 September and an Italian Engineer, Sig. BUTTINI, is in charge of Public Works. This is an experiment.

81. The storms on 18 September caused the loss of one of the regular Courier Aeroplanes. 16 persons are now reported missing but it is believed only 2 bodies have been recovered so far. The missing include Lt.Col.KESSNER, Major KNAUER and three Italians, FUMA, GORDANO and SAPIENZA, all from AC.

82. 22 Italian Government officials taking a census for the Demographic Industrial Survey are in SARDINIA and have been distributed to selected communes throughout the Island.

TOSCANA Region.

83. The Province of SIENA reverted to Regional control on 4 September and the Province of LIVORNO on 8 September, making a total of three Provinces out of nine under the Regional Commissioner..

84. On 20 September the Island of ELBA reverted to Regional control. The Officer Commanding the French Forces is styled Deputy Military Governor of the Island. The fact that only part of the French Garrison has been withdrawn (and incidentally this has been partly offset by the arrival of nearly 200 other French troops) increases the difficulty of administration.

85. Political reaction and popular opinion is mostly concerned with Communist activity against the alleged fascists. The Communist Party is the best organised of any and many of members (who were formerly Patriots) are armed.

86. Incidents where Italian personnel, employed directly or indirectly by the United Nations, were concerned, caused some amusement. A woman employed by NAPLES C.I.S. who toured much of the Region without any permit, was found in possession of 150 pairs of good leather shoes. Three Patriot officers, bound for ROME, had 700 pairs of silk stockings, also jewellery, and were illicitly carrying mail. Lastly a clerical gentleman had collected 20 motor tyres.

335

1035

Declassified E.O. 12356 Section 3.3/NND No. 785016

87. Provincial Local Government is generally complete in GROSSETTO and SIENA. In LIVORNO Sindaci or Giunta are established. Provincial Government is proceeding reasonably satisfactorily.

88. The food situation is satisfactory in GROSSETO and SIENA. In GROSSETO the scarcity of fuel and transportation difficulties have inevitably a deleterious effect on the general food situation.

89. The situation as regards Public Safety is for the moment satisfactory. The first essential is to build up the morale of the various police services.

90. Functioning of ANG and Italian Courts is satisfactory. There were three serious offences in AREZZO Province, shooting and killing, shooting and wounding, and assault and wounding of Allied soldiers. "Political" murders have occurred in SIENA and FLORENCE. Conduct of Allied troops is, in the main, fairly good. Considerable criticism of the behaviour of French troops in ELBA has been made.

91. Distribution of medical supplies is proceeding satisfactorily. There have not been sufficient to stock pharmacies, but enough essential drugs are now available for hospitals. Most civilian hospitals within Regional jurisdiction are now functioning almost normally, and where supplies permit the special hospital food rations are given.

92. 37 cases of malaria were notified during August.

93. Opening of schools has been postponed to 16 October. In SIENA Province preparation of premises has been taken in hand. In GROSSETO it is hoped to have most schools functioning by 1 November.

94. Refugees do not now constitute a great difficulty in this Region, but saturation point has been reached in SIENA ~~and AREZZO Provinces~~/AREZZO Province.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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Declassified E.O. 12356 Section 3.3/NND No. 785016

PART II.

CIVIL AFFAIRS SECTION.

1. Defascism. The preliminary stage of organising the machinery to carry out defascism is drawing to its end. It has been necessary to draw up the decrees, form the courts, recruit the personnel, judicial and clerical, draw up rules of procedure and the like. Now the machine is beginning to turn over, as it is run in it will be possible to accelerate.

Defascising is carried out under four heads:

(a) The punishment of Fascist crimes, that is, acts contrary to the old constitution. The first trials are commencing. Caruso has been tried and executed and several other trials are scheduled for October.

(b) The removal of Fascists from the administration of 126 "trial" commissions, 61 have been established. Over 6000 cases are already in hand of which nearly 3500 have already been referred to "trial"; a large number of persons are suspended pending trial. The cases of senior grades of officials are being given priority.

(c) The recovery of improperly gained riches. Nearly 1500 cases are already under investigation. The property involved in one group of 20 persons alone exceeds 47 million pounds.

(d) Recovery of the property of Fascist organisations. No overall figure is available yet but in ROME alone property to the value of nearly ½ million pounds has been recovered.

LOCAL GOVERNMENT SUB-COMMISSION.

2. Prefects and Officials. Arrangements have been made with the Ministry of Interior for the election of suitable Prefects for provinces not yet liberated. To overcome the shortage of personnel the Ministry, on the recommendation of this Sub-Commission, have promoted a number of Vice Prefects. Many changes and transfers of junior officials have been made to strengthen the Italian Administration in AMG provinces where staff vacancies have been reported.

3. Local Government.

(a) GROSSETO (3-7.Sept). A representative visited GROSSETO Province and conferred with the the Provincial Commissioner and his staff, as also with the Prefect and Vice Prefect, on local government problems. He also conferred with the President and members of the Deputazione Provinciale on their reorganisation and functions.

(b) LUCCA, PISA, PISTOIA, TERNI and RIETI (22-27.Sept). At the request of 5 Army an officer visited the first three Provinces for the purpose of ascertaining the state and condition of the Italian Civil Administration and to advise the respective Provincial Commissioners. Visits were also made to TERNI and RIETI with the view of ascertaining the position of Local Government there. The Provincial Commissioners and Prefects were interviewed.

4. Reorganisation of Rome City. The Sub-Commission conferred with the Ministry of Interior and with the Finance, Legal and Public Works Sub-Commissions on the proposed draft decree for the reorganisation of ROME City and a new draft

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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5. Defascism. Personal contact has been made with the members of the Epuration Commission. Detailed instructions for the compilation of reports as to its work and progress have been given to it. Public Safety and Public Health Sub-Commissions, whose epuration activities are co-ordinated by this Sub-Commission, have been instructed similarly.

1039

Declassified E.O. 12356 Section 3.3/NND No. 785016

333

PUBLIC SAFETY SUB-COMMISSION.

6. Formation of New Regions. During the month Public Safety officers have been withdrawn from Southern Regions and formed into Regional teams to occupy the industrial north. On 25 September a meeting was held at 5 Army HQ when the newly appointed Regional Public Safety Officers discussed with Army Public Safety Officers plans for policing the Northern Regions.

7. Strength of Police. Efforts are being made to increase the strength of the Police forces by incorporating Italian troops into the CC.RR, by securing the release of prisoners of war, and by a recruiting campaign.

8. Guard Duties. In order to make the fullest use of trained police personnel, instructions have been issued that in the future no policeman will be used for guard duties or any kind of work other than regular police duties. Those already employed will be withdrawn after 14 days notice.

9. Public Order. Public order has been well maintained, with the exception of one ugly incident in ROME when CARETTA, a witness at the trial of CARUSO, ex-Questore of ROME, was mobbed inside the Palace of Justice. He was seized, beaten, thrown into the TIBER and finally strung up by his heels outside Regina Coeli Prison. The police failed to control the situation, although present in sufficient numbers. A full enquiry by the Italian Government is proceeding. Disturbances have also occurred in Regina Coeli Prison, ROME, owing to over-crowding and delay in bringing prisoners to trial before Italian Courts. Order has now been restored and steps taken to avoid any repitition.

10. Police Morale. On 22 September the Commanding Generals of the CC.RR and GG.FF and the Director General of Public Security, Minister of Interior, attended a meeting presided over by the V.E. Administrative Section to discuss measures for raising the morale of the police. Briefly it was agreed to establish closer contact between officers and men, to encourage initiative and esprit de corps, to obtain cooperation of the Press and to carry out impartial investigations into complaints against police and award exemplary punishments. Every assistance is being given to increase rations and procure uniforms and equipment for the police.

PUBLIC HEALTH SUB-COMMISSION.

11. Personnel. Col.Paul F. RUSSELL, Head of the Malaria Control Branch, has left for another theatre. His work, especially in combatting malaria, was outstanding.

12. Political.

(a) The Public Health Division of the Ministry of Interior has completely reorganised its Central Staff.

(b) A pool of doctors is available in ROME from which individuals may be selected to go to forward areas a Medici Provinciali. A salary scale for these officials has been fixed.

13. Public Health.

(a) The typhoid epidemic in BENEVENTO is subsiding. A small outbreak of typhoid in SARDINIA is being energetically dealt with.

(b) Smallpox in NAPLES Province continues to decrease. 113,270 vaccinations have been performed during the month. 45 cases of smallpox have occurred in BENEVENTO.

1040

Declassified E.O. 12356 Section 3.3/NND No. 785016

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(c) The Malaria Control programme in Italy in 1944 has effectively kept this disease in check throughout the liberated Provinces, in spite of a high epidemic potential, disorganised health service and serious lack of transport and supplies.

(d) The Typhus Demonstration Unit will go on tour during October and November.

(e) The Italian Government has been requested to clarify the position regarding medical supplies for soldiers hospitalized for more than 30 days.

(f) The tuberculosis mortality figures for ROME have increased between 1938 and 1943. It is anticipated that the 1944 figures will be found greater than those of 1943 but will, none the less, be not as large as the figures for 1918.

1041
Declassified E.O. 12356 Section 3.3/NND No. 785016

(g) For the first eight months of 1944 the infant mortality rate for ROME was 133.4, as compared with 92.6 for a similar period in 1943. It is gratifying to note, however, that the August rate dropped to 148.7 from 221.3 in July. The rate for September was 89.9 per 1000. The lowest since January 1944, and lower than September 1943.

14. Veterinary.

(a) Foot and mouth disease tends to spread, but the output of vaccine is showing a satisfactory increase.

(b) Hog cholera is expected to decrease with the onset of winter. 19,000 doses of vaccine have been distributed to date.

(c) Large quantities of hog cholera anti-serum and virus have been handed over to the Yugoslav Medical Commission for use in YUGOSLAVIA.

15. Medical Supply.

(a) 600 tons of medical supplies were received at the end of September and all requisitions should shortly be filled satisfactorily.

(b) A National Wholesale Druggist Association has been formed to act for the Italian Government for the distribution of medical supplies to the Provinces of liberated Italy.

16. Welfare Branch.

(a) The Opera Nazionale Maternita' ed Infanzia is experiencing difficulty in maintaining its activities due to lack of funds.

(b) Many institutions which afford relief to destitute and helpless persons are hard hit because their incomes have decreased, or remained constant while the cost of living has increased. They find great difficulty in obtaining money to balance their deficits.

(c) The British and American Red Cross personnel are performing invaluable service in this Branch.

LEGAL SUB-COMMISSION.

17. Italian Branch. The activities of this Branch cover:

(a) Reorganisation of the personnel of the Italian Magistracy in AC /AMG territories is proceeding.

(b) The publication of decree abolishing the death penalty in the Penal Code.

(c) The adjustment of jurisdiction over petitions for Pardon and Conditional Liberty.

(d) The preparation and settling of decree providing for the continuity of Italian responsibility in the matter of sequestration of Allied property.

18. Office of Chief Legal Adviser. The following are being examined and/or prepared:

(a) Draft of decrees dealing with "Sanctions against Fascism".

(b) Preparation of first draft of new Restoration documents.

1042

Declassified E.O. 12356 Section 3.3/NND No. 785016

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(b) Preparation of first draft of new Restoration documents.

(c) Consideration of problems of a Petroleum Section of AFHQ, with particular reference to AGIP and ANIC.

(d) Consideration of duties and functions of Property Control.

19. Office of Chief Counsel. In the course of the month:

(a) General Order No.33 (petrol cans and other military property), No.34 (Wage adjustments) and Notice No.4 (petrol cans) have been prepared.

(b) A directive in respect to Enemy Partisans is under preparation.

(c) Preparations of Opinions on Scope of Armistice in hand.

333

Declassified E.O. 12356 Section 3.3/NND No. 785016

(d) An opinion with respect to limitations imposed by Proclamation No.4 (Revised) on payments of benefits is also in hand.

20. Chief Judicial Officer. The work for month of September was of routine nature; review of cases has continued.

In espionage cases, 4 cases have been submitted for confirmation or commutation of death sentences; in 2 other cases sentences of 10 years have been affirmed.

Four cases have come up for review in which charges have been laid against Italians, left behind by the Germans, who were provided with explosives and demolition equipment for sabotage purposes. In no case yet reviewed has any such person committed or attempted to commit any act of sabotage. Charges are therefore laid under Procl.No.1, Part II, Art.IV(5) for possession of explosives. Sentences have ranged from 10 to 2 years.

EDUCATION SUB-COMMISSION.

21. Courses. The courses of study, prepared under the auspices of the Education Sub-Commission last year, have been modified and are being issued in revised form.

22. Elementary Text Books. The very large printing project for elementary school text books (totalling about five million copies) has been launched.

23. Secondary School Text Books. There being a great variety of these, the main problem has been analysing and classifying them as approved, approved with specified pages removed, and ordered confiscated. A Ministerial Commission, aided by the Sub-Commission, has completed this work for books available from ROME south and is publishing a list of 213 books to be confiscated (in addition to the great number of purely Fascist books), 546 books approved minus certain pages and 4,117 books approved.

24. New Directives. The directives for the opening and functioning of schools on a non-Fascist basis, first prepared last year in Sicily and gradually amended, have been issued in enlarged form for use in the Northern Regions.

25. Survey. The survey of Italian Education is making progress, is revealing interesting data and bids fair to become a major contribution, not only to Italian education, but to an understanding of it in other countries.

26. Translations. In consultation with the Minister, the Sub-Commission is undertaking the selection and supervising the translation of a series of books to acquaint Italians with the organisation, purposes, methods and problems of education in the United States and Great Britain and soon, it is hoped, Russia.

27. Field Work. Italian Government territory is now almost wholly self-operating. The LAZIO-UMBRIA and MARCHE-ABRUZZI Regions are largely organised. TOSCANA is being organised, Province by Province, as the Armies move forward. Preparations for EMILIA and VENEZIA are complete. Summer sessions, where held, wound up during September and all was in readiness for opening schools generally during October.

MONUMENTS, FINE ARTS & ARCHIVES SUB-COMMISSION.

28. LAZIO-UMBRIA Region. [illegible] had an attendance of 47,306 people

Declassified E.O. 12356 Section 3.3/NND No. 785016

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MONUMENTS, FINE ARTS & ARCHIVES SUB-COMMISSION.

28. LAZIO-UMBRIA Region.

(a) The exhibition of European Masterpieces had an attendance of 47,306 people during the month. Proceeds from entrance fees and sale of photographs amounted to 1,022,310.25 Lire. The balance to date after expenses were paid is 821,044.25 lire, for use for projects on repairs of monuments.

(b) Budget submitted of 14,118,000 lire for the most urgent repairs in the Region.

(c) Inspections of ALATRI, FERENTINO, ANAGNI and UMBRIA.

(d) The anti-aircraft protection was removed from the Arch of Constantine.

Declassified E.O. 12356 Section 3.3/NND No. 778506

29. ABRUZZI-MARCHE Region. Detailed inspections were carried out in the Provinces of CHIETI, PESCARA, CAMPOBASSO, and AQUILA. Funds advanced for repairs in the ABRUZZI amounted to 1,773,153 Lire. Further estimates of 2,223,000 Lire were submitted. Many repairs were initiated and completed in the Provinces of AQUILA, PESCARA, CHIETI and TERAMO. Report made on German vandalisms and thefts in the Region. ANCONA and LORETO, repairs initiated.

30. TOSCANA Region. An unusual situation obtained in TUSCANY because of the military situation. A division of control for work was established between Army, Regional and HQ officers. The work consisted of:

(a) Location, examination and safeguarding of deposits of art.

(b) Visiting monuments and giving first aid.

(c) Coping with problems of movement control, supply and transportation.

All deposits around FLORENCE have now been seen with the exception of one. Repairs for monuments in the Region have been planned and many have already been completed.

31. ANC Armies.
(a) Initial report on the condition of monuments in RIMINI received.

(b) Large scale first-aid measures taken with regard to the Campo Santo at PISA.

32. Archives.
(a) The Ministry of the Interior has taken control of archives in Italian controlled territory.

(b) The archives of the Supermarina have been restored to the Ministry of the Marina. Fascist industrial archives and Mussolini's Archivio Ordinario are stored in the Palazzo Venezia.

(c) Archives at VELLETRI being recovered from the debris.

33. Various.
(a) Report made on German and Italian activities in relation to works of art in Italy.

(b) Check-up on movable works of art in LAZIO almost complete.

(c) With acquisition of necessary materials progress is being made in compilation of long overdue photographic record of damage and repair to monuments.

(d) Report on war-damaged monuments in CAMPANIA published in NAPLES by Dr. MOLAJOLI, Superintendent of Galleries.

PATRIOTS BRANCH.

34. The formation of the Italian National Patriot Committee under the Presidency of the Prime Minister, with General ODDONE as the Executive Head of the Patriot Office, should mean the beginning of the handover of the patriot problem to the Italian Government.

35. Intelligence reports are being collected from all sources and disseminated to HQ of Regions going to Northern Italy. The idea is to give such up-to-date and last minute news to Regions that, in the event of a sudden collapse, all Regional and Provincial Commissioners will have a clear and helpful picture on the conditions

1046
Declassified E.O. 12356 Section 3.3/NND No. 785016

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36. It is important to record that in the majority of cases arms are not being handed in, except in very small numbers.

37. The number of recruits who have joined the Italian Army from the Patriots have been remarkably low - under 400 in all from July until the end of September. The patriots themselves display no eagerness to volunteer.

DISPLACED PERSONS & REPATRIATION SUB-COMMISSION.

38. General. On 23 September the Internees and Displaced Persons Sub-Commission and the Italian Refugee Branch were amalgamated under command of Colonel C.B. FINDLAY. The name of the new Sub-Commission is "Displaced Persons and Repatriation Commission". D.P. & R. Sub-Commission now deals with all Allied National Refugees and Italian Refugees, also with repatriation of Allied Nationals from Italy and Italians back to Italy.

352

Declassified E.O. 12356 Section 3.3/NND No. 785016

39. Medical.

(a) Food Supplements - ROME. 1475 Allied Nationals with medical certificates are receiving food supplements in ROME. Many others not receiving extra food are anaemic and under weight. These factors diminish resistance to winter's chills and it is hoped that extra food will soon be available.

(b) Health. A sharp outbreak of measles occurred in two camps, each with over a thousand children. A new 50 bed hospital at POGGIARDO was opened. This epidemic is now thought to have died down, and should not assume serious proportions in the absence of large numbers of fresh unimmune arrivals. All possible measures were taken regarding quarantine, etc., but intelligent co-operation is beyond many refugees. Mumps is also occurring in a mild form. Protection of almost all children against diptheria by immunisation has already been carried out.

40. Records Bureau. A total of 58,118 displaced persons are recorded in the Records Bureau. Of this number the location of 44,527 is known. The balance of 13,591 have been in Italy within the past year. These records represent 66 nationalities. During September 365 enquiries as to welfare and whereabouts were received and 211 replies made to enquirers.

41. Finance.

(a) Relief Payments. Emergency payments were made by the Polish Military Mission, the Royal Yugoslav Delegation and the Greek Ambassador to several hundred heads of families from funds advanced by this Sub-Commission. Beginning October these payments will also be made by the Banca d'Italia.

(b) Currency Conversion. There is still no action on the repayment of funds to the refugees who went to PALESTINE in May and to the UNITED STATES in July

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1049

Declassified E.O. 12356 Section 3.3/NND No. 785016

PART III

ECONOMIC SECTION

AGRICULTURE SUB COMMISSION.

1. Reconstruction of Italian Agriculture, Forestry and Fisheries Control

(a) Some of the Directorates of the Ministry of Agriculture are beginning to show that they may eventually function effectively in controlling and directing agriculture. The development of initiative and forcefulness is, however, slow.

(b) Progress is speedier in the field offices. Many of the compartmental and provincial inspectors are finding their feet and are anxious to do constructive work. Progressing further North there seems to be less of the cowed condition to overcome, but it is surprising to what extent some of the officials in the South have recovered self-confidence with the help and backing afforded them by A.C. agricultural officers in the field.

(c) The olive oil amassing decree was followed up during the month with a price decree for that important commodity. It is considered that while a blanket price to cover costs in all regions was difficult to arrive at without unduly raising the cost of the ration to consumers, the price as fixed, at nearly four times the 1942 price, amply covers cost to producers in nearly all regions and there is, consequently, no possible excuse for evasion or black market dealing. The Ministry of Agriculture has been asked to work out a full plan of campaign.

(d) Progress of the Granai del Popolo scheme continues good in many areas in spite of the usual difficulties, lack of transport, etc., emphasized in previous reports. By the end of September the total collection amounted to 8,451,203 quintals or 73% of the 11,600,000 quintals most recently estimated that will be amassed. The previous target figure, based on Regional Commissioners' local campaigns, had been 13 million quintals. The harvest collections compare favorably with Fascist years, when it is remembered that the Allied-sponsored Granai del Popolo has operated in the immediate rear of intensive military operations.

(e) All regions and AMG 5th and 8th Armies, also the Italian Ministry of Agriculture, have been informed that the National price of wheat grown in 1944, based on lire 900/1000, shall be effective in recently occupied areas in Italy, including LAZIO, ABRUZZI, MARCHE, TOSCANA, EMILIA, LIGURIA, PIEMONTE, LOMBARDIA and VENEZIA, for all wheat delivered after Allied occupation. Stocks of durable wheat found in Consorzio warehouses upon Allied occupation, and which were delivered under contract with the Republican Government but not paid for, will be paid for on the basis of Republican Government's contract price. Any claims which wheat growers may present for 1944 deliveries made prior to Allied occupation will be a matter to be resolved by the grower and the Italian Government.

(f) The production plan for agriculture, forestry, and fisheries for 1944-45 has been completed. It deals with many aspects of planning in considerable detail and is for the whole of Italy, province by province. It will be

1050

Declassified E.O. 12356 Section 3.3/NND No. 785046

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(f) The production plan for agriculture, forestry, and fisheries for 1944-45 has been completed. It deals with many aspects of planning in considerable detail and is for the whole of Italy, province by province. It will be discussed by officials from all Liberated Italy, who will meet shortly in ROME for the first time since the invasion of Italy and the plan will form a hard core for detailed programs and procedures.

(g) It is proposed to follow up the Granai del Popolo film with one illustrating the democratic features of Italy's new agricultural organization. There should also be a brief news film as a follow-up on the Granai del Popolo film and an olive oil amassing film. The difficulty will be to procure transport from PWB.

Declassified E.O. 12356 Section 3.3/NND No. 785016

2. Forestry

(a) Approval of the Sub Commission was given to a Decree placing Administrative Committee and Commands of the State Forests under the jurisdiction of the Director of the Royal Forest Corps.

(b) The Forestry Directorate of the Ministry is beginning to make its presence felt, even in AMG areas.

3. Fisheries

(a) This Division has succeeded in getting a decree promulgated establishing an organization charged with the responsibility of distributing fishery requirements. Under the direct control of the Ministry, it will have storage places at major fishery centers and so simplify transportation problems.

(b) Steps are being taken (a) to establish amassing centres wherever there is production so that proper allocation of supplies may be made as between local consumption and major consuming centres; (b) to allocate rafts strictly on the basis of quantity of fish unloaded.

(c) At the instance of this Sub Commission, Flag Officer Western Italy, R.N., granted further relaxation of present restrictions on fishing.

COMMERCE SUB COMMISSION

4. Materials Division

(a) General

During the month a survey of Materials Control procedure disclosed a considerable improvement in the operation of the Control system.

A comprehensive plan for administration of the Controlled Materials system for AMG territory was approved and passed to AFLRS for comment and agreement before being sent out to AMG Region and Army HQs. This proposed plan was to be submitted to the AFLR(I)B meeting on 7 October 1944.

(b) Tobacco

Up to the last week in September 315 tons of tobacco had been shipped by rail, against the month's bids for transportation of 800 tons made on behalf of the Tobacco Monopoly, and accepted.

800 tons of raw tobacco were loaded at GALLIPOLI, providing a 4 months' supply for factories at PALERMO and CATANIA which had been closed on account of lack of raw materials.

The Monopoly is being assisted in the procurement of the raw materials needed for the production of cigarette paper.

10 tons of damaged flour was provided for the Tobacco Factories as a substitute for starch.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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(c) Matches

Permits have been obtained from the Armies for both C.I.F. and Unione Fiammiferi, to send representatives to North Italy for the planning and reconstruction of damaged plants.

The experiments which are being made in the S.A.P.F.A. Plant with hemp-thread and stearin are likely to be soon completed.

1053
Declassified E.O. 12356 Section 3.3/NND No. 785016

With the higher production of the match factory at NAPLES it will be possible to raise the present ration of 25 matches per person monthly to 50 matches, thus reducing the black market traffic.

SICILY and SARDINIA have now obtained supplies of matches sufficient for two months.

(d) Requirements and Releases Section

September releases to AC from LRB, MAAI, continued to provide more liberal contributions towards civilian requirements.

Discussions took place between this Section and officials of the Ministry of Industry, Commerce and Labour with a view to passing over to the Ministry the work of reporting and freezing controlled materials, and receiving and screening civilian demands.

(e) Paper and Printing Ink

The Newsprint situation should be relieved by arrival of 347 tons in NAPLES and 150 tons in CATANIA. SICILY should now have two months supply.

The Printing Ink situation continues to be satisfactory.

(f) Textiles, Shoes and Clothing

Textile mills at PRATO and LUCCA were visited. Approximately 400 mills of various capacities are located in this area.

First delivery of one thousand rubber soles and heels for repairing salvaged boots has been completed. PIRELLI Company production is now placed at 600 soles and heels per week.

5. Fuel Section

Arrangements have been made to allocate to the Italian Government supplies of POL in bulk for SICILY, SARDINIA and Southern Italy (Southern Region) leaving it to them to sub-allocate to Provinces, and categories of users, effective 1 November 1944. This allocation was formerly carried out by Petroleum Section.

6. Price Section

Activity during September consisted of participation in the work of the Price Committee and further efforts to assist the Italian Government in establishing an effective system for handling prices, but progress in this latter direction continues to be slow.

7. Foreign Trade Section

[redacted] September shipping facilities improved and October

Declassified E.O. 12356 Section 3.3/NND No. 785016

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7. Foreign Trade Section

(a) Towards the end of September shipping facilities improved and October should see considerable movement in goods which have been accumulating for export.

(b) Letters were interchanged with the Ministero dell'Industria del Commercio e del Lavoro, establishing agreement to the re-activation of the Istituto Nazionale per il Commercio Estero (ICE) as the executive organ of the Italian Government responsible for export trade development.

(c) Discussions are in progress by which payment of Italian exporters would be undertaken by the Bank of Italy, and warehousing, forwarding and loading of export goods would be done entirely by transport agents under agreement with AC and the Italian Government.

330

Declassified E.O. 12356 Section 3.3/NND No. 785016

(d) The timber supply situation for box making for the citrus fruit export programme at last shows some improvement.

(e) Meetings have been held with the Italian Ministry of Agriculture and Ministry of Industry, Commerce and Labour to discuss centralised organisation of the Silk Industry. Meanwhile CALABRIA continues to produce, and silk cocoons from Turkey have been imported in order to maintain output from the filatures now working.

(f) Hemp exports have been reduced - it is hoped temporarily.

(g) Requests from Allied countries have been received for, or offers made by Italians of the following new commodities:- alcohol, cork, mercury, iron ore, manna, gloves, snuffs, tobacco seed and wheat seed, juniper berries cement and pyrites. Almost 100 varieties of vegetable seeds are now being procured and shipped, or stockpiled for shipment to liberated countries. Preliminary enquiries on marble have been made.

FINANCE SUB-COMMISSION.

8. On 29 September the Minister of the Treasury, SOLERI, released to the press a long review of the financial position of the Treasury. In this review he estimated the deficit for 1944 - 45, in the thirty provinces now under the Italian Government, at 50 billion lire. The gross indebtedness of the Treasury had risen from the 406 billion lire given by BARTOLINI in his speech on 30 June, 1943, to 723 billion lire at the most recent date.

9. As indicated in the August Report of the Finance Sub Commission, the Italian Government decided to lower both the rediscount rate of the Banca d'Italia and rates on Buoni del Tesoro Ordinari. By Ministerial Decree, effective from 11 September, the Banca d'Italia's rediscount rate was reduced from 4½% to 4%. Another Ministerial Decree reduced each rate in the schedule of maturities of BTOs by ½%. This change became effective on 20 September, 1944. The new rates are:-

1 and 2 months bills	-	2.75%	per annum
3 and 4 " "	-	3.25%	" "
5 and 6 " "	-	3.75%	" "
7, 8 & 9 " "	-	4.25%	" "
10, 11 & 12 "	-	4.50%	" "

10. The Corte dei Conti is now well established and competently maintaining all the controls within its legal powers. For many years past, under the Fascist Government, this State office was not permitted to exercise the full controlling powers over expenditure that were contemplated when it was first established and when its duties were originally defined by statute. Changes in the law during the past two decades had the effect of whittling away the real power of control, so that the office became a mere rubber stamp. The original powers are now restored and the Corte has already shown that it will become the most powerful single instrument of effective budget

Declassified E.O. 12356 Section 3.3/NND No. 785016

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11. The war profit's tax revision became law with the publication in Official Gazette No. 56 on 16 September 1944 of Decree Law, 10 August 1944. No. 199. Draft decrees have been received covering proposed revisions for the Imposto sull'entrata (Turnover Tax) and for Imposta Successione e Donazione (Succession and Gift taxes). These are being considered and have been the subject of interviews with the Minister and the Direzione Generale concerned. It is clear that the Italian Government has at last realized the importance and urgent necessity of increasing State Revenue. They are tackling the question of tax revision in a most energetic manner.

12. During the twenty days ended 10 September 1944, the Bank of Italy

Declassified E.O. 12356 Section 3.3/NND No. 785016

lost currency from its reserves to the amount of 575 million lire, despite large outpayments of lire by the Allied Armed Forces to the public. Preliminary reports indicate a further decline of 600 million lire during the ten days ending 20 September, reducing the global reserve to about 5.2 billion lire. As of 30 September the total reserve had fallen to 4.2 billion lire. The drain is concentrated in notes of large denominations. More than 1 1/4 billions of currency have been shipped from the Bank of Italy in ROME to branches of the Bank of Italy north of ROME since 5 June 1944, and the drain shows no indication of slackening. In fact, it has proved necessary to deposit 368 million lire in new AM lira currency in the Bank of Italy. It appears that the working-class and the middle-class are withdrawing their savings in a futile competition with each other to buy food in the black market, which holds its gains in the form of currency. Rural regions are also taking some of these funds.

In view of the resulting stringency of the Banca d'Italia currency position it becomes necessary to reverse the former policy of opening the banks as soon as possible. It is obviously undesirable that AM lire should be used on a large scale to pay off Italian depositors. Public expenditures and financing of crops are adequately provided for under Proclamation No. 4, prior to the opening of banks for general withdrawals.

13. Under amendments to General License No.32A, dated 29 August 1944, the limit of 50 dollars a month placed on remittances from the United States to any individual or household for living expenses was increased to 500 dollars per month. The amended license also provides for payments to be made in the additional provinces of ROME, FROSINONE, LITTORIA and CAMPOBASSO. Remittances from blocked dollar accounts may be made only to a citizen of the United States who has a beneficial ownership in the said account. Specific licenses will be granted by the Treasury Department for sums in excess of 500 dollars per month through existing "AF" accounts upon adequate justification. In no instance will a licence be granted for transfers from Blocked accounts in the United States belonging to, or beneficially owned by, persons in Italy who are citizens of nations against which the United States has declared war.

14. Steps were taken whereby the Italian Government, through the Ministry of Agriculture, established the office of Direttore Generale dell'Alimentazione, which assumed direct charge of co-ordinating and controlling all phases of the supply of essential foodstuffs. The Direttore Generale appointed Federazione dei Consorzi Agrari as the distributing agent throughout Italy. Through this action an organisation was established for handling imported foodstuffs. The plan went into operation on 1 September for the large Southern Region, and will be extended to forward areas on 1 October. The detailed work of keeping warehouse records, making sales and effecting collections has been transferred to Italian hands, leaving AC to perform only the quantative accounting for imports received.

15. Pursuant to HQ AC G.O. No. 43, para XIV, which became effective on 1 October 1944, the Property Control Sub Commission was transferred to [illegible] and made a division of the Finance Sub Commission, to be

Declassified E.O. 12356 Section 3.3/NND No. 785046

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15. Pursuant to HQ AC G.O. No. 43, para XIV, which became effective on 1 October 1944, the Property Control Sub Commission was transferred to the Economic Section and made a division of the Finance Sub Commission, to be known as the Property Control Division. Henceforth it will perform its duties as a division of Finance Sub Commission. Prior to such amalgamation the Acting Director of the Property Control Sub Commission was authorized to re-open negotiations with the Italian Government, looking to the return to that Government of the responsibility for the care and custody of Allied property in transferred territory. Such negotiations had been in suspense since April pending a decision on questions of policy. The first of the new meetings was held with the Minister of the Treasury and other officials on 23 September. Rapid progress was made and by 28 September draft decrees had been prepared and discussed and agreement reached upon all the important points. On 30 September a draft decree was handed to Legal Sub Commission for examination.

329

Declassified E.O. 12356 Section 3.3/NND No. 785016

FOOD SUB-COMMISSION.

16. A survey was completed of available imported supplies in Italy in relation to the extended areas liable to be fed. This showed that a reduction in the total consumption was necessary due to the lack of concrete information with regard to the resumption of imports of these supplies.

17. To achieve this, as from 1 September the existing ration scale, with the exception of bread and salt, would be issued only to towns of 50,000 and above, but retaining the existing special ration scales universally. It is appreciated that this plan is not ideal, but it was the only logical solution in view of the existing supply situation.

18. The inequality of the bread and pasta ration as between the South and Central Italy has had careful study during the month. Uniformity of ration - with an upward movement of the ration scale in Central Italy being the aim, rather than a reduction in the South - necessitates a program of increased imports of cereals during the winter months. Because of this and of the need for the importation of other basic foodstuffs to ensure a reasonable ration scale for the entire population, a new program of imported food supplies was prepared in considerable detail for submission to AFHQ. As a result of this program being taken to Washington by Brig. Gen. O'Dwyer, the Director and Statistician of the Food Sub Commission were called to Washington to support the estimates submitted.

19. The feeding of ROME continued to cause anxiety. The bread ration of 200 gram daily, the authorised ration of meat, dried vegetables, soup and salt was issued plus an issue of 550 grams of pasta. No sugar was available for issue due to late arrival of expected supplies and the olive oil ration was carried forward to early October due to transportation difficulties. In addition to feeding the ordinary population of ROME, supplies were made available to Communal and Industrial Kitchens feeding 280,000 people daily, to 25,000 Hospital Patients and to other special classes. In addition an average of 650 tons daily of non-rationed foodstuffs were brought into ROME.

20. The problem of the supply of areas devastated by war and the difficulties of transport being increased by the winter rains, had to be faced. Southern FROSINONE and LITTORIA, badly battered in the early advance, were given a special allocation of food, but supplies of vital commodities such as fats etc. do not exist. Some areas likely to be isolated during the winter months have had a special three months allocation of food.

21. No supplies having been set up for North of the PISA-RIMINI line until November by A.F.H.Q. a special milling and rail program was set up to move flour at the rate of approximately 250 tons per day, with other supplies in proportion, to provide a stockpile for a possible rapid advance North of the PISA-RIMINI Line before November.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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22. Local Resources. As a result of action by A.C., a new administrative instruction was issued by A.F.H.Q. during the month, which limits the amount of local produce to be purchased by the Armed Forces. If carried out to the letter this will make a far greater amount available for civilian needs at this vital time.

23. The tomato processing season is nearly over. Final figures are not available, but due to competition by the black market processors for fresh vegetables, and the extreme shortage of fuel, the target figure of 2000 tons will not be reached.

24. To conclude, the month has been one of tackling the problem of supplies to recently occupied areas, and of planning for the feeding of the whole of Italy during the coming winter.

1061

Declassified E.O. 12356 Section 3.3/NND No. 785016

INDUSTRY SUB-COMMISSION.

25. Foreword.

During the past month considerable progress has been made in the transference of detailed executive work from the Sub Commission to the Italian Ministry of Industry, Commerce and Labour. By the end of the month steps were being taken and details being worked out to hand over to Italian governmental administrative control most of this Sub Commission's main interests, more especially the fertiliser, soap making, paper making and cement industries. It was decided that the Italian Ministry would create small committees for each of these industries which would be responsible for this transfer of control. The committees to be presided over by a respresentative of the Ministry and to consist of two or three representatives of the industry in question. Under the proposed plan detailed executive work will be done almost entirely by the Italians themselves, this Sub Commission's responsibilities being virtually confined to the screening of requisitions for necessary imports of raw or repair materials, and to endeavouring to solve the transportation problems involved.

The regular weekly conferences with the Ministry were continued throughout the month and were found to be of increasing value, but it was felt that the Minister was evincing a stronger desire for complete independence of action. Some divergencies of opinion between the Minister and the Sub Commission arose over the question of the selection of personnel for some industrial administrative posts. It can, however, be recorded that the past month has shown a steady growth in the administrative power of the Ministry, which, with the growth of a more efficient communications network, showed evidence of its ability to handle, day to day executive problems.

26. Governmental Decrees

During the month the Governmental Decree for the control of the hemp industry and manufactured products thereof received Cabinet approval, and was duly published. Steps were taken to ensure similar action in [redacted] which, of course, remains AMG territory.

It is regretted that other decrees which have been pending, such as those for the control of the leather industry, and dealing with the position of the Ente Zolfi Siciliani have not yet been published.

27. Administration

This month has once again seen considerable progress in the recruitment of qualified personnel, and the policy has been consistently followed of arranging for newly recruited personnel to spend some time at HQ before their transference to their selected assignments in the field. The Sub Commission's plans for adequate representation in all the forward areas are now nearing completion and it is pleasant to be able to record that recent recruitment has reached a very high standard of technical qualifications for future tasks.

1062

Declassified E.O. 12356 Section 3.3/NND No. 785016

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27. Administration

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Arrangements were completed to carry out the recommendations of the Manpower Reorganization Committee. The Sub Commission put forward a detailed plan giving immediate implementation to the Committee's recommendations.

At the beginning of the month, the Coal Section of the Transportation Sub Commission was transferred to this Sub Commission and now forms the Coal Division.

28. Conferences

During the month a personal investigation was made of the problems to be solved prior to the resumption of production by the Soda Solvay [redacted]

Declassified E.O. 12356 Section 3.3/NND No. 785016

1063

ROSIGNANO, thereafter a conference was held with General HAEBLER, D.C.A.O., HQ., AAI. as a result of which permission was obtained from Fifth Army for immediate repairs to be commenced to the 36 Kms. of pipeline running from the salt mines to the works, despite the fact that the pipeline is laid for a considerable length along route No. 68, which is still in operational use for military traffic. A meeting was also held with the D.C., M.F.S. in ROME who undertook to send a reconnaissance party to study the problem of the restoration of railway traffic from VADA into the works at ROSIGNANO, and promised the Sub Commission every assistance in the repair of the one bridge that is destroyed in this area. Following these meetings and other action, it is hoped that this important unit may be able to commence production at the beginning of next year.

29. Industrial Activities.

The month under review has witnessed the liberation of important industrial areas in Tuscany. Almost before the dust of battle had settled, officers from Industry Sub Commission entered the area to carry out preliminary investigations into conditions. At first sight the outlook is grim, damage has been severe, but a reasoned appreciation is not immediately possible, and an appraisal of potential recovery must be deferred until stock has been taken, a process now being carried out.

LABOR SUB COMMISSION.

30. Labor Relations, Laws and Regulations

(a) The important news of the month was the visit and tour of Delegates from American and British Labor Unions, the Delegates were Mr. LUIGI ANTONINI, American Federation of Labor; Mr. GEORGE BALDANZI, CIO: Mr. WILL LAWTHER, British Federation of Miners Union; Mr. TOM O'BRIEN, British Trade Union Congress. A tour through Southern Italy and SICILY was followed by a general Trade Union Congress in ROME and afterwards the entire group visited the fighting front.

It was very clearly defined to the Italian Trade Union movement that real progress could be made only through freedom from political influences; but that any possible help, moral or otherwise from the U.S. or Great Britain would be dependent on whether progress was made in line with fundamental principles of democratic free procedures.

(b) This Commission instituted a survey inspection of the Ispettorato dell'Industria e del Lavoro and of the Regional Labor Offices. One person full time has been assigned to deal with problems of the Ispettorato del Lavoro.

(c) The important problem of recognition by the Italian Government of Regional and Provincial Labor Offices set up initially by AMG was pursued with the Minister of Labor.

(d) The Decree-Law on the Suppression and Liquidation of Syndical Organizations has been considered by this Sub Commission along with the Finance and Legal Sub Commissions and the position of AC has been formally forwarded to the Ministry.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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31. Wages, Hours and Labor Conditions

(a) The Sub Commission prepared and submitted a proposal to the Wages Sub Commission of the Labor and Wages Control Committee AAI for the revision of wage scales for the employees of the Armed Forces. After approval by Labor and Wage Control Committee, the Resources Board concurred with the scale becoming operative 1 October 1944.

(b) Action was also taken on wage increases for employees in private industry. Negotiations were carried out between this Sub Commission, Economic Section and the Minister of Industry, Commerce and Labor.

Declassified E.O. 12356 Section 3.3/NND No. 785016

(c) This Sub Commission approved with qualifications, in conjunction with Finance Sub Commission, the problem of the Italian Government on wage increases for Government employees.

32. Social Insurance, Benefits and Training

(a) Close liaison has been maintained with the 5 major Social Insurance Institutes and considerable help has been furnished by this Sub Commission to further the work of Field Inspectors of the Providenza Sociale, Malattia and Infortuni.

(b) Recommendation was made to the Minister of Industry, Commerce and Labor for the appointment of 2 co-Commissioners for the Cassa Maritima Meridionale at NAPLES.

(c) Considerable attention was paid to the problem of tying in the administration and fiscal control of the various Casse Mutue Aziendali (Factory Mutual Assistance Sickness Funds) with the national system of the Istituto Nazionale Assistenza Malattie.

(d) The long discussed plan of providing social insurance covering Italian workers employed directly by the Allied Armed Forces has now been formally approved by the Government Agencies and the Local Resources (Italian) Board of AFHQ.

33. Southern Region Summary

(a) Syndicates are still in existence in APULIA although it is hoped that passage of the new Decree on abolition will correct this situation very shortly.

(b) Several wage increase agreements have been approved by the Labor Sub Commission.

(c) An estimate of unemployed workers in NAPLES for the month of August was 61,838. There is practically no unemployment in the southern part of the Region.

34. LAZIO-UMBRIA Region Summary

(a) Nominations have been made for Provincial Labor Directors in the Provinces of VITERBO, RIETI and PERUGIA.

(b) Tremendous pressure has been brought to bear by organized labor groups on the Italian Government for increased wages.

35. TOSCANA Region Summary

(c) Steps have been taken to establish a Regional Labor Office in FLORENCE, Provincial Labor Offices already having been set up in GROSSETO, [illegible] LIVORNO and FLORENCE.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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(b) Constructive work has been done with the aid of the Labor Sub Commission in the registration of labor and tying in the granting of housing and ration privileges with actual employment in the LIVORNO area.

(c) There is considerable evidence of political activity on the part of the Camera del Lavoro in each Province.

PUBLIC WORKS AND UTILITIES SUB COMMISSION

327

36. General Observations

Lt. Cols. JENNY and LAPPER went to AMERICA on 22 September (re Supplies,

Declassified E.O. 12356 Section 3.3/NND No. 785016

plant, materials, equipment, etc.).

37. Italian Public Works Dept. (Genio Civile)

Relations with Minister of Public Works (Italian Govt.) improved. Has now a better grip of his Department (which still remains lamentably defective). Remaining Engineer Officer withdrawn from SARDINIA, leaving responsibility with Genio Civile, and similar action contemplated in SICILY shortly. Analysis of organisational defects of Genio Civile summed up in letter to Minister of 20 September.

38. Defascistization

Major PALMIERI of Legal Sub Commission is satisfied with progress made (special cutics in this connection) and has advised Ministry of Public Works Commission as to speeding up activities. Close contact maintained with Major PALMIERI.

39. Reconstruction of War Damaged Italian Cities

Ministry of Fine Arts and Monuments wish that no reconstructional changes likely to alter character of old Italian Cities should be made without consulting them and Director General Monuments, Italian Government. All Regional Engineers notified.

40. Ports (salvage of sunken ships)

Prime Minister approached by Chief Commissioner re taking over of non-operational salvage by Italian Government. No decision yet reached as to whether Ministry of Public Works to be responsible, or Ministry of Marine.

41. Road Conditions

Sub Commission has established a "Road Reports Bureau" to collate experiences of touring officers with information already in possession.

42. Railways (Bridges, permanent way, etc.)

Transportation Sub Commission will continue to be responsible for this class of war-damage.

43. Land-reclamation, Flooding, Bonifiche Works

Reports received from Eng. Div. 5th Army AMG concerning ARNO and SERCHIO Rivers and likelihood of winter disasters (see para 6 of August Report re Pontine Marshes, and PO Valley). Problems later in PISA plain, likely to be wider in scope. Project (50 million lire) Pontine Marshes now in hand.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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44. Eruption of VESUVIUS (March 1944)

Special inspection carried out by Acting Director and Regional Engineer (Southern Region) in September preventive measures can not be effective this winter. Projects prepared by Genio Civile (120 million lire) probably unsound.

45. War Damages (Buildings, etc.)

Minister instructed Chief Officers of his Department throughout Central and Southern Italy to make complete inventory of war damage in Provinces and Communes.

Declassified E.O. 12356 Section 3.3/NND No. 785016

46. Utility Companies

Gas, Water and Electricity Coys continue to ask advice and assistance in various routine (and many extraneous) matters. Applications for permission to increase charges to consumers continue.

47. Public Utilities (Emergency Services)

Strikes reported at NAPLES and south thereof by employees of Societa' Meridionale di Elettricita' and Gas Companies. Conference held at Southern Region HQ 26 September to discuss plans for setting up substitute operational agency to keep essential services going.

48. Capital Expenditure. July 1944 - June 1945.

In 7 Provinces recently returned to Italian Government Minister notified probable expenditure of 1,700 million lire exclusive of 233 ML arising out of VESUVIUS eruption, war damage to buildings, and numerous other matters.

49. Highways, Bridges and Public Works

(a) New contracts in September amount to 72 for Military Highways and bridges and 99 for miscellaneous works.

(b) Sub Commission asked by Military Districts (Br.) and Peninsular Base Section (Am.) to take over many additional highways and bridges. Special bridge problems discussed in main report.

(c) Housing. Repairs proceeding very slowly. New Decree under consideration. Estimates prepared for construction of new housing units in 9 communes LAZIO-UMBRIA Region. Costs outrageously high and protests made; but Minister stated he was satisfied.

(d) Transport. No improvement - about 50% of vehicles unserviceable. POL supplies still inadequate.

50. Personnel (Allied Officers)

Limited at HQ to 13. Total number employed in HQ and Regions 67. 3 American Civilian Engineers joining shortly.

51. Electrical Division

(a) Increase in Italian civilian engineers. Research and survey work over wide areas in hand.

(b) New A.F.H.Q. Memorandum No. 43 of 5 October 1944 of very great importance, setting out this Sub Commission's heavily increased responsibilities.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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(c) Power-output reports furnished to all interested Army Engineers. General situation very serious.

(d) Special position and difficulties regarding power plants in ROME explained.

(e) One object of Senior Officers visit to U.S.A. to obtain electrical generating equipment for Italy.

Regional Reports

51. SICILY Region.

Urgent works required by Navy at MESSINA. Bridge construction works slowed

Declassified E.O. 12356 Section 3.3/NND No. 785016

down. Road surfaces serviceable. Increased accommodation in prisons available.

Hydro electric situation fairly good.

Some transport difficulties caused by re-opening of PALERMO - MESSINA Railway.

52. SOUTHERN Region

Sanitary and housing conditions in BENEVENTO bad.

Roads in CAMPOBASSO show progress. Out of 135 Communes many without water. Some arrangements made.

Roads in CATANZARO show good progress.

Water supply in REGGIO polluted. Repair works on 6 aqueducts and water-supply systems in COSENZA, CATANZARO and REGGIO inspected.

NAPLES City - many works in hand.

Consumption equal to supplies allocated (electricity).

Gas Company (NAPLES) maintaining some supply under existing conditions. Miscellaneous repairs proceeding satisfactorily.

Transport problems remain acute. (Roads and bridges.) Good progress in BARI District; water and electricity supplies satisfactory. Gas ~~didn't~~ adequate. Reports from CATANZARO similar to those from BARI.

53. LAZIO-UMBRIA Region

Projects approved in September amounted to 30 ML. Funds regularised to complete bridges and other works begun without estimates and proper authority. Amalgamation of ROME Region and Region IV completed. Fair standard of roads maintenance reported. Progress in Bridge construction moderate. Housing projects blocked by lack of clear directives from Italian Government.

Mines-clearance proceeds very slowly.

Building repairs proceeding.

Water supply faulty (ROME City) inherent defects; apart from war-damage.

54. ABRUZZI-MARCHE Region

Boundary between Districts 1 and 2 (Military) moved forward.

Regional Engineer complains Genio Civile staff inadequate and unsatisfactory.

13 out of 50 bridges on Route 16 repaired, and 26 under reconstruction. Highways works proceeding slowly. Approval obtained to urgent repairs to public buildings.

Water supplies being restored.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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Water supplies being restored.

Electric power strictly rationed.

55. SARDEGNA Region

Clearance of CAGLIARI City 80% completed. Arrangements in hand for limited supply of gas. Electricity satisfactory. Water supply still critical. Transport situation unsatisfactory.

56. TOSCANA Region

Regional Engineers' activities, owing to forward movement, considerably ex-

Declassified E.O. 12356 Section 3.3/NND No. 785016

tended. Very large program of bridge reconstruction anticipated.

Electric power situation FLORENCE serious.

General public works schemes in hand, also repairs to damaged hospitals.

Responsibility for flood control handed over to Regional Engineer, Armies have promised assistance with transport and equipment. Inspector General (Public Works) Tuscany reported to be of great assistance.

FLORENCE City, 90% of normal water supply now available.

57. EMILIA Region

(a) Enemy causing great damage to roads, bridges, water and electricity plants. No active work possible.

58. PIEMONTE and LIGURIA Regions

No active work possible.

59. LOMBARDIA and VENEZIA Regions.

No active work possible.

SHIPPING SUB COMMISSION

60. There has been no salient feature to report as regards shipping matters in the month under review. Considerable satisfaction, however, can be taken from the undoubted fact that the programming machinery of A.C. requirements for Italy has resulted in an orderly examination of this with the authorities at A.F.H.Q., and it can be stated that all these requirements, so far as their movement by sea is concerned, have been covered. This has been done in consultation with the Shipping Authorities at A.F.H.Q., and has on occasions required the use of Allied tonnage for SARDINIAN coal and phosphates, and the use of one large British vessel for the carriage of wine from the APULIA district to the ROME area.

61. It is early to make any comments on the new method of handling schooners, but it can be reported that the machinery is working efficiently. The Schooner Control which sits in NAPLES and which is represented by the Mediterranean Shipping Board, A.C. and CO.GE.MA, is gradually getting some order out of a certain amount of chaos, and is directing the schooner fleet under their auspices towards the civilian needs as required by the A.C.

Some slight criticism has been made that the numbers of schooners available for civil needs has not reached the stated total of 27,000 tons. This is accounted for by the fact that all the schooners which were visualised as being available for A.C. cargoes are not yet under full control, being spread over SARDINIA and from the islands off the coast of Italy. The assistance of the [illegible] has been enlisted, and it is satisfactory to report that [illegible] under control. It is

Declassified E.O. 12356 Section 3.3/NND No. 785016

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62. The port of CIVITAVECCHIA has been handed over to civilian authorities by the Army and Navy, and will be utilised for importations for the ROME area. It was disappointing to find that most of the gear and dock equipment had been removed, but this has been put right by the Services as a result of meetings which took place in ROME between the interested parties.

Considerable pressure is being put on the respective authorities to ensure that the railroad from the coal berth at CIVITAVECCHIA is put in order at an early date, as on this will depend to a great extent the supplies of coal to

325

Declassified E.O. 12356 Section 3.3/NND No. 785016

334

ROME during the winter months.

It is also satisfactory to note that considerable success has rewarded the efforts of the Italian contractors engaged at FIUMICINO, and it is conceivable that at an early date this will result in another means of supplying the city.

63. The financial arrangements between the various authorities for payment for services of Allied and other shipping still remains under discussion, and considerable ground has still to be covered before clarity on this point is achieved. It is hoped the next report will give a statement showing at least views of the various authorities on how the financial matters should be administered.

TRANSPORTATION SUB COMMISSION

Railways

64. Rail development has again been able to draw closer to the fighting troops. There has been a considerable increase in freight traffic backloaded from forward areas, thus making best possible use of rolling stock. Such traffic includes wheat, lignite and salt.

65. Plans are in hand for the preparation of advance rehabilitation schedules based on priorities to be indicated by the Italian authorities.

66. The Decree for increase in rail rates and fares has been dealt with and is likely to become law in the near future.

67. On the movements side, officers from AFHQ have been detailed to A.C. for the purpose of taking over rail movement work, releasing A.C. officers for other specified duties in the field.

68. All engineering works have continued and further examination of lines are in hand.

69. In SICILY, proposed coal reduction is likely to cause considerable difficulty and a great burden on road transport which it is not in a position to meet. Suitable action is being taken to meet the needs of the Island objectively.

Work in the field has continued to progress and develop, and field officers have been maintaining their very high standard of efficiency.

Shipments, Ports and Warehouses

Shipments

70. Tonnage was allotted for all available bids of A.C. forecast. A 5000 ton ship was allotted for wine from PUGLIA. Barrel shortage will limit purely wine movements to 5000 tons a month. Centralisation of shipment bids through A.C.

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Shipments, Ports and Warehouses

Shipments

70. Tonnage was allotted for all available bids of A.C. forecast. A 5000 ton ship was allotted for wine from PUGLIA. Barrel shortage will limit purely wine movements to 5000 tons a month. Centralisation of shipment bids through A.C. Headquarters is a considerable handicap.

Practically no bids arrive from SICILY or Southern Regions. Existing instructions are not being followed nor chain for bids arranged. All A.C. shipment bids for September were accepted by AFHQ to be carried by schooners or other ships. The specific allotment of schooner tonnage to Civil supplies is still only 15,000 tons DW of the smallest and most expensive schooners. During the month were allotted 10,000 tons DW schooners and 3500 tons coasters carrying in all 8000 tons.

Declassified E.O. 12356 Section 3.3/NND No. 785016

Ports

71. The Port of CIVITAVECCHIA has been handed over for civil use. Rail served berths for coal and civil supply ships are being arranged. Gear for the discharge has been obtained from Army sources.

Warehouse and Forwarding Section

72. The above Section is being taken over by this Section of the Transportation Sub Commission on 1 October.

Roads

73. Two complete G.T. Companies (Italian) and 250 American vehicles have been promised by AFHQ in order to alleviate the present critical shortage of transport. It has been decided to organise these companies and vehicles into a QM Truck Battalion.

74. Five additional officers have been assigned to this Sub Commission.

75. D.N.A.C. is not yet in operation and its policy is meeting with stiff opposition from interested parties. It is hoped, nevertheless, that it will be given a fair trial. In AMG territory the FLORENCE Plan of organising civilian transport is proving very satisfactory.

76. This Sub Commission has now accepted responsibility for maintenance of all A.C. vehicles, both military and civilian. A complete plan is being put into operation.

77. Both the Super and Lancia Garages in ROME have been fully booked for work on repairing cars etc., during the current month.

78. Tyres, as ever, are a sore problem. Bitter disappointment was experienced when it was found that a large quantity had been erroneously consigned to us. There is reason to believe, however, that atonement for this will be made in the near future.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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Declassified E.O. 12356 Section 3.3/NND No. 785016

PART IV.

POLITICAL SECTION, PUBLIC RELATIONS BRANCH
AND INDEPENDENT SUB-COMMISSIONS.

POLITICAL SECTION.

1. There was a good deal of tension both in the matter of internal and foreign politics during the month. Principal matters of note were the drive for workers' and state employees' subsidies, the recriminations and occasional acts of violence of the Left and Right and the persistent appeals from all parties for material and moral aid from the Allies.

2. The Socialist Party manifesto (7 September) is a good example of the more extreme programme. After a declaration of faith in the general principles of socialism and internationalism, the socialists made some very specific demands. Of the Allies they asked Lease Lend, demobilisation of AC, the right to make a greater contribution to the war through both the patriots and regular troops, and a statement of reassurance on the Allied financial policy. Of the government they asked immediate attention to the unemployment problem and immediate elections of provincial and communal officials. The manifesto ended with an allusion to the forces of reaction and the readiness of the workers to reply with "revolutionary violence" to any challenge from such forces. These, including political rights for women, are in general the demands of the Leftist parties, although not always voiced with such brusqueness. To them may be added the pressing for some kind of expropriation of the latifundia - the Christian Democrats advanced a tentative plan on 12 Sept and the Communists have been urging occupation at least of untilled lands by the peasants as an emergency measure and without waiting for a governmental decree. On the foreign policy side it may be said that the Socialist programme represents only the minimum of Italian demands: Croce's speech, asking that Italy be classed among the victor nations and accorded full autonomy and parity, received almost universal approval.

3. Repeated reports of violence in the Southern Provinces on the part of Communists and Socialists came in throughout the early days of the month. The Leftists parties have steadfastly denied any activity of the sort and indeed on the best documented occasion (the breaking up of a meeting in CALTANISETTA Province when hand grenades were thrown and the speaker wounded) it was the Communists who were the victims. The outstanding act of violence during the month was the lynching of CARETTA (19 September) who was to be a witness at the CARUSO trial. This was such a shocking affair that there were rumours for a day or so that the government would fall and the extremist parties, though professing sympathy with the people who, they claim have seen too much delay in punishment of Fascists, did somewhat moderate their tone. Even at the highest point of tension, however, there was no real thought of upsetting the government, and the rather unrealistic outcry for a "Committee of Public Safety" died away completely when, on 26 September, the six parties again bound themselves in a public declaration to work together, settle their differences en famille and postpone discussion of radical reform until the liberation of the whole country and the ensuing Constituent Assembly. The fact that the CARUSO trial was held with dispatch and efficiency and speedy justice was done (as well, perhaps, as the lack of any workable alternative for the BONOMI Government) placated the hotheads and saved the Ministry. At the same time that the manifesto of solidarity was released by the government parties the announcement of the policy toward Italy made by ROOSEVELT and CHURCHILL was broadcast and had a very tonic effect. The promise of relief supplies, the dropping of the word "Control" from ACC and the invitation to the Italian Government to send representatives to LONDON and WASHINGTON were all very favourably received. Part of this Allied announcement indicated that relief and rehabilitation would be afforded in order to enable Italy to play her part in the war against JAPAN as well as GERMANY. On this the Under-Secretary for Foreign

10830
Declassified E.O. 12356 Section 3.3/NND No. 785016

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4. The Council of Ministers, meeting on 24 September, took up the matter of a subsidy for workers and state employees and made concrete suggestions which

323

Declassified E.O. 12356 Section 3.3/NND No. 785016

understood must now be considered by AC. It also ordered the preparation of electoral lists for elections in the communes (these lists are based on the regulations of 1919 and do not provide for women voting) and set up an Inter-Ministerial Price Control Board. Meeting again on 29 September the Ministers listened to SOLARI's report on the Treasury. It was a report admired by all for its honesty and integrity but it brought out very clearly the fact that Italy has a mounting deficit and a currency circulation out of control of the Government.

PUBLIC RELATIONS BRANCH.

5. News Production. Daily releases to the Allied, neutral and Italian press on a variety of subjects, including summation of the Grand del Popolo, German tortures in Via Tasso, civilian movement, food, export of silk, arrival of penicillin, Italian Red Cross, olive oil amassing, etc.

6. Press Arrangements. PWB officers supervised arrangements for Allied correspondents covering the CARUSO trial and execution and also figured in helping quell the disorder on the first day of the trial. Arrangements were made with the Italian Government insuring Allied coverage of other high Fascists brought to trial.

7. Press Conference. Arrangements made for meeting of Allied correspondents with the Anglo-American Labour Delegation at the Grand Hotel.

8. Journalists.

(a) Italian. 15 more accrediting cards issued after screening. Interviews arranged with Sub-Commissions.

(b) Allied War Correspondents. Interviews arranged and briefing given. Aid continued to "March of Time" film unit.

(c) Allied Political Correspondents. Trip arranged with conducting officer to cover inauguration of new mayor of FLORENCE. Work progressed in taking over former MANCHOUKUO Embassy and setting up as Political Correspondent's Mess and billet.

(d) Neutral Correspondents. Weekly briefings held. Foreign Press Association expanded to include substantial number of Allied correspondents, with direction now passing from hands of neutrals to council of journalists elected by accredited correspondents in ROME.

9. Relations with Italian Government. Major recommendations made on Italian film and radio industries and creation of Italian news agency. Epuration activities of Sottosegretariato per la Stampa followed and checked.

10. Meetings Attended. Economic Section, Weekly Conferences, Allied Publications Board, PWB Propaganda Directive Conferences, SIBM Forward AC conferences.

11. Propaganda. Suggestions and assistance given PWB concerning patriots, olive oil amassing and extent of Allied supplies and aid given to Italians.

NAVY SUB-COMMISSION.

12. Ships of the Royal Italian Navy continue to be as fully employed as their state of readiness permits. An average of four cruisers are ferrying troops from CAGLIARI to NAPLES. Destroyers and smaller vessels are fully employed on escort duties, minesweeping, etc. Work is proceeding well in the dockyards of TARANTO and

Declassified E.O. 12356 Section 3.3/NND No. 785016

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13. Considerable attention is devoted to economic problems such as the control of hemp, including the production of an adequate supply of raw hemp to meet requirements for finished products necessary for the war effort.

14. A conference was held at CASERTA to review the policy for shipbuilding. The present policy that the facilities should be used for repairs in the interest of the immediate war effort was reaffirmed, with the additional agreement that there is no objection to building small coastal vessels under 1500 tons, tugs, barges, and schooners, provided that material and machinery can be obtained without detriment to the war effort.

1085
Declassified E.O. 12356 Section 3.3/NND No. 785016

15. An endeavour is being made to formulate a policy and plans for non-operational salvage. The President of the Italian Council of Ministers has been requested officially to designate either the Ministry of Marine or of Public Works as the agency to plan and coordinate non-operational salvage work, including actual salvage operations.

16. Agreement has not yet been reached between MEDBO and the Labour Sub-Commission as to the proper agency for hiring Italian merchant seamen. MEDBO contends that this is a function for the Italian Port Captaincies, but the Labour Sub-Commission proposes that all hiring should be through the Controlled Labour Offices.

17. The disposal of vessels of Italian ownership captured from GERMANY by the Allies after the Armistice with ITALY has again been raised through the Italian Ministry of Foreign Affairs. The Italian view is that the CUNNINGHAM Agreement entitles them as co-belligerents to the return of these vessels to Italian control.

18. Numerous other problems involving supplies for the Italian Navy, the control of movements of Italian naval personnel, arrangements for transport of persons and equipment, censorship regulations, accommodation, etc., have been handled.

LAND FORCES SUB-COMMISSION (M.M.I.A.)

19. The call-up of the 1915-1924 classes in ROME continued during September with a view to completing outstanding commitments for Allied Units. Both specialist and non-specialist personnel were recruited. Up to 10 September only 670 reinforcements had been dispatched. This low figure was due to the fact that many men were exempt from Military Service because physically unfit, or for compassionate family reasons, or because of business and agricultural commitments.

20. The C.I.L. was withdrawn from the line. Rail transport at the rate of 800 personnel and 100 tons of stores a day was arranged from ASSISI to VAIRANO. Personnel and stores were also moved by road in vehicles of the C.I.L. The reorganisation of the C.I.L. into two Combat Groups commenced as soon as all units had been concentrated in the PIEMONTE area. These groups are now re-designated the "LEGNANO" and "FOLGORE" Gps. The move of units of the "FRIULI" Combat Group from various points to the SAN GIORGIO concentration area was completed. The training of instructors of the "FRIULI" Group in British weapons was completed and on 19 September the training of instructors from the "LEGNANO" and "CREMONA" Gps commenced. On 26 September MMLA's outline plan for the reorganisation, training and equipping of the Italian Combat Force was sent to AFHQ, AAI, MMLA LOs and Os. i/c BLUSs. On 16 September the Italian Combat Groups became a British responsibility.

21. At a conference at AFHQ on 4 September attended by MMLA representatives the division of the Italian Army into three categories was discussed. The Italian Armed Forces would be divided into three classifications as under and referred to by the appropriate abbreviations.

(a) Italian Armed Forces under British Command - BR-ITI.

(b) Italian Armed Forces under United States Command - US-ITI.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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The responsibility for maintenance would rest with the Allied or Italian Command according to the above categories. MMLA would be responsible to the Theatre Commander for the coordination and supervision of supply to all categories of the Italian Armed Forces through the Italian Ministries.

AIR FORCES SUB-COMMISSION.

22. During the month of September there was considerable increase in fighter activity, despite a deterioration in weather conditions, and an average of 18 sorties a day has been maintained.

322

23. Supply dropping is still being carried out by the Bomber/Transport Wing and during the month over 145 tons of arms, ammunition and food were dropped over YUGOSLAVIA.

Declassified E.O. 12356 Section 3.3/NND No. 785016

24. The move of the Italian Air Ministry to ROME made it apparent that the subject of manpower would have to be dealt with by the ROME Office of the Air Forces Sub-Commission. At the present moment the full figure of 9,000 personnel for employment with the Allies does not seem to be in demand, and some 300 men are waiting to be posted to Allied Units. At the same time a steady influx of personnel from liberated territory continues, together with a corresponding number of discharges necessary to maintain the total ceiling strength of 31,000.

25. The question of an increased ration for operational crews is still under consideration. It is hoped that some decision will be reached in the near future. M.A.A.F. Rearare being pressed for this.

26. Sanitation in the Italian Air Force is improving, and the Italian part of the Station at LECCE has recently been commended by the American Medical Officer in charge of the station.

27. On the whole affairs in the Italian Air Force remain settled and morale is high. The dissatisfaction in respect of the re-employment of personnel who were in hiding in ROME has now decreased. The cream of these have now been taken into the Air Force and a number of them hold very important posts.

28. Defascism is still most unsatisfactory but this cannot be blamed on the Italian Air Force who, at any rate, appear to be more than ready to get on with the job and anxious to get rid of the majority of the Fascist senior officers.

29. The most satisfactory aspect of the month is the increase in fighter serviceability. This is the fruit of protracted efforts of the Engineer Staff of the Air Forces Sub-Commission and the Technical Staff of the Italian Air Force.

COMMUNICATIONS SUB-COMMISSION.

30. Telecommunications.

(a) Telephone. The towns of LITTORIA, VELLETRI, FROSINONE, TERRACINA and VITERBO have been connected to the main telephone system. On the East side of Italy the towns of TERNI, RIETI, AQUILA and TERAMO have been interconnected, though there is still no connection from that side to the main system. Local services have been restored in several more towns.

An inter-urban board has been reconditioned and is being installed in FLORENCE in readiness for service.

(b) Telegraphs. Telegraph service is now available to the same towns as those in para 30(a).

The telegraph cable from ROME to SARDINIA has been restored to the Italian authorities.

An examination of Italian Government facilities on foreign cablegrams and an investigation of their cipher systems have been started by an expert commission from LONDON.

31. Postal.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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(b) A special 25 word postcard service has been set up between FLORENCE and the internal postal zone.

(c) Direct despatches to SPAIN and PORTUGAL were introduced in lieu of circulation via LONDON.

(d) The NAPLES-ROME carriage of mail has been transferred from road to rail.

(e) Linking up with the restricted civil mail service established in liberated FRANCE has been investigated and it is hoped the service will open shortly.

(f) Foreign correspondence totalled well over 3 million items.

Declassified E.O. 12356 Section 3.3/NND No. 785016

32. Censorship.

Internal censorship of mail and telegraph communications has now been discontinued in all Provinces South of the ROME-AQUILA-CHIETI line, except in NAPLES, FOGGIA, BARI, BRINDISI, TARANTO, CAGLIARI, PALERMO and SIRACUSA. All these censorship stations are, or shortly will be, under Italian control, except NAPLES and FOGGIA.

WAR MATERIALS DISPOSAL & ITALIAN P.W. Sub-Commission.

33. War Material Disposal.

(a) In the early part of the month requests for permission to recover derelict vehicles and material continued to pour into the Sub-Commission. Approval to recover was given in certain cases and the recovery of vehicles both derelict and those hidden and held by unauthorised persons continues.

(b) The Sub-Commission have been responsible for the return of a number of such vehicles to the Italian War Department.

(c) A number of conferences were held with CIC to evolve a scheme for the location of trucks and tyres which were hidden and held illegally. This work is proceeding and although the recovery to date has been small there is no doubt that in time a considerable amount of material will be brought to light.

(d) Arrangements were made with the War Department whereby vehicles which had been repaired by private individuals and firms could be used by those individuals and firms for a certain period providing they were being used in connection with AC activites.

(e) The railway service in ROME reported certain railway car loads of stores in the sidings in ROME and steps have been taken to dispose of this material to Italian Government Departments and the different authorities whom it may interest.

(f) A reconnaissance was made of the FLORENCE area, where it was discovered that a considerable quantity of Italian material was in general being misused and wasted.

(g) The whole question of safeguarding and recovering Italian material was studied and it was proposed to the Services Sub-Commissions that a proper Italian salvage unit should be formed. The Air Forces Sub-Commission said that the Italian Air Force had already formed a salvage unit. It was decided to consider increasing the strength of the Italian Air Force Salvage units and putting all recovery work into the hands of these units, under the direction of the War Material Disposal Sub-Commission. The Italian Under-Secretary of the Ministry of War, General OXILIO, agreed that the War Department would provide all specialist officers necessary for attachment to the Air Force Salvage units and any senior liaison officer thought necessary to make the scheme a success.

34. Italian Prisoners of War.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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34. Italian Prisoners of War.

(a) The work of this branch of the Sub-Commission continues to increase. The requests for repatriation have more than doubled during the month and questions as to why certain P.W. have not yet returned continue to be received in large numbers.

(b) The difficulty of employing Italian officer P.W. in North Africa was raised and the Italian Government has agreed to accept these officers and find employment for them upon their repatriation.

(c) During the month the situation as regards repatriation was greatly improved. A large number of sick and wounded PW arrived in Italy to be cared for by their own people, and a number have been repatriated to fill official and other civil appointments. Repatriations have averaged over thirty a day and for October plans for a total of one hundred a day have been approved and the necessary shipping space allotted.

321

1069
Declassified E.O. 12356 Section 3.3/NND No. 785016

34. Italian Prisoners of War (Cont'd).

(d) In accordance with an itinerary arranged by AFHQ a visit of inspection to Italian PW co-operator camps in Italy was made by members of the Italian High Commissioner for PW's staff, including General DAINO. An officer of the Sub-Commission accompanied them, representing the AC. The report made by General DAINO to General GAZZERA and the Italian Government left no doubt that these Italian co-operators were living in every case under similar conditions to the soldiers of the Allied Armies.

(e) A number of decisions have been reported during the month, permitting co-operators to make allotments of money to their families, leave in which to visit them and allowing for the repatriation of all P.W. over sixty years of age and those over fifty years old who have been a P.W. for two years, etc. Arrangements were also made for improved mail services and the dispatch of books to P.W. camps throughout the world. Two thousand copies of Basic News in Italian were sent daily to North Africa for P.W. and a broadcast programme from Radio ROME announcing the names of P.W. repatriates was arranged.

(f) The Italian P.W. question continues to be a delicate one and as AFHQ have decided that all repatriations of Italian P.W. must be approved by and come through the AC, careful liaison with the Italian Government through the High Commissioner for P.W. is necessary.

Ellery W. Stone

ELLERY W. STONE
Commodore, USNR
Acting Chief Commissioner

Declassified E.O. 12356 Section 3.3/NND No. 785016

1091

CONFIDENTIAL

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

MONTHLY REPORT

AUGUST 1944.

General Remarks		Pages 1 - 2
PART I	- R.C. & M.G. Section	Pages 3 - 11
PART II	- Economic Section	Pages 12 - 22
PART III	- Administrative Section	Pages 23 - 26
PART IV	- Political Section & Public Relations Branch, War Material Disposal & Italian PW Sub-Commission, Communications Sub-Commission, Army Sub-Commission, Navy Sub-Commission, Air Force Sub-Commission.	Pages 27 - 30

CONFIDENTIAL

Declassified E.O. 12356 Section 3.3/NND No. 785016

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

1092

Declassified E.O. 12356 Section 3.3/NND No. 785016

CONFIDENTIAL

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

Ref/498/CA.

28 September 1944.

MONTHLY REPORT FOR AUGUST

General Remarks

1. July was the harvest month. Normally August is the first month in which results can be seen from the Amassi or, as it is now called, the Granai del Popolo. Collection of grain has proved moderately satisfactory although no Region is within close range of its target. But there are signs that the results will be better than normal and that the measures taken to make the country more self-supporting than usual will have some success.

2. It is natural that great attention should be paid by journalists and visitors to the situation in ROME. Here is the capital city, articulate and not very well fed. But compared with other cities in the line of advance, ROME has fared probably better and taking into account the almost complete absence of destruction of buildings, the Romans through their swollen Press, both Italian and Allied, complain too loudly. It is true that the present ration in ROME is not a generous one. It is nevertheless enough to live on and considering the difficulties of importation all that can be expected by the Romans under the circumstances. They have suffered little and are by no means starving nor homeless nor lacking in many of the amenities cut off from most of the great cities in Europe.

3. There are three other problems which are to the fore. Here in ROME it is easy to forget the numerous daily casualties occurring in the country districts from the presence of many thousands of mines strewn about the fields and the paths and the sides of the roads. Victims are found among the farmers and the road workers and the ordinary villagers. Attempts have been made to organise mine clearance companies from the Italian Army without success, chiefly due to lack of equipment. Except for the initial clearance by the Allied Armies in their advance nothing has been done to rid the country of mines which are a danger to life and a check on reconstruction far worse than any temporary shortage of food in ROME. It is hoped that the Italian Government will soon have civilian detachments trained in mine clearance.

4. In the devasted areas already referred to it is apparent that the Italian Government will not have time to rebuild or repair houses for the many thousands of homeless people before the winter sets in. Various improvisations are being considered but it is likely that a large scale evacuation of population will be necessary under a billetting scheme.

5. Transportation difficulties are constant and pressing, and it is feared will increase with the advance of winter. The country has considerable resources of its own transport, but much of it is immobile through the absence of spare parts, and especially tyres. This is a problem for which no real solution has been found; it is aggravated as time passes.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

close range of its target. [illegible]
than normal and that the measures taken to make the country more self-supporting than usual will have some success.

2. It is natural that great attention should be paid by journalists and visitors to the situation in ROME. Here is the capital city, articulate and not very well fed. But compared with other cities in the line of advance, ROME has fared probably better and taking into account the almost complete absence of destruction of buildings, the Romans through their swollen Press, both Italian and Allied, complain too loudly. It is true that the present ration in ROME is not a generous one. It is nevertheless enough to live on and considering the difficulties of importation all that can be expected by the Romans under the circumstances. They have suffered little and are by no means starving nor homeless nor lacking in many of the amenities cut off from most of the great cities in Europe.

3. There are three other problems which are to the fore. Here in ROME it is easy to forget the numerous daily casualties occurring in the country districts from the presence of many thousands of mines strewn about the fields and the paths and the sides of the roads. Victims are found among the farmers and the road workers and the ordinary villagers. Attempts have been made to organise mine clearance companies from the Italian Army without success, chiefly due to lack of equipment. Except for the initial clearance by the Allied Armies in their advance nothing has been done to rid the country of mines which are a danger to life and a check on reconstruction far worse than any temporary shortage of food in ROME. It is hoped that the Italian Government will soon have civilian detachments trained in mine clearance.

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6. In the forward areas there has been little advance and A.M.G. Armies have been able to turn more attention to local government, harvesting and the like. Food and transport remain difficulties, not only in forward areas, but particularly in the harvest Regions where it is only with great difficulty that the grain can be taken from the threshing floors to the depots. Lack of POL again creates a difficulty in threshing grain.

7. Great progress/..

1094

Declassified E.O. 12356 Section 3.3/NND No. 785016

7. Great progress has been made in placing upon the Ministries of the Italian Government more responsibility, especially in the fields of agriculture, industry and commerce. The Ministry of the Interior also has shown progress in the appointment of prefects and other local government officials. Epuration moves slowly but Commissions of the Italian Government are being set up to deal ministerially with this problem.

8. The Shipping Sub-Commission has instituted a new scheme for the better employment of schooners in aid of civilian supplies. Schooner transport has been woefully short in the past due to operational needs, but it is hoped that this natural and very necessary coastal traffic will soon be set in motion, thereby avoiding the necessity of road and rail transport.

9. August saw the amalgamation of three A.C.C. Regions, II, III and VII, in the south of Italy into one Region with Headquarters at NAPLES. This new Region was called Southern Region and was organized in zones instead of Provincial Teams. The Headquarters of the zones, which consist of a varying number of Provinces, are located where Allied Military concentrations or installations exist. A considerable saving in personnel was made available for the Northern Regions by this amalgamation. At the other end of Italy the advance of the Armies renders control more difficult. This was overcome to a certain extent with the holding of fortnightly meetings at SIENA for forward Regions and A.M.G. staffs of Armies. These meetings proved a great success.

10. All the above problems and many others were fully ventilated and discussed at a Regional Commissioners' Conference held for the first time in ROME on August 22nd when, under the chairmanship of Captain Stone, the meeting was privileged to be addressed by the Supreme Allied Commander. The Italian Press was admitted for the first time and dealt fully with the points discussed. This has resulted, it is believed, in a better appreciation of the work of the Commission and the many problems with which it has to deal.

1095

Declassified E.O. 12356 Section 3.3/NND No. 785016

PART I

P.C. & M.G. Section

AMG FIFTH ARMY.

1. Owing to the almost static military situation there is little to report. It is the first halt since the Garigliano and to compare it is to remark on the reduction of both transport and personnel.

2. There are now only 47 officers, of whom five are in hospital. 17% of transport has been written off, all of it military vehicles, and the prospect of more failing owing to old age leaves a most disturbing situation.

3. GROSSETO Province was handed over to the Region VIII as from midnight 8 August.

4. In LIVORNO the situation is still unsatisfactory as the town remains evacuated on orders of the military authorities. At the moment only about a thousand civilians are working on military installations in the town. However, electricity, water and sewage are now functioning.

5. With military operations still confined south of the river the situation at PISA shows no change.

6. The harvest has been the main preoccupation and its gathering has proceeded very satisfactorily. To facilitate payment for its collection the banks were opened in LIVORNO and Southern PISA Province on 7 August and there were further openings in the Corps area on 21 August. All demands for POL for harvesting were met.

7. Refugees have been handled effectively with the co-operation of the Refugee Branch. The policy of the retention of refugees as near to their homes as possible is being pursued, only a few having to be evacuated to Corps area.

8. Patriots are behaving well and have been found useful for many duties including the handling of refugees. Certificates are still being issued but only a small proportion of the claimants receive them.

AMG EIGHTH ARMY.

9. At the beginning of the month the Provinces of SIENA, MACERATA, ANCONA, PERUGIA, AREZZO, and FIRENZE were being administered, but operational movement of the Armies resulted in SIENA and FIRENZE being handed over to Fifth Army AMG on 21 August. MACERATA was handed over in the normal course of events to Region V on 18 August.

10. The beginning of the month was notable for the occupation of the City of FLORENCE, which was first entered by the AMG team on 4 August. An extraordinarily difficult state of affairs prevailed, for at that time the enemy still occupied the northern half of the city. Only one bridge over the Arno was intact and [illegible]

1096

Declassified E.O. 12356 Section 3.3/NND No. 785016

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10. The beginning of the month was notable for the occupation of the City of FLORENCE, which was first entered by the AMG team on 4 August. An extraordinarily difficult state of affairs prevailed, for at that time the enemy still occupied the northern half of the city. Only one bridge over the Arno was intact and that was heavily mined and in the city was a population of 410,000 in great distress. Sporadic shellfire and sniping continued even after the enemy withdrew on 11 August. Despite all difficulties supplies were taken in an administration set up without delay. Great help was rendered by Patriots in mopping up snipers and patrolling the city. As already mentioned this city was later handed over to [illegible] Army [illegible].

11. Many small townships were entered, some much damaged, the area most effected being in the vicinity of the Gothic Line, where devastation is on a scale comparable with that in the area of the Volturno.

12. The new area occupied covers some of the richest agricultural land in Italy. Harvesting is completed so it has been unnecessary to import flour but milling has been done under great difficulty. Electrically driven mills are nearly all at a standstill and August was a period when a shortage of POL occurred.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

13. Public Health is generally good and there are no epidemics, but the almost total lack of serviceable civilian ambulances makes the evacuation of civilian casualties almost impossible. This problem was paramount at FLORENCE where the civilian hospitals were for some time inaccessible and casualties had to be taken elsewhere. The Army obligingly loaned some ambulances for a time and with other improvisation casualties were dealt with, but the problem remains generally unsolved.

14. Refugees were handled as a routine and nothing unusual occurred. It is estimated that the total number evacuated during the month was 17,700.

REGION I (SICILY)

15. In this Region the collection of grain has been the chief concern during the month of August. At the beginning of the month a sullen indifference everywhere confronted grain collecting officials, and everywhere a defeatist attitude on the part of Italian officials was present. Dissatisfaction with the price, the natural disinclination of the Sicilian to part with his wheat, the appeal to his cupidity, which successful black market operations would make, all join together to make "Granai del Popolo" a difficult assignment. There is, moreover, a lack of vehicles for officials responsible for grain collection which is seriously hampering the campaign. Every possible step is being taken to get the local Italian administration to rectify this. There is no place for complacence. It will be extremely difficult to amass enough grain to ensure the full ration for Sicily until the next crop season. But results appear better than was at one time anticipated.

16. The new ration scale has been authorised. It provides 200 grams of bread per day and 550 grams of pasta per week per person, or the equivalent. 2700 metric tons of sugar were received during August and a three months ration will be distributed early in September - remainder to be kept on hand.

17. Popular opinion revolves around and depends upon food. Some discontent has existed during most of August over the food ration. An increase in the ration was announced to come into effect on 12 August but it was not possible to increase it until 18 August because of the slowness of the amassing of grain.

18. Some activity of the Separatists has continued, with occasional meetings, but no violence. Political parties continue to be active. It is believed that the Christian Democrats will benefit by the fact that one of their members, Alfisio, has become the High Commissioner for Sicily.

19. 17987 quintals of potatoes have been amassed.

20. Sufficient sulphur oil and caustic soda are on hand for a two months ration of soap, but additional sulphur oil is necessary to maintain this soap ration.

21. 7043 tons of steam coal and 7000 tons of Sardinian coal were received.

22. The electric power situation for the Island is improved owing to the completion of the PORT EMPEDOCLE plant.

23. The health of the Island population continues to be well above the average. There is some increase in infectious diseases and in typhoid and malaria. Amoebic

1098

Declassified E.O. 12356 Section 3.3/NND No. 785016

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24. All Communes with refugees from the mainland have been visited during the month. Refugee camps at SIRACUSA and TAORMINA have been closed and the staff cut to the minimum. Both camps can be reopened at short notice, when repatriation begins, and will be used as staging camps.

25. The railroad outlook has greatly improved with the reopening of the standard gauge railroad lines over the Island. The necessary movement of grain and food can now be ensured, subject to deliveries of coal. The gaps in the railroad lines between PALERMO and MESSINA, between MESSINA and CATANIA and the SIMETO Bridge between CATANIA and PALERMO, have been completed and were opened to traffic on 28 August.

1099

Declassified E.O. 12356 Section 3.3/NND No. 785016

REGION III (CAMPANIA)

26. There was comparatively little political activity during the month, Bonomi's speech on armistice terms resulting in pessimistic rumours among the civilian population. On the other hand, Churchill's farewell speech was most favourably received. In the City of Naples Unione Femminile Italiana was organized, a women's organization demanding equal suffrage rights for women.

27. The ACC Provincial Offices in AVELLINO and BENEVENTO were closed respectively on 17 August and 27 August.

28. The olive oil ration continued at 200 grams (about 7 ounces) per month and there was much dissatisfaction expressed in the Province of SALERNO and in the City of NAPLES on its distribution. Toward the end of the month fruits and vegetables, potatoes in particular, became scarce in the City of NAPLES. The Prefect of the Province of NAPLES had issued two decrees regulating the shipment of potatoes and other vegetables and fruit, but was required by an order from HQ ACC to rescind these decrees, with immediate effect in the NAPLES market, both in reduced supplies and in higher prices. Deliveries of grain for manufacture of flour were on the average 150 tons per day less than the amount required.

29. 2,000,000 candles (weight 100 tons) were produced for ROME. 429 tons of hemp and hemp products and 2 tons of silk were shipped to the United Kingdom. Prospects appeared good for meeting the quotas for collection of wheat for the Granai del Popolo.

30. Crime showed a further slight decrease. Prison population declined to 8150, from 8600 a month earlier.

31. Smallpox showed a decrease of over 45% in the Province of NAPLES and presented no problem in the other Provinces. Typhoid fever persisted throughout the Region and reached epidemic proportions in the City of [redacted].

32. Uncontrolled movement of individual refugees into the City of NAPLES from the south caused a problem. At one time during August there were almost 1200 refugees living in and about the railroad station in the City of NAPLES under deplorable sanitary conditions.

33. Cash held by banks reached a total of 1,600,000,000 lire, compared with 1,000,000,000 lire in January and deposits reached a total of 22,600,000,000 lire, compared with 5,000,000,000 lire in January.

34. Region III was merged into Southern Region on 28 August 1944.

REGION IV (LAZIO)

35. On 1 August Rome Region was absorbed and Region IV was in control of its full complement of territory with the exception of PERUGIA Province, which is still under Army Control. On the 15 August the Provinces of FROSINONE, LITTORIA and ROME came under Italian Government jurisdiction.

36. It was becoming evident during the month that the food situation in ROME City was serious and that the shortage was not due to teething troubles which would cure themselves. It is not proposed to ventilate here an extremely complex problem which is being fully explored by competent authorities but malnutrition is evident. [redacted] should not obscure the

1100

Declassified E.O. 12356 Section 3.3/NND No. 785016

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36. It was becoming evident during the month that the food situation in ROME City was serious and that the shortage was not due to teething troubles which would cure themselves. It is not proposed to ventilate here an extremely complex problem which is being fully explored by competent authorities but malnutrition is evident. At the same time the importance of ROME as a capital city should not obscure the difficulties which exist elsewhere in the Region. In the Provinces the supply situation is only fairly good when compared with ROME. By any other standard it is serious, as the population is not predominantly food producing and growers find the attractive prices of the ROME market hard to resist.

37. Returning to affairs in ROME, during the month 6358 tons of rationed food were distributed in addition to the daily flour ration of 306 tons, whilst other produce amounted to approximately 700 tons daily. The latter is only about 50% of the normal supply.

Declassified E.O. 12356 Section 3.3/NND No. 785016

38. The largest acqueduct carrying ROME's water supply was permanently repaired, electricity continued on a strictly rationed basis and a gas service of 1½ hours daily was commenced.

39. The state of crime is low but there is an increase in thefts of vehicles.

40. Sponsored by Monuments and Fine Arts Sub-Commission an exhibition of Masterpieces of European Paintings was opened on 27 August. Proceeds, after expenses have been covered, are being devoted to the restoration of Italian national monuments damaged by war.

41. In the Provinces the collection of grain is fairly good though hindered by a POL shortage at the beginning of the month. Prospects for oil and wine are good.

42. This Region includes the devastated area of CASSINO and its neighbourhood, where, it is estimated, there are 25,000 homeless people. Despite every precaution these people have drifted back and whilst suffering little hardship during the summer months, their housing during the winter will be a great responsibility for the Italian Government. A large scale evacuation may be yet necessary.

43. In this area mine clearance is also a serious matter. Despite every endeavour no assistance could be obtained other than that provided by two Italian Mine Clearance Companies, ill trained and equipped. Little impression has been made on the thousands of mines awaiting removal before large areas can with safety be approached.

REGION V (MARCHE, ABRUZZI E MOLISE)

44. On 31 August CampobassoProvince was divorced from Region V and taken under the wing of the newly formed Southern Region. CAMPOBASSO is now Italian Government Territory and according to reports already the old type of intrigue and improper influence are being used in making Provincial appointments. MACERATA was handed over to the Region by AMG EIGHTH Army on 19 August. At the beginning of August the ANCONA team was set up, and at the end of the month the PESARO team was in operation. The last two Provinces are, of course, still under the jurisdiction of EIGHTH Army AMG.

45. The main activity in the Region during the month has been the harvest. This is coming in faster than it can be dealt with. Already over 1,000,000 quintali have been collected and there is every hope of reaching the quota during the next few weeks, always providing that ANCONA - PESARO collections have not been destroyed by the incidence of war.

46. Two Provinces - AQUILA and [redacted] - are deficiency provinces in grain, but these deficiencies are being met from ASCOLI-PICENO and CAMPOBASSO. Very considerable dissatisfaction is expressed at the fact that provinces such as MACERATA should be placed on a lower flour and grain ration than certain deficiency provinces in the South of Italy. It has been quite impossible to enforce this lower ration and it is a source of considerable embarrassment to AMG Officers.

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Declassified E.O. 12356 Section 3.3/NND No. 785046

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47. In the AVEZZANO District there is an exportable surplus of approximately 50,000 tons of potatoes. These are sold by the Consorzio at 600 lire per quintal, but when purchased direct from the farmers, on what appears to be an organised black market from ROME, up to 1000 lire is paid. Strenuous efforts are being made to stop this but the CC.RR are lax and diffident in their dealings with this type of malefactor.

48. Communications, which were bad throughout the Region owing to the fact that for the best part of nine months a battle took place over it, are improving. For instance, in CAMPOBASSO Province up to the time of handing over to Southern Region, 100 bridges have been built since last September. It is imperative that this work should have priority in this mountainous district, the highest in Italy, against the coming of the snows, or else there will be great difficulty in distributing supplies.

declassified E.O. 12356 Section 3.3/NND No. 785016

49. In this same area there must be at least half a million mines, and an average of 18 casualties daily are being reported. Two mine disposal companies (Italian), which arrived were so short of equipment and transport that they have been of very little use.

REGION VI (SARDEGNA)

50. The High Commissioner has shown himself co-operative. He is faced with a major task of considerable difficulty, as he has to prepare to reduce the ration scales. Sardinia has never conformed to the scales laid down in the rest of Italy and unfortunately, when the basic ration was increased in July from 150 grams of flour daily to 240 grams, the opportunity was not taken to correct the higher Sardinian scales. The already generous Sardinian workers' scales were, in fact, increased. As there were ten food demonstrations in July and seven more in August, the prospects now of reducing the ration scales without trouble, in spite of the good seasonal food outlook, are small.

51. Politically the scene is one of frustration as there are seven parties and they all participate in the Government with a result that the smaller factions are over represented and so there are no majorities in the committees. It is in these circumstances that the value of ACC officers is apparent for they stand disinterested behind this instability.

52. The beneficial effects of the reduction of the Italian Army in the island have been felt but a reservoir of transport will ultimately be missed.

53. After the reasonably satisfactory results of the first treason trial it is hoped that there will be no further procrastination over other important trials which are pending.

54. Health has been satisfactory in spite of a disquieting upward trend of malaria earlier. The figure for the month of July of approximately 500 cases compares with 2,400 for the previous year, which is very satisfactory.

55. A Boy Scout camp has been held, the first for many years, thanks to the enterprise of the Roman Catholic Church.

56. The Island, as is known, has escaped major war damage and its remoteness from operations has left the people ignorant of the immensity of the Allied war effort. Its possibilities are great especially with regard to its mineral wealth. The moment is one of hesitation and the Sards are looking to the Allies for leadership.

REGION VII (CALABRIA)

57. As elsewhere politics are one of the principal subjects discussed, but no noteworthy action occurred. Remarkable certainly were events in the small village of CASTROVILLARI which was declared a republic by the Sindaco. This unusual situation was countered by appointing a new Sindaco, whereupon the republic collapsed.

58. The food situation in this Region is good and stocks on hand will last until 10 October.

59. With the gradual termination of the vegetable and fruit season prices show

1104

Declassified E.O. 12356 Section 3.3/NND No. 785016

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59. With the virtual termination of the vegetable and fruit season prices show a tendency to rise. As an example meat has increased in price recently from 100 lire per kilo to 120 lire per kilo.

60. A comparison of the ordinary retail price of certain commodities and their corresponding black market price may be interesting:

Commodity	Normal price, lire p.Kg.	Black market price, lire p.Kg.
Bread	L. 5.00	L. 50 - 60
Olive Oil	" 32.50	" 90 - 100
Cheese	" 115 - 135	" 200
Sugar	" 20.00	" 180 - 200
Flour	" 5.00	" 150

Declassified E.O. 12356 Section 3.3/NND No. 785046

61. Transportation is difficult both for food supplies and miscellaneous traffic, although this Region has the advantage of road, rail and sea transport. Road vehicles are insufficient for requirements and there is a shortage of railway trucks. 550 tons of ACC traffic and 400 tons of Italian civilian traffic was handled by the railway as compared with over 15,000 tons of military supplies. 170 tons of fertilizer at MATERA have now been awaiting transport for over a year.

62. At the end of the month the value of all contracts let for work on military highways, including bridges, amounted to L.31,634,000 of which L.10,000,000 has already been spent. Road maintenance is unsatisfactory due to lack of material and the wherewithal to transport it.

63. The Minister of Public Works visited CALABRIA during the month and directed that national aid for the reconstruction of war damage to dwellings would cease.

64. Public utility projects recommended are to cost L.1,320,812 and include four contracts for the repair of sewers and two for the repair of aqueducts. The electricity supply is being severely curtailed.

65. Public health is good and there is nothing unusual to report.

66. Public safety shows a satisfactory situation and an increase in the efficiency of the police service. Crimes of violence have decreased and the perpetrators of five recent murders were all arrested within a short time.

67. Region VIII was merged into Southern Region on 28 August 1944.

REGION VIII (TOSCANA)

68. Up to the end of August only one of the nine Provinces which make up this Region had passed to Regional control. This was the Province of GROSSETO, which w was handed over by [redacted] Army on 9 August.

69. Public morale is good and while it is not easy to sense the drift of public opinion there appears a general feeling of relief that "the war has passed". If the food problem is successfully solved there is unlikely to be much difficulty in TUSCANY.

70. Within GROSSETO Province every commune with the exception of GIGLIO has a properly constituted Giunta. Provincial Local Government will be complete and working by the first week of September. Strong teams for the Deputazione and the Giunta have been chosen and appear to be generally approved.

71. Amassing is going well.

72. Agitation against the daily wage for unskilled labour of L. 65 a day continues; a demand for at least L.80 a day is supported by the Camera del Lavoro. The usual 70% increase has already been granted.

73. Some Patriots have been rearmed in GROSSETO to assist the Carabinieri to comb out Fascist bandits in the hills near MONTE AMIATA.

74. All schools will be ready to function for the regular autumn session.

1106

Declassified E.O. 12356 Section 3.3/NND No. 785016

64. Public utility projects recommended are to cost L.1,320,812 and include four contracts for the repair of sewers and two for the repair of aqueducts. The electricity supply is being severely curtailed.

65. Public health is good and there is nothing unusual to report.

66. Public safety shows a satisfactory situation and an increase in the efficiency of the police service. Crimes of violence have decreased and the perpetrators of five recent murders were all arrested within a short time.

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74. All schools will be ready to function for the regular autumn session. Defascistization is practically completed.

75. Road surfaces are generally good. PONTE MUSSOLINI (Route 1), just South of GROSSETO, is likely to fail in the first flood, while the bridges over the CANALE DIVERSIO and the ALBEGNA are not well constructed. If any of these bridges became unsafe the only alternative to PONTE MUSSOLINI is the bridge at ISOLA and difficulties in its construction are being encountered. If Route 1 is out, the shortest way to FOLLONICA and the North would be via Route 74 and via SCANSANO, both narrow hilly detours.

1107

declassified E.O. 12356 Section 3.3/NND No. 785016

INTERNEES & DISPLACED PERSONS SUB-COMMISSION.

76. This month 628 Maltese were repatriated to TRIPOLI, about three and a half million lire being converted for their use.

77. There were no evacuations of Yugo Slav refugees to Middle East and only 1397 of them arrived at BARI from Yugo Slavia.

78. Brickfield Camp, TARANTO was lent to 52 Area for the accommodation of 1500 French, mainly from Alsace and Lorraine. Their history is curious; conscripted by Germans they were taken prisoner by the Russians, to be released by the intervention of Gen. De Gaulle. Then repatriated through Persia and marooned in Italy.

79. A detailed survey of the Southern Camps has been made with a view to UNRRA taking them over, with the exception of BARI. If this project is approved UNRRA will provide staff thus releasing Internees and Displaced Persons Sub-Commission personnel for use in the North.

80. Problems of ventilation, inoculation, feeding, water supply and sanitation need careful supervision. With the exception of children's diseases the record of the Sub-Commission is a good one. Dealing with refugees, many of whom have suffered years of hardship, necessitates a standard of hygiene which cannot be relaxed.

81. The Children's Summer Centre, FIUGGI, is operating successfully and has been expanded to 75 beds.

82. Record Bureau: At the present time a total of 48,533 Displaced Persons is recorded, of which the location of 41,181 is known. 63 nationalities are represented.

83. Finance: Relief payments in the form of loans to certain Allied Nationals have commenced. Payments have been made to several hundred Poles and Yugo Slavs and it is expected the same facility will exist for Greeks shortly. The Czechoslovak Mission has expressed a desire to participate. Norwegians continue to receive their payments through the Swiss Legation.

84. Prefects have been notified by the Italian Government that relief payments will be made by them through Ente d'Assistenza to all ex-Internees on the basis of 30 lire to the head of a household and 20 lire for each additional member not living in Allied Camps. Those in Allied Camps receive 25 lire and 15 lire respectively.

ITALIAN REFUGEE BRANCH.

85. Movement of Refugees:

Received in Main Transit Camps	-	13,847.
Dispersed through Main Transit Camps	-	10,156.
To Rome	-	8,717.
Local Communes	-	1,383.
Miscellaneous	-	56.

Received and dispersed through forward camp - 7,544, of which 1,625 were absorbed in GROSSETO Province, and 5,919 were dispersed locally.

1108

Declassified E.O. 12356 Section 3.3/NND No. 785016

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In addition approximately 25,000 were dispersed by Army AMGs.

86. Main Camps:

(a) Averan Camp. Transferred to Follonica Camp. Thus Aversa Camp became entirely a camp for Displaced Persons.

(b) Cesano Camp. This was handed over to Region IV. The camp staff and stores were used to set up two camps in EIGHTH Army area. One for 3,000 at CASTIGLION FIORENTINO and one for 1,000 at S. MARIA DI ANGELO (Near Assisi).

1109

declassified E.O. 12356 Section 3.3/NND No. 785016

(c) Cine Citta Camp. Our section of this camp was handed over to Region IV and the camp staff and stores used to set up a camp at FOLLONICA in Region VIII.

(d) Foggia Camp. This camp was closed and arrangements made through AAI to move it to ANCONA by sea.

87. Dispersal Area: Refugees in the South are still extremely restless. Many are arriving in NAPLES and other important towns, causing serious congestion. Some of these travellers are authorised by AMG, or Sindaco; some are without authorisation of any kind.

88. The repatriation of refugees, i.e. return to their homes of war refugees and of people who fled from the Allied Armies, is under M. ZANNIDONI, Minister for Refugees. The numbers of war refugees, i.e. people who have become homeless because of the war, have shrunk considerably. More than 75% of the persons passing through our hands are repatriation cases, i.e. people wishing to return South to their homes. Of these, some had been moved North by the Germans, but the majority had fled in an attempt to avoid the advance of the Allied Armies.

PATRIOTS BRANCH.

89. To achieve closer contact with the new Northern Regions when they assume control of their territories a forward echelon has been established in FLORENCE.

90. The Italian Government has set up an Italian Patriot Committee under the Chairmanship of the Prime Minister to handle the Patriot problem. The Committee includes representatives of the Ministry of War, the Ministry of Press and Information and the Presidency of the Council.

91. Intelligence Teams for Regions IX, Piemonte, Liguria, XI and XII have been formed for the purpose of collecting and collating information on German occupied Italy. Detailed information is being supplied about industrial works which it is hoped to save, locations of bands and their leaders, and the activities of Patriots.

92. Patriot Representatives of the CLN and Military Centre Groups are carrying out their task of distinguishing between genuine and bogus Patriots in the Ar areas and in Regions IV and V. In practice this work is carried out in cooperation with the Communal and Provincial Patriot Committees. Certificates are being awarded and it is hoped that in the rear areas this work will be concluded by the end of September.

93. The work of re-establishing Patriots in civilian occupations has progressed on the whole more slowly than was hoped. However, Communal and Provincial Patriot Committees are everywhere in being and they are being encouraged and exhorted by every means in the power of this HQ. In FLORENCE it was found that the Patriots were by no means eager to accept civil employment at once. It must be said that in the forward areas increasing difficulty is being experienced in inducing Patriots to hand in all their arms. This matter is engaging the serious attention of the Allied authorities.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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94. Arrangements have been made to establish seven Patriot camps to receive Patriots on their way South to the Italian Army Recruitment Centres or to their homes. In Regions IV and V owing partly to the time which has elapsed since the territory was liberated, very few Patriots have volunteered to join the Italian Armed Forces. Arrangements are being made to make it possible for any Patriot in this area who may desire to volunteer to be given another chance to do so. In FLORENCE, through the courtesy of MMIA, arrangements have been made to make possible recruitment on the spot of up to 1000 Patriots.

Declassified E.O. 12356 Section 3.3/NND No. 785016

95. Patriot camps, which will be established at suitable roadheads, will be operated by Italian Patriots. Most of the necessary equipment is being provided by the Italians. Rations will be on the refugee scale. The problem of securing motor transport to be used in connection with these camps has presented some difficulty but it is hoped that empty Allied lorries and trucks returning from the forward area can be used to transport these Patriots.

96. The Italian Liaison Section is carrying out its routine activities of daily contacts with the two recognised Patriot organisations, the Italian Home Office, War Office, Air Ministry and High Command.

Declassified E.O. 12356 Section 3.3/NND No. 785016

Declassified E.O. 12356 Section 3.3/NND No. 785016

315

PART II

ECONOMIC SECTION

LABOUR SUB-COMMISSION.

1. Labour relations, laws and regulations:

(a) The Decree Law concerning suppression of the Fascist Syndical Organisations and liquidation of their respective patrimonies is under further consideration.

(b) This Commission has given instructions concerning "what to submit", "when to submit" and "how to submit" to the Italian Ministry in regard to future legislation proposals.

(c) The delegations from the British Trade Unions Congress and the delegation of American Labour Unions are now viewing the Italian Labour Field.

2. Wages, hours and labour conditions:

(a) To bring about uniformity in the industrial family allowance schedules, a proposal for adjustment and a slight increase is now being discussed with the Italian Ministry.

(b) Much confusion exists among workers and employees as to the dates and payments for National holidays. A formal request has been made to the Italian Government for a clarifying new Decree Law.

(c) Prices have risen so much more rapidly than have wages and there has been such ineffective control over black market activities. Some suggestions and the course of action that should be taken in the wage adjustment field have been submitted.

(d) The small Labour Commission staff was again called upon to perform multitudinous Labour duties at Headquarters and in the field, with the Armies moving up and new territories being occupied.

(e) Manpower shortages have been reported and are being investigated wherever complaints are made.

3. Social insurance, benefits and training:

(a) This Commission with the concurrence of the Finance Sub-Commission has agreed to the proposed nominations of Commissioners for various Social Insurance Institutes.

(b) On the matter of "epurazione", Dr. Livio Malfettani, functionary and commissioner of the "Istituto Malattie" was suspended pending the outcome of a normal hearing with respect to charges of fascist activity filed against him by the High Commissioner.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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4. Statistics, manpower and registration problems:

(a) The commencement of a Labour Statistical Service has been inaugurated and will provide useful information for the future.

(b) Tentative plans for an enquiry into unemployment have been prepared. A report was also prepared on cost of living in Italy.

(c) The proposals for the increase of salaries of State employees presented by the Italian Government have been under study, alternative proposals are being prepared.

(d) Several wage agreements, the most important being that of the Sicilian sulphur mines, were examined and reports prepared upon them.

Declassified E.O. 12356 Section 3.3/NND No. 785016

it has been decided to lower the rediscount rate and the commercial rate one half of one per cent with a similar reduction to follow shortly in B.T.O. rates. A continuing study of the situation will be made in the hope of effecting another decrease of one half of one per cent within another month.

12. In ROME for the period 1 - 31 August, the excess of purchases of Buoni del Tesoro Ordinarii over payments was 3.5 billion lire. The significance of this development may be realised from the fact that the comparable figure for ROME in July was only 312 million lire.. Net investment in BTOs for all liberated Italy south of the 11 May line (roughly south of the northern boundaries of NAPLES - CAMPOBASSO Provinces), was approximately 2 billion lire; ROME city in one month has almost tripled this figure. It is striking evidence of financial confidence.

13. The total gross revenue collections for the 38 liberated Provinces for the year ended 30 June 1944 amounted to 13,105 million lire as in respect of the 27 old liberated Provinces. The equivalent figures for the first month of the fiscal year 1944/45 are 291 and 218 million lire respectively. The collection result of the newly liberated Provinces is naturally poor, due to almost complete lack of communications in the immediate battle area and in some cases to the destruction of tax offices or the evacuation of office staffs. The results for the 27 liberated Provinces indicate that the improvement in revenue is being well maintained.

14. Two further tobacco factories have been liberated, at FLORENCE and at CHIARAVALLE. Both at present are out of production. The former is believed to be undamaged but access is not permitted at present owing to mines. The latter is badly damaged. The one at FLORENCE produced large quantities of handmade cigars. The two factories produced about 2,500 metric tons of cigarettes annually, sufficient to provide 30 cigarettes weekly for 1.5 million smokers. Owing to the expansion of liberated territory total production is insufficient to provide more than a ration of 20 grams of tobacco (20 cigarettes) weekly to the estimated 7.5 million smokers. A national rationing scheme is now being worked out. Production is being stepped up by longer factory working hours.

15. Expenditure of 50 million lire was authorised for urgent public works made necessary by the flooding of the Pontine and Littoria marshes. Provision had already been made for expenditures for anti-malarial measures in these districts. No clear policy has yet been stated by the Italian Government regarding the repair or reconstruction of war damaged properties or the rehabilitation of devastated areas. In AMG territory, financial control is directed to ensure that any work approved is primarily of military necessity. Much additional work is urgent and vital to the resumption of civilian life; and with the approach of winter the situation becomes acute. The problem is one which cannot fairly be considered piecemeal, and the financial aspect of any programme of national reconstruction is only one of other equally important facets, e.g. the availability of essential imports and the rehabilitation of key industries. The settlement of isolated projects tends to unfair discrimination and to become inequitable to all devastated areas. Any programme must therefore be comprehensive, putting into true perspective the needs of each district compatible with, and related to, the national resources and power of recovery.

16. In the state budget estimates for financial year 1st July 1944 to 30th June 1945, the total estimated expenditure is 39,808 million lire for the 22 provinces and 8,485 million lire for the central administration and Rome Province. This latter

Declassified E.O. 12356 Section 3.3/NND No. 785016

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13. The total gross revenue collections for the 38 liberated Provinces for the year ended 30 June 1944 amounted to 13,165 million lire in respect of the 27 old liberated Provinces. The equivalent figures for the first month of the fiscal year 1944/45 are 291 and 238 million lire respectively. The collection result of the newly liberated Provinces are naturally poor, due to almost complete lack of communications in the immediate battle area and in some cases to the destruction of tax offices or the evacuation of office staffs. The results for the 27 liberated Provinces indicate that the improvement in revenue is being well maintained.

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16. In the state budget estimates for financial year 1st July 1944 to 30th June 1945, the total estimated expenditure is 39,808 million lire for the 22 provinces and 8,485 million lire for the central administration and Rome Province. This latter figure is a revised estimate and shows a considerable reduction in the estimate first submitted. The original budget for the Central Administration and Rome Province was 18,490 million, and after careful examination this was reduced by 10,006 million lire. Thus an economy was effected which almost exactly equals the total estimate revenue receipts for the whole financial year.

17. Preparations are now well under way for the operation of the remittance system in Italy by the Banca d'Italia. It is intended that the Banca d'Italia will eventually provide the entire machinery. However, at first the Banca will serve the area north of the Provinces of ROME, FROSINONE and CAMPOBASSO, for dollar remittances, and the whole of Italy for sterling remittances. Meanwhile approval by CCS is awaited for the Banco di Napoli to effect remittances in the Provinces of ROME (including ROME City), LITTORIA, FROSINONE and CAMPOBASSO.

Declassified E.O. 12356 Section 3.3/NND No. 785016

18. In centralising as much as possible in the Banca d'Italia the entire remittance plan, it is intended that the Banca d'Italia, rather than AFHQ, will provide lire on behalf of the Italian Government to effect remittance disbursements, but the foreign exchange proceeds will be subject to Finance Sub-Commission control. Eventually CCS will be requested to channel all remittances to the Banca d'Italia. Italian banks designated by the Banca d'Italia will act as paying agents throughout Italy.

FOOD SUB-COMMISSION

19. The distribution of rationed foodstuffs throughout liberated Italy has continued through the month as before, but the bread ration of 300 grams authorised in July for territory south of the winter line has been maintained. Olive oil and meats have had to be restricted in their issue to large urban areas due to the relative shortage of stocks. Stocks will last on the present basis to the end of this year. If no more imports come in, rationed items will be reduced to flour, sugar, and milk, by the beginning of 1945.

20. To make the local grain harvest go further experiments in mixing flour with barley meal have been carried out successfully, and milling at 95% extraction has made no appreciable difference in the quality of the bread which is being produced.

21. Dried vegetables were withheld from issue during the month so that they might be conserved for winter issue, whenthere is normally not a plentiful supply of fresh vegetables.

22. Particular attention was paid to the feeding of ROME. Transport was easier than in previous months so that full ration of bread (200 grams) olive oil, sugar, meat or stew, dried vegetables, soup, and salt was issued. Milk was made available for hospitals, invalids and babies. Some 160,000 meals were provided daily in communal kitchens. In addition to large imports of fruit and vegetables, some 16,000 tons of grain and miscellaneous items were brought into the city. As a further measure of alleviation, steps were taken during the month to relax restrictions and to increase the amount of market produce that could be brought into ROME on cycles and horse drawn vehicles.

23. Hitherto, too much emphasis has been laid on the quantity of local resources available. The heavy demands, authorised and unauthorised, made on local resources by the Armed Forces has been something of a drain on availabilities. The amount of local resources available has fallen considerably short of estimates so that purchases by the Armed Forces and the serious shortage of all forms of transport have mitigated against distribution on a higher scale of the available supplies.

24. The purchase of sheep on hoof for Indian troops is making a serious drain on the animal population.

25. ,Discussions have taken place with the Italian Ministry of Agriculture regarding the form and contents of a Decree for the amassing of the new crop of olive oil. Agreement was reached and the Decree has been issued. Prices are now under discussion and it is hoped to issue these early in September.

26. [illegible]

Declassified E.O. 12356 Section 3.3/NND No. 785016

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26. Recommendations have been made to the Economic Section that sufficient imports of wheat should be made to enable the extension of 240 grams of flour equivalent to all Italy as liberated and to furnish supplementary rations to hospitals, refugees, heavy workers, and religious institutions, and that sufficient imports of sugar, dried vegetables, milk and meat to meet estimates forwarded to AFHQ on 20 July 1944 should be arranged.

TRANSPORTATION SUB-COMMISSION

27. Railways: Owing to less spectacular advances by our troops during the latter part of August the long distance between railhead and forward troops has diminished. The west coast railhead has reached CECINA, south of LEGHORN. Rail line 65 has reached AREZZO, and line 87 has railheads at BASTIA and ASSISI. The branch line from this route, FOLIGNO-ANCONA, entered ANCONA at the beginning of September, and line 86 is being extended to MARZOCCA. Work on the section ORTONA-ANCONA has commenced.

Declassified E.O. 12356 Section 3.3/NND No. 785016

28. Authority has been given for the Italian Government to increase all fares on State and Private railways and the publication of the Decree is awaited.

29. In Southern Italy the REGGIO CALABRIA Railway Division is entirely operated by Italians under the supervision of one ACC Divisional Superintendent. In NAPLES our officer is waiting to take over.

30. An ACC officer has been posted to ANCONA, and others are being nominated for Northern Divisions.

31. Roads: Sixteen new officers joined the Roads Section during August.

32. The Italian Government Decree standardising Road Haulage rates is operating both in Italian Government Territory and Military Government Territory.

33. E.N.A.C. is being formed, and will shortly be in operation.

34. An Italian Truck Coy is hauling from PIOMBINO to FLORENCE. Permission has been asked to form a Truck Battalion of at least three companies.

35. New Regional demands for transport are presenting difficulties.

36. ROME is being fed by the use of civilian trucks only in conjunction with rail transport.

37. A Maintenance Section is being formed, which will be responsible for maintenance of all ACC load carrying vehicles. Spare parts are materialising. The Lancia and Super Garages in ROME are now both controlled by this Sub-Commission.

38. Tyres are still a problem, but information has been received that a consignment is on the way. Repair plants are operating on C-1 tyres drawn from P.B.S.

39. Water: Movement for ACC goods by sea is now incorporated in the overall A.F.H.Q. commitments, and not limited to what can be moved by schooners, Forecasts are required for movement a month ahead. This is done by the use of a standing allotment of schooner tonnage to ACC - 27,000 tons D.W. - then by additional allotment of further schooner or coaster space.

40. The new system for movement of goods by schooner under which all bids are required to come to ACC Headquarters is not sufficiently established to give a criterion of its operation.

41. Allotments of schooners for voyages are made at a daily meeting by representatives of ACC, MEDBO, and COGENA.

42. Coal: During August several Lignite Mines were examined and some will probably be restarted, One mine can produce a fuel which will be able to replace the imported coal used at the ROME Electric Plant.

43. Coal destined for the electricity generating plant was transferred to the gas works, which gave gas to ROME on 28 August, a month earlier than was expected.

44. The clearing of FIUMICINO as a coal discharging port was discussed

Declassified E.O. 12356 Section 3.3/NND No. 785016

boat in Italian Government Territory and Military Government Territory.

33. E.N.A.C. is being formed, and will shortly be in operation.

34. An Italian Truck Coy is hauling from PIOMBINO to FLORENCE. Permission has been asked to form a Truck Battalion of at least three companies.

35. New Regional demands for transport are presenting difficulties.

36. ROME is being fed by the use of civilian trucks only in conjunction with rail transport.

37. A Maintenance Section is being formed, which will be responsible for maintenance of all ACC load carrying vehicles. Spare parts are materialising. The Lancia and Super Garages in ROME are now both controlled by this Sub-Commission.

38. Tyres are still a problem, but information has been received that a consignment is on the way. Repair plants are operating on C-1 tyres drawn from P.B.S.

39. Water: Movement for ACC goods by sea is now incorporated in the overall A.F.H.Q. commitments, and not limited to what can be moved by schooners, Forecasts are required for movement a month ahead. This is done by the use of a standing allotment of schooner tonnage to ACC - 27,000 tons D.W. - then by additional allotment of further schooner or coaster space.

40. The new system for movement of goods by schooner under which all bids are required to come to ACC Headquarters is not sufficiently established to give a criterion of its operation.

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44. The clearing of FIUMICINO as a coal discharging port was discussed.

45. It was decided that a berth at CIVITAVECCHIA, served by rail, should be made for discharging coal to ROME.

46. Negotiations with the Ministry of Communications for the transfer of the "acceptance, discharge, and distribution" of coal and coke to the Italian Government, under ACC control, have been brought to a successful conclusion.

I-121

Declassified E.O. 12356 Section 3.3/NND No. 785046

PUBLIC WORKS AND UTILITIES SUB-COMMISSION

47. Time was spent in August in preparing, on special orders, a report stating why the Sub-Commission had not accomplished more, indicating obstacles to progress, and what had been done to surmount them. In amplification, reports were also obtained from 10 Regional Engineers, listing actual experiences over about a year. Vehicles for transport of structural materials, always lacking from the earliest days, so continue at the present time.

48. Relations with the Minister of Public Works are satisfactory. Frequent conferences are held.

49. Some of the matters negotiated with the Minister cover :

Organisation of Genio Civile.
Organisation of Cantonieri gangs.
Contractors with Fascist records.
Excessive cost of works (certain areas).
Defascism (Work of special Commission appointed).
"Bonifica" works.
Financing of projects.
Raising sunken ships in ports.
Establishment of pool of Italian Engineers including electrical specialists, ready to move northwards at short notice.
Careless preparation of projects, and inaccurate estimates, submitted by Genio Civile.

50. The only Public Works officer in SARDINIA is being withdrawn as an experiment, with transfer of responsibility to Italian agency. If successful, the same procedure may be followed in SICILY, or elsewhere in Southern Italy. Schemes costing up to 500,000 lire need no longer be submitted by Italians to Regional Engineers for approval, unless controlled materials are involved.

51. Reports from Region IV show 27 towns with between 25% and 100% houses uninhabitable. Of these 14% are uninhabitable to the extent of more than 60%. A small scheme was approved for re-housing at CASSINO. The Italian Government proposes to set up by Decree a special body to deal with housing (matter still under discussion and negotiation).

52. Following the eruption of Vesuvius (March 1944) a project of over 200 million lire was approved in August; remedial measures to minimize dangers of landslides in the autumn.

53. Officer strength of Sub-Commission as on 31 August was 19 at HQ and 43 in the field (Regional Engineers and their staffs). Since the total establishment should be 74 there is a deficiency of 12.

54. Estimates of war damage to public works and buildings in Italy, recently put at over 2700 million dollars, may have been conservative. A Fund of 600 million lire set up last February (repairs to Military highways and bridges) was raised to 1,000 million lire.

55. Miscellaneous: Considerable information was furnished in August to UNRRA.

Declassified E.O. 12356 Section 3.3/NND No. 785046

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55. Miscellaneous: Considerable information was furnished in August to UNRRA. Position as to ownership of materials of bombed properties is being investigated. If used in the general interest, they would assist greatly in executing adjacent first-aid repairs, without involving transport. Responsibility for raising sunken ships in ports is still under discussion, i.e. Allied Navies, Italian Ministry of Marine, or this Sub-Commission.

56. Electrical: Of the large hydro-electrical stations 50% are totally destroyed and beyond repair. Dissolution of Central Electricity Board in July troubled the work of the Electrical Division of the Sub-Commission. Importation of 60,000 kw generating plant might save up to 90,000 tons of shipping per month, and reduce unemployment if factories can be re-started. Electrical situation at present is "desperate".

Declassified E.O. 12356 Section 3.3/NND No. 785016

57. Remarks: Mine-clearance problem extremely serious. Reconstruction of public works hindered. Physical reconstruction and rehabilitation may be delayed for years, unless systematic mine-clearance is undertaken. Bonifica works in PONTINE MARSHES started in August, to cost about 48 million lire. Problems far greater than these are likely in the PO VALLEY and north thereof, where cities and whole tracts of country may be flooded. Ministry of Public Works pressed very strongly (under instructions Administrative Section) to expedite work of his Commission, dealing with "Defascism". Applications from Gas, Water and Electricity companies continued to be received, seeking to increase charges to consumers.

58. Highways, Bridges and Public Works: In August 83 new contacts put in hand for roads and bridges, and 33 others for miscellaneous projects. Expenditure was 127 million lire, and 59 million on miscellaneous works. Total expenditure (January to end of August) was nearly 700 million lire. Transport vehicles loaned by Armies and in use in Southern Region (military highways and bridges only) were 172, but due to poor condition never more than 50% were available at any one time. No serious difficulties encountered with labour. New system inaugurated under which bulk POL coupons are available to Regional Engineers, for contractors on military works projects. It is hoped by this means to eliminate confusion and shortages of past months. On 31 August 230 bridges were either completed or under construction. Problem constantly increasing in magnitude as Armies move northwards.

AGRICULTURE SUB-COMMISSION

59. The development of power and drive in the Ministry of Agriculture still proceeds slowly. There is difficulty evidently in finding suitable personnel, and the Commission of Epuration, like those in other Ministries, has not yet passed judgement in the case of any of the suspended officials; difficulty also arises from the fact that the Ministry covers the field of Alimentation, as well as Agriculture, Forestry and Fisheries, and the available energy is used in too many directions.

60. August was a month of many Reports. Overshadowing all others in importance, is the Crop Production Plan for 1944-45. At the end of the month the first rough draft of this was submitted to Economic Section. The Report should be completed and printed in English and Italian about 1st of October, and will contain complete Crop Plans for the whole of Italy, Province by Province; estimated farm requirements (fertilizers, insecticides, etc.) for maximizing production from these plans, and estimated minimum required imports. Re-habilitation plans for Forestry and Fisheries are also included.

61. Agriculture: In last month's report, there should have been noted the setting up, by the President of the Council of Ministries, of a Commission on Agricultural Contracts. This was a direct result of pressure brought to bear by this Sub-Commission on the Ministry of Agriculture.

62. Progress of the "Granai del Popolo" scheme remains reasonably good, in spite of transportation and other handicaps. Harvest control officers are having to be withdrawn, because transportation is not available for them, and this is bound to have an adverse effect.

63. Good progress was made during the month in the formulation of a Decree to control the collection of olive oil; greater difficulty is being found in arriving at a final price schedule.

64. Forestry: A preliminary distribution plan for charcoal and fuelwood has

112 A
Declassified E.O. 12356 Section 3.3/NND No. 785016

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64. Forestry: A preliminary distribution plan for charcoal and fuelwood has been circulated in Regions IV, V and VIII; as soon as figures are obtained, a detailed plan will be prepared and submitted.

65. A detailed report, on charcoal production and distribution, was prepared, and covered the charcoal situation in 21 Southern Provinces of Italy, all Sicily and all Sardinia. The report gave recommendations for increasing the production, supplies on hand and the estimated production from July 1944 to April 30, 1945. It is estimated to be 56% of normal consumption.

1125

Declassified E.O. 12356 Section 3.3/NND No. 785016

66. Fisheries and Hunting: The month of August, saw several important developments in this Division's programme to rehabilitate the Italian Fisheries Industry. With equipment and supplies, requisitioned from U.S. and U.K., arriving at Italian ports, the Division asked the Ministry of Agriculture to form a Government organisation which would distribute the supplies in such a way as to exercise a control of fishing and minimize transportation difficulties. The organisation has been set up, and will assist to re-furnish Italian fishing, controlling supplies at just prices, and securing financial credits from Banks. Allocation of naptha and other coal products is based now on the quantity of fish unloaded at market.

67. The Ministry has been asked to revise the procedure of granting Hunting Permits; under Fascism Permits were issued by the Questura only after C.O.N.I., the Sports Federation Headquarters, approved the request. This undemocratic system has been changed, and now the Questure only will be responsible for the issuance of the Permit.

INDUSTRY SUB-COMMISSION.

68. Forward: The main objective of the past month's work in this Sub-Commission has been to effect the transference of the executive work from the Sub-Commission to the Italian Ministry of Industry, Commerce and Labour. The following steps have been taken towards this end.

69. Firstly, the representation of the Sub-Commission within the Ministry of Industry, Commerce and Labour has been further strengthened in order that continuous daily liaison may be maintained not only with the Minister himself, but with the various industrial experts working under him in the Ministry.

70. Secondly, regular weekly conferences are now held every Wednesday between the Minister, supported by his experts to advise him on technical matters on the Agenda, and the Acting Director, who has the assistance of the appropriate expert officers of the Sub-Commission. This practice has been found to be very effective both in ironing out difficulties that may arise with the Italian Government and also in accelerating the clearing up of outstanding matters.

71. Thirdly, arrangements have been made by the Italian Government for the selection of individual experts to deal with the more essential key industries - who can work side by side with the officers of this Sub-Commission who may have that particular industry under their control. As yet, however, it has been found impossible in certain situations for this Sub-Commission to hand over all its executive work. An example of this is the cement industry where the military services involved notified ACC that they were prepared to hand over various of the less efficient cement plants. As in some instances the military merely withdrew their control and at the same time stripped the factories of their stocks of coal, clinker, gypsum, sacks and even leather belting, the Sub- Commission had immediately to take on executive responsibility and arrange for an emergency programme for the production of cement for civilian needs.

72. Governmental Decrees: Work during the month has been concentrated mainly on three forthcoming decrees by the Italian Government.

73. The first, and the most difficult, was the decree for the control of the hemp industry and the manufactured products thereof. These were finally agreed between

Declassified E.O. 12356 Section 3.3/NND No. 785046

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74. The second decree deals with the control of the leather industry by means of a rigid control of the flow of tanning materials to the tanners. This decree has now been agreed between the Government and this Sub-Commission and its publication is pending. New prices for leather were finally agreed and approved, and it is considered that the final settlement of prices will have the effect of markedly increasing the availability of this commodity.

1127
Declassified E.O. 12356 Section 3.3/NND No. 785016

75. The third decree to be mutally agreed between this Sub-Commission and the Government was the decree regularising the position of the Ente Zolfi Siciliani.

76. Reports: The main report drafted by this Sub-Commission during the month was the first part of the Emergency Programme for Industrial Rehabilitation. This report, which had to be completed within a very short space of time, taxed the energies of all the officers of the Sub-Commission to the utmost. It covered six key industries and outlined the Sub-Commission's programme for the rehabilitation and maintenance of these industries during the calendar year 1945.

77. The second in importance of the reports prepared by this Sub-Commission during the past month was that which was compiled for the representative of UNRRA. This report gives a brief history of the activities of the Sub-Commission since the beginning of the campaign up to date, and enumerated at some length the difficulties which confronted it and the steps taken to overcome them. It also embodied on broad lines the Sub-Commission's proposals for the future.

78. Surveys: Amongst the many surveys compiled by the officers of this Sub-Commission during the past month the two most important are that of the C.I.S.A. Viscosa Factory at ROME, where it is hoped that next year both rayon and fiocco can be produced, and of the Soda Solvay Works at ROSSIGNANO where the production of caustic soda will be eventually possible on a large scale. The problem of the manufacture locally of carbon bisulphide has been actively studied and a programme evolved for its production, which is in course of implementation.

79. Industrial activities: During the month under review the battle area has remained substantially unchanged, no new centres of industry or important plants have been liberated, and attention has largely been directed to amplifying action already initiated or to completing information previously available only in part.

COMMERCE SUB-COMMISSION

Materials Division.

80. Owing to greatly reduced personnel, especially in Southern Region, great difficulty is being experienced in dealing with current work. It is hoped to assign Italian officials to act as co-ordinating agents in the Provinces.

(a) Leather: Considerable belting has been produced by four factories operating in Regions III and IV. Prof. Enrico Simoncini was appointed Commissioner for leather for all Italy, being responsible for leather operations and control.

(b) Tobacco: No sea movements of tobacco were made during August. The ship "Senio" was procured through efforts of Commerce Sub-Commission to carry a three months supply of tobacco to CATANIA and PALERMO during first week of September.

(c) Matches: Arrangements have been completed for the distribution of matches throughout Italy by the national organisation of Consorzio Industrie Fiammiferi (C.I.F.) including all those domestically produced and imported from abroad.

(d) Paper: An AFHQ (I) Board meeting, held on 21 August decided to remove from the list of controlled items sheet and rolled paper of all kinds, except printing paper. Newsprint situation continues to be acute. No imports have been received

Declassified E.O. 12356 Section 3.3/NND No. 785016

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(e) Textiles, Clothing and Shoes: Jurisdiction over textiles owned by various merchants and held on the premises of the Consorzio Italiano Manufatti was turned over to the Italian Ministry of Industry, Commerce and Labour. Repair rate of salvaged shoes has been increased to 6000 pairs per week during the month. The Pirelli plant has started manufacture of rubber soles and heels.

Resources Section:

81. A method of procedure is in course of preparation whereby the discovery of controlled materials will become the responsibility of the Italian Government in AMG territory.

Declassified E.O. 12356 Section 3.3/NND No. 785016

1130

Requirements and Release Section.

82. Important materials such as cement, nails and commercial gases remain in critically short supply. It may prove expedient, after approaching the Director of Works and P&S, to indent for imports to fill essential civilian requirements.

Fuel Section.

83. Owing to the move to ROME it was necessary to invent a modification whereby the existing circulation permits and petrol ration cards could be extended until the end of September. It proved impossible to get permits and ration cards printed in time to issue for 1 September.

Foreign Trade Section.

84. There has been difficulty in obtaining shipping. Quantities of goods are awaiting shipment, but lack of an Export Officer on the East coast of Italy retards all exports considerably. The first consignment of silk cocoons from Turkey has now arrived and will be distributed to filatures for reeling.

Price Section.

85. There is increasing interest on the part of the Government towards standardizing procedures relating to prices. The situation with respect to landed costs of imported supplies is still confused owing to AFHQ being unable to notify us as to landed costs of many items, forcing us to make our own estimates. An inter-ministerial committee has been set up by the Government and it is hoped that this will form a nucleus for more extensive price work in months to come.

SHIPPING SUB-COMMISSION.

86. During the month of August the chief subjects with which the Shipping Sub-Commission was concerned were : .

(a) The alteration in the operation of schooners.
(b) The planning of ACC requirements.

87. (a) As an initial step towards the operation of schooners a meeting was held at which it was mutually agreed that of the total of approximately 60,000 tons of schooners 25,000 tons would be allocated to the RASC and Water Transport Companies for Services requirements.

(b) All schooners over 500 tons to be allocated to P.S.T.O. Med. for operation as an addition to the coaster fleet for Services requirements, and small schooners presently utilised by the Navy for harbour craft to be continued in that service.

(c) This left a total of some 27,000 tons d.w. of schooners available for civil requirements, under the direction of the Allied Control Commission. In order that a complete control could be maintained as to the cargoes these vessels carried, a Schooner Control Committee was set up comprising a representative of COGENA., a representative of ACC and a representative of the Mediterranean Shipping Board. This Control commenced functioning on 17 August, and up to date has

Declassified E.O. 12356 Section 3.3/NND No. 785046

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88. So far as the planning of requirements is concerned, this has now been presented and is under examination at AFHQ. It totals some 90,000 tons for the month of September, but gives priorities which will probably reduce the quantity considerably below that figure. On examination the Ministry of War Transport has agreed that it will be responsible for the tonnage under its own control for the carriage of timber from Southern Italy to Sicily to make lemon and orange boxes for shipment to the UK. A representative of the Ministry of War Transport will proceed shortly to co-ordinate these shipments.

1131

Declassified E.O. 12356 Section 3.3/NND No. 785016

89. It is obvious, however, that this programme as presented by ACC will not be possible of fulfilment by ordinary schooner traffic, and a complete examination, therefore, is being made as to what contribution can be made towards it by a reduction in the military traffic or the allocation of outside shipping at the expense of other programmes. It will be several days before clarity on this subject is achieved. The main items, however, continue to be coal from SARDINIA and phosphates from TUNISIA. The Ministry of War Transport in LONDON, under pressure from the Mediterranean Shipping Board, has agreed to allocate five vessels approximately 5000 tons dw. each, which vessels will be utilised for these commodities.

90. As a matter of general interest on the shipping situation, ten Italian steamers have now arrived in GIBRALTAR from SPAIN, and one in CASABLANCA from PORTUGAL. These are being put into a fit state at GIBRALTAR to proceed to South Italy, but it is likely that extensive repairs will be necessary before they are fit for service.

1132

Declassified E.O. 12356 Section 3.3/NND No. 785016

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1133

Declassified E.O. 12356 Section 3.3/NND No. 785016

PART III

ADMINISTRATIVE SECTION.

1. Defascism: The Italian Government has expressed itself as not dissatisfied with the progress that it is making in two spheres of defascism, the punishment of those who have lent themselves to breaches of the old constitution or have obtained benefits improperly, and those who have corruptly obtained material benefits.

2. It has, however, expressed its dissatisfaction with the present method of purging the administration which is based on the individual consideration of each case. It is a lengthy process and includes the suspension of the person whose case is being investigated. An alternative method therefore is being considered to ensure the quick purging of officials.

3. Proposals for dealing with private firms and companies under Fascist control are under discussion.

4. Mine Clearance: A programme for the instruction of civilians in this work has been drawn up by the Ministry of War and approved in principle by this Section. These instructional squads of soldiers will be available on 15 September and will form centres of instruction in areas situated close to the more heavily mined areas. On completion of the instruction at the end of September the students are to be formed into working parties for mine clearance work. Some difficulty is being encountered in procuring the necessary equipment and transportation.

INTERIOR SUB-COMMISSION.

5. Local Government: A summary has been prepared and issued to AMG Armies showing the primary steps necessary to reorganise local government. Italian official appointed to take charge of the Administration of ELBA.

6. Prefects and Officials: Arrangements were continued for maintaining supply of Prefects and other officials who may be required for forward Provinces, including planning for the 45 Provinces still in enemy hands. To meet shortage of Prefects the Ministry has been urged to promote efficient Vice-Prefects and suggestions have been made for transfer of Prefects. New Prefects and other officials sent to ASCOLI, ANCONA, FLORENCE and LIVORNO.

PUBLIC SAFETY SUB-COMMISSION.

7. Policing Forward Areas: Mobile CC.RR attached to Armies have continued their good work in policing newly occupied territory. As they move forward their places are taken by those supplied from replacement centres. A new centre has now been established in FLORENCE to hold 2200 and arrangements are in hand to form another centre at ANCONA. The SCAOs of FIFTH and EIGHTH Armies have expressed their satisfaction at the excellent services rendered by CC.RR under difficult conditions.

8. Patriots: A good deal of the time of Public Safety Officers in forward areas has been occupied in dealing with patriots. The difficulty has been to distinguish between genuine partisans and undesirable characters who seize the opportunity to form themselves into armed bands, robbing and plundering the country side. By constituting the CC.RR as the law enforcing authority and withdrawing weapons from

Declassified E.O. 12356 Section 3.3/NND No. 785046

considered to ensure the quick purging of officials.

3. Proposals for dealing with private firms and companies under Fascist control are under discussion.

4. Mine Clearance: A programme for the instruction of civilians in this work has been drawn up by the Ministry of War and approved in principle by this Section. These instructional squads of soldiers will be available on 15 September and will form centres of instruction in areas situated close to the more heavily mined areas. On completion of the instruction at the end of September the students are to be formed into working parties for mine clearance work. Some difficulty is being encountered in procuring the necessary equipment and transportation.

INTERIOR SUB-COMMISSION.

5. Local Government: A summary has been prepared and issued to AMG Armies showing the primary steps necessary to reorganise local government. Italian official appointed to take charge of the Administration of ELBA.

6. Prefects and Officials: Arrangements were continued for maintaining supply of Prefects and other officials who may be required for forward Provinces, including planning for the 45 Provinces still in enemy hands. To meet shortage of Prefects the Ministry has been urged to promote efficient Vice-Prefects and suggestions have been made for transfer of Prefects. New Prefects and other officials sent to ASCOLI, ANCONA, FLORENCE and LIVORNO.

PUBLIC SAFETY SUB-COMMISSION.

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9. Public Security: Questori have been sent from a reserve pool in ROME to Provinces at the request of Army SCAOs or RCs. Inspectors from the Ministry of the Interior have been despatched to report on public security conditions in SICILY, SARDINIA and SIENA.

Declassified E.O. 12356 Section 3.3/NND No. 785016

10. Rations, Uniform and Equipment: Complaints that the rations allotted to Finance Guards and Agents of Public Security are inadequate are being sympathetically examined with the Sub-Commissions concerned. The uniform and equipment of all police agencies is still unsatisfactory, especially as regards transport. In spite of these onditions the police carry out their duties loc**a**lly.

11. Epuration: Commissions have been set up to carry out the epuration of all Police, Fire Brigade and Prison officials. As yet these Commissions have made little progress. All OVRA officials and agents will be suspended from duty until their cases have been examined by the Public Security Epuration Commission.

12. Prisons: The problem of Italian Military prisoners which threatened to create acute overcrowding in civil jails has been solved. Although Italian Military prisoners will become a civilian responsibility after 30 days imprisonment, they will be kept in military jails. In many districts the prison population is decreasing owing to the expiration of sentences imposed by AMG in 1943. In SICILY as a result of the special drive on grain collection, overcrowding has increased. The repair work on four damaged prisons is being speeded up. If necessary, stockade prisons will be constructed in SICILY.

13. Control of Civilian Movement: In consequence of the handing over of new territory to the Italian Government, the instructions regarding civilian movement have been revised and consolidated in Executive Memorandum No.77. Civil Affairs Officers, Italian officials and the Italian public have been notified of the existing restrictions.

PUBLIC HEALTH SUB-COMMISSION.

14. General: The Italian Government has undertaken the rehabilitation of hospitals.

15. Supplies: Glass tubing is urgently required for the packing of biologicals produced locally.

16. Disease:

(a) Typhoid epidemic at BENEVENTO is being investigated and prophylactic measures have been instituted.
(b) V.D. the campaign continues.
(c) Typhus. The Typhus Control Unit will, during the autumn, instruct local teams throughout Central and Southern Italy in typhus control measures.
(d) Smallpox figures in NAPLES City and NAPLES Province show a definite decrease.
(e) Malaria. The work of the Malaria Control branch has been outstanding and has resulted, almost everywhere, in a marked reduction of cases as compared with 1943.

17. Veterinary: Foot and Mouth Disease and Swine Fever are both wide spread and steps to combat them have been taken. Supplies of veterinary biologicals have been distfibuted.

18. Welfare: The Ministry of Interior has increased the rates of assistance to political ex-internees.

declassified E.O. 12356 Section 3.3/NND No. 785046

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18. Welfare: The Ministry of Interior has increased the rates of assistance to political ex-internees.

19. Health: Infant mortality figures in ROME are high but it is anticipated that the distribution of powdered milk will result in a decrease in these figures.

LEGAL SUB-COMMISSION.

The following is a summary of activities during the month :-

20. Office of Chief Legal Officer: Handling of all legal matters connected with restoration of territory on 15 August. Consideration of "Sanctions against Fascism". Examination has been given to the attitude of Italian Military Tribunals at BARI toward trial of cases involving Allied interests. Consideration of duties and functions of Property Control.

1137

Declassified E.O. 12356 Section 3.3/NND No. 785016

21. Office of Chief Counsel: Preparation of revised proclamations 1, 2 and 4. Revised General Order No.2 and General Order No.32 (agricultural rents). Examination proposed decree for restoration of property and other rights taken away by Fascists legislation on racial or political grounds.

22. Italian Branch: Supervision of the "Epuration" of the Magistracy under the provisions of DLL 159 of 27 July. Contacts with ROME Jewish and Intergovernmental Refugee Committees on draft law to repeal racial legislation. Settling text of draft decree of marriage of members of Allied Forces in Italian territory. Determining the functions of Property Control in relation to the evolution of Italian administration. Extension of Italian Amnesty decree to territories restored to Italian Administration.

23. Office of Chief Judicial Officer: AMG court in Region II condemned Gaudie Martiere to 28 years imprisonment for murder of an Allied soldier and De Birade Michele to 20 years imprisonment for sabotage.

EDUCATION SUB-COMMISSION.

24. Italian Government Territory: This territory has required recently little attention. We are having to help in regard to the large new printing of textbooks (375,000 in PALERMO; 1,120,000 in NAPLES).

25. Region IV: LITTORIA, FROSINONE and ROME Provinces were handed over to Italian Control on 15 August. School lunches were served to 8,757 school children and plans are under way for increasing this number; 546 school administrative officials have been examined for fascism, of whom 175 were suspended. The printing of 1,039,000 elementary school textbooks for Region IV and V was launched. VITERBO, RIETI and TERNI Provinces are on their way to being in as favourable a situation. All school departments are functioning vigorously; many communes opened summer sessions. PERUGIA was visited and preliminary steps taken toward getting the educational machinery to function. Epuration proceeded at the University of ROME and examinations were held. Preliminary work was started at the two Universities in PERUGIA.

26. Region V: Eight Provinces are organized for the reopening of schools. School heads appointed; vetting under way; budgets prepared; directives issued; Sindaci are getting school quarters in shape; Fascist books are being confiscated. Conditions at the two Universities in MACERATA Province were investigated.

27. Region VIII: GROSSETO and SIENA Provinces were organized, defascising is proceeding, plans are completed for re-opening of schools. Preliminary arrangements are under way for the printing of 1,039,000 elementary school textbooks for Regions VIII and IX. The University of SIENA was the victim of an Army requisition.

28. Regions in General: A meeting of Regional Education Officers and the HQ Staff was held early in August. The two most urgent problems now before schools in both Italian Government Territory and Military Government Territory, are the printing and distributing of the millions of elementary school textbooks, and the making of buildings available and weather-tight for the winter.

PROPERTY CONTROL SUB-COMMISSION.

29. General: On 8 August Insurance Section, Finance Sub-Commission, assumed full responsibility for all Insurance Companies in Italy and PC was relieved of this responsibility.

1138

Declassified E.O. 12356 Section 3.3/NND No. 785016

Maximum to 25 years imprisonment for murder of an Allied Soldier and De Martino to 20 years imprisonment for sabotage.

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30. Regions: Reconsignment of properties to owners is going forward at an increasing tempo. Property Control offices in Regions II and VII were closed and records and files moved to office of RCP, Southern Region. In Region IV, RCP took into protective custody properties of numerous Fascist Organisations. The work of examining and completing records of United Nations' properties is nearing completion. In the FLORENCE area some difficulty was encountered because of operational activities. Much evidence of pilfering and looting was found.

1136

Declassified E.O. 12356 Section 3.3/NND No. 785016

MONUMENTS, FINE ARTS & ARCHIVES SUB-COMMISSION.

31. Region IV: Inspections of the damaged sites in LITTORIA and FROSINONE Provinces, and VITERBO. In most of these cases repair projects have been difficult to initiate because of shortage of material and labour, both of which are needed by other claims in the devastated regions.

32. Deposits of Works of Art in the vicinity of FLORENCE: Steps have been taken to guard and check over the works of art placed in the deposits in the country South of FLORENCE. There are 23 such deposits around FLORENCE. Eight of these were accessible, the rest were in enemy territory. In FLORENCE, steps have been taken to salvage valuable records from the ruins of buildings mined by the Germans. Italian Superintendents have been organised to assist.

33. Region III: Final arrangements for the handing over of this Regions work to Italian Authorities have been made.

34. Art Exhibition: An exhibition of masterpieces of European Painting was opened in the Palazzo Venezia, ROME.

1140

Declassified E.O. 12356 Section 3.3/NND No. 785016

PART IV

POLITICAL SECTION, PUBLIC RELATIONS BRANCH AND INDEPENDENT SUB-COMMISSIONS

POLITICAL SECTION.

1. On the 15 August the Provinces of LITTORIA, FROSINONE and ROME (including the capital) were handed back to the Italian Government. On the occasion Bonomi issued a statement, rather sober in nature, in which he asked the Italian people not to expect miracles but assured them that the Government was well aware of the task confronting it and willing to tackle it. It may be said that the Government has indeed worked very hard during the month. The Council of Ministers has met frequently and dealt with some major matters. It has set up a committee for national reconstruction, realising fully that at the moment emergency measures must take precedence over long range planning. It has sanctioned the nomination of special commissioners for "concessionary enterprises affecting the public services or engaged in activities recognized to be of general interest" and on 31 August announced its intention of complying with the request of the CGIL delegates (presented 9 August) to take some action, in cooperation with the Allies, to protect the workers against the rising cost of living. And, in the meeting of 31 August, it avowed its intention to attack the Sicilian question laying plans for "strengthening the administrative apparatus" of the island with a view to combating the Separatist movement and to proceed to "concrete and organic resolution of the latifundia problem". These are only the principal activities; there were the usual routine and administrative matters. Epuration has proceeded with vigor, the most sensational event being the suspension of 309 out of the 420 senators.

2. Party life has also been full and in general events of the month have clarified the aims of the various elements. Noteworthy was the "alliance" of the Socialists and Communists (8 August) who announced a common programme for more active participation in the war, intensification of application of anti-fascist sanctions and protection of the workers against their difficult economic straits and dangers from reactionary forces. Their avowed hope is to bring the Christian Democrats (with whom they are already working in harmony on the labour front) into the pact but the latter have so far not given their assent. The Liberals followed suit, announcing on 13 August their fusion with the old Democratic Liberal party, an old pre-war group of some strength particularly in the South. This fusion is particularly interesting as it brings into the Government representation from a group outside the Committee of Liberation; an action which the Leftist parties view with some suspicion, Nenni calling the Liberal Democrats "a Trojan horse within the citadel of democracy". The young and hopeful Catholic Communists received another blow when it was categorically stated by Cardinal Salotti that the terms Catholic and Communists were mutually contradictory.

3. In the matter of foreign affairs the month has seen a crescendo in Italy's anxiety about her future. Demands have been repeated that the Allies should clarify their policy and at various times specific requests have been made in the press for Allied status, Lend Lease, UNRRA and permission to put more Italian troops in the field. It was widely understood that Signor Bonomi took advantage of Mr. Churchill's visit, which was followed with intense interest, to put at least some of these demands directly to him. Interest has been kept high by a series of speeches or gestures from the Anglo-Saxon world. Mr. Churchill's visit was of

Declassified E.O. 12356 Section 3.3/NND No. 785046

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4. On 25 August Signor Soleri, Minister for Treasury, gave a press conference in which he discussed with some frankness the financial situation of the country, pointing out among other things that Italian finance could not be established on any solid basis until the currency situation was clarified and for that the cooperation of the Allies was essential. This was taken up by the press and a statement

Declassified E.O. 12356 Section 3.3/NND No. 785046

on our currency policy may now be added to the list of things that the Italians would like to have. Their increasing frankness in stating what they want has had some justification - in Italian eyes at least - in the deeds of the patriot bands who distinguished themselves particularly in the fighting around FLORENCE and have thus been a factor in resuscitating national pride. To such a point indeed that Count Sforza, speaking on 21 August, did not hesitate to touch on territorial matters, affirming the "Italianita" of TRIESTE and suggesting that FIUME might well become a free city, the seat of a new league of nations. And the deeds of the Patriots as well as the kind words spoken about the Armed Forces by Allied officers at the last ACC Regional Commissioners' Conference have also served to bring to the fore the plight of war prisoners on which Italians would like action from us.

5. The Regional Commissioners Conference held on 22 and 23 August was for the first time open to the Italian press. Particular attention was given to the reports of the Economic Section and, as said above, the Services Sub-Commissions. Allowing the Italian press to be present may well have had some political value; it was clear from the articles that followed that many Italians had not realised the scope of the work of ACC. Further, the Acting Chief Commissioner's statement that ACC supported the Bonomi Government in the same spirit as that indicated in the statement of the Ministers without Portfolio (issued to express their solidarity at the time of the handover of ROME) was undoubtedly a factor in giving the Government stability and putting an end to any lingering rumours of its approaching dissolution under Allied disfavour.

PUBLIC RELATIONS BRANCH.

6. News Production: Regular press releases were issued to the Italian Press, PWB, Allied correspondents and neutral correspondents on all aspects of ACC activities including UNRRA liaison.

7. Press Conference: The Italian Press was admitted for the first time to the Regional Commissioner's Conference with excellent results. The Branch arranged two press Conferences between Brig. Gen. O'Dwyer and Allied and Italian correspondents, respectively. The former covered the Italian Economic situation and the latter the ROME food conditions and general economic plans. Both Conferences were well received.

8. Journalists:

(a) Italian: Contact with editors of ROME newspapers was maintained to explain ACC policies and to request assistance on problems needing public co-operation. The first ACC/PRB accrediting cards were issued to Italian journalists. Curfew passes were issued to newspaper workers, journalists automobile problems were adjusted, and two Italian photographers were issued with permits to photograph non-military subjects.

(b) Allied: Interviews arranged and information given to some twenty British and American correspondents.

(c) Allied Political Correspondents: The first four arrived and became an ACC responsibility. They represented The Times, Daily Express, and Daily Telegraph, (LONDON), and Tass Agency (Soviet Union).

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1143

Declassified E.O. 12356 Section 3.3/NND No. 785016

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(d) Neutral Correspondents: Weekly background briefings were held.

9. Relations with Italian Government: Publicity was arranged and put into effect for the Italian Armed Forces including the first Allied recognition of Italian war correspondents. Epuration of the Italian Press was carried out in collaboration with the Italian Government Committee, the Federazione Stampa, and Security Branch. Long term arrangements for radio and cinemas were discussed with the Sot_segretariato delle Stampa and the PWB.

Declassified E.O. 12356 Section 3.3/NND No. 785016

10. Miscellaneous: The Allied Publication Board, with concurring PRB vote, froze further issues of newsprint because of shortage of imports. Extensive scheduling of story possibilities made for the March of Time film unit photographing ACC help to Italy. Publishing arrangements made for 75,000 copies of Art Guide to FLORENCE for use of the Troops. Plans started to make films of Italian Army, Navy and Air Force. Contacts maintained with Prime Minister Bonomi and Cabinet members. Regular services of Weekly Bulletin, Daily Rome Digest and Trend of Correspondents' copy continued. Material gathered for history of ACC.

WAR MATERIALS DISPOSAL AND ITALIAN PW SUB-COMMISSION.

War Materials Disposal.

11. The work of this Sub-Commission was for the most part of an administrative nature and the small staff was inundated with requests by individuals and representatives of firms for authority to collect derelict vehicles from the surrounding countryside and roads. A few permits were issued, in the most part, to collect parts from derelict vehicles, and in every case the parts were required so that the work on a certain vehicle could be completed and the vehicle put back on the road to do duty under ACC direction.

12. A reconnaissance was made of the RIETI and ALBANO area. In RIETI an inspection was made of the weapons which had been collected into a small Armament Shop, where an excellent job of cleaning and servicing weapons was being done by Italian labour. The weapons are held at the disposal of the Italian War Ministry.

13. In ALBANO a considerable quantity of water pipe and 30 litre tanks were found and put at the disposal of the Public Works and Utilities Sub-Commission.

14. Workshops in ROME and the immediate vicinity were visited and a check made of salvaged vehicles with a view to ascertaining their ultimate destination.

Italian Prisoners of War.

15. The repatriation of Italian Prisoners of War was increased and the release from PW status of approximately 65,000 paroled PW in SICILY was completed. The number of military PW returned for the month was 1030.

16. Prime Minister Bonomi accepted an invitation to send representatives to visit localities in Italy, and to inspect the conditions under which PW cooperators are employed.

17. Requests for repatriation for specialists, required for Allied Control Commission and Italian Government activities, and a few individual cases justified for compassionate reasons, were submitted for consideration.

18. Plans for expediting certain repatriations were made and a policy of active cooperation with the Italian Red Cross was initiated.

COMMUNICATIONS SUB-COMMISSION.

Declassified E.O. 12356 Section 3.3/NND No. 785046

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COMMUNICATIONS SUB-COMMISSION.

19. Telecommunications:

(a) Telephone: Two additional NAPLES-ROME circuits have been made available, permitting the opening of a restricted service to civil use of this important channel. Many urban telephone services have been restored, including the towns of CAMPOBASSO, ISERNIA, VENAFRO, TERMOLI, LANCIANO, CHIETI, AVEZZANO, AQUILA, TERAMO, ASCOLI, FLORENCE, SIENA, GROSSETO, etc. Inter-urban service limited to intra-provincial calls has been authorised in the Provinces of FOGGIA, CHIETI, PESCARA, AQUILA, TERAMO, AVELLINO, BENEVENTO, CAMPOBASSO, FROSINONE, LITTORIA and ROME: inter-urban circuits are now approaching completion in many areas. Full inter-provincial service is authorised and available in all Provinces south of the above.

Declassified E.O. 12356 Section 3.3/NND No. 785016

(b) Telegraph: Telegraph service has been authorised in all Provinces listed above; in few cases are circuits available, but they are also now approaching completion in many districts. The telegraph service from ROME to the South has been improved, but is still inadequate, and many telegrams from NAPLES and BARI are still arriving by post. Arrangements to effect improvement, which include transfer of equipment from SICILY, are in hand. Submarine telegraph cables to SICILY and SARDINIA have been handed over to the Italian authorities; so far only the SICILY circuit is restored to operation. The Italian Foreign Office has been authorised to resume cablegram communications, in clear or in cipher, with all Italian Missions, etc., abroad, except that in ARGENTINA. (This service was previously restricted to the Embassies at MADRID, LISBON and TANGIERS).

20. Postal:

(a) Internal and foreign mail services have been restored in the additional Provinces of FOGGIA, CHIETI, PESCARA, AQUILA and TERAMO.

(b) PALERMO and BARI were closed as foreign mail transfer ports, leaving only NAPLES, and a few transfers through CATANIA.

(c) Some 17,000,000 letters (about 70 tons), including about 12,000,000 FW letters, have been dealt with in the foreign mail service since the opening of services early this year.

ARMY SUB-COMMISSION.

21. The planning, organisation and initial training of the Italian Combat Groups has gone according to the time programme. The limiting factor has been the provision of equipment. The training scale of arms and vehicles for the first two groups has now been issued.

22. On 10 August, GOC attended a conference at Public Relations for the Italian Army and observer reporters. GOC put forward the urgent necessity for more publicity to be given the Italian Army, not only in its combattant role but in its work behind the lines, providing labour on docks, engineer units, L of C signals, muleteers etc. It was decided that every effort would be made to get the Italian people Army-minded and several interesting articles have since appeared in the ROME newspapers on the achievements and activities of the Italian Army.

23. In an order of the day to the Italian Army, Count Casati, War Minister, reproduced part of GOC's report at the last Regional Commissioners' Conference in which due recognition and praise is given to the Italian Army and urges all ranks to make greater efforts to drive the enemy out of the country.

24. Arrangements are being made for the division of responsibility for rationing the Italian Armed Forces between the British and American Governments. This constitutes an amendment to the last sentence of this Sub-Commission's report for the month of July.

NAVY SUB-COMMISSION

Declassified E.O. 12356 Section 3.3/NND No. 785016

20. Postal:

(a) Internal and foreign mail services have been restored in the additional Provinces of FOGGIA, CHIETI, PESCARA, AQUILA and TERAMO.

(b) PALERMO and BARI were closed as foreign mail transfer ports, leaving only NAPLES, and a few transfers through CATANIA.

(c) Some 17,000,000 letters (about 70 tons), including about 12,000,000 PW letters, have been dealt with in the foreign mail service since the opening of services early this year.

ARMY SUB-COMMISSION.

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NAVY SUB-COMMISSION

25. During the month of August the active cruisers of the Italian Fleet carried out the normal programme of ferrying troops and civilians in the Western Mediterranean. Destroyers and smaller vessels were employed in escort work. The three older battleships returned from Malta and have been reduced to reserve in Italian ports. The work of the TARANTO dockyard proceeded satisfactorily. Supplies of food and medical stores for the fleet were adequate and the introduction of a single ration scale for combat and non-combat troops has simplified administration. As far as possible the Italian Navy utilises its own stocks of Naval Stores and every assistance is given to them to obtain materials from local resources. Essential items not available from these sources are supplied mainly from British Naval stocks. The clothing situation was unsatisfactory and will remain so until the arrival of materials ordered from the United Kingdom, when the Italians will manufacture their uniforms in their own factories.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

26. Steps are being taken to obtain favourable publicity for the work of the Italian Navy, and details which are being worked out in conjunction with the Public Relations Branch include the production of a short film, shewing the w[illegible] of the Italian ships during the past year.

AIR FORCE SUB-COMMISSION

27. The Italian Air Force continued to support the Allied Air Forces actively. The Fighter Wing has been carrying out fighter sweeps over enemy territory and has a good record. The Bomber/Transport Wing continued to drop supplies. The Seaplane Wing continued to work as part of the Mediterranean Coastal Air Force.

28. The Operational Control of the Italian Air Force has now passed out of the hands of the Air Force Sub-Commission. While this loss of operational control is regretted, there is no doubt that it is a sound move, as it ensures complete co-ordination of the effort of the Air Forces as a whole.

29. Under the new Government, General Piccentini has been appointed Air Minister and Chief of Staff of the Italian Air Force.

30. Among many other problems there have been two outstanding ones. Firstly, the ceiling of manpower in the Italian Air Force, and secondly the question of rations. A somewhat arbitrary decision was made to reduce the ceiling from 32,000 to 22,000. This would have had serious repercussions in respect of Italian Air Force personnel on loan to the Allied Forces in substitution for Allied manpower. The ceiling, however, has now been permanently fixed at 31,000.

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1149

Declassified E.O. 12356 Section 3.3/NND No. 785016

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150

Declassified E.O. 12356 Section 3.3/NND No. 785016

File

CONFIDENTIAL

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

MONTHLY REPORT

JULY 1944

General Remarks		Pages 1 - 2
PART I	- R.C. & M.G. Section	Pages 3 - 14
PART II	- Economic Section	Pages 15 - 22
PART III	- Administrative Section	Pages 23 - 26
PART IV	- Political Section & Public Relations Branch, War Material Disposal & Italian POW Sub-Commission, Communications Sub-Commission, Army Sub- Commission.	Pages 27 - 30

Declassified E.O. 12356 Section 3.3/NND No. 785016

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General Remarks		Pages 1 - 2
PART I	- R.C. & M.C. Section	Pages 3 - 14
PART II	- Economic Section	Pages 15 - 22
PART III	- Administrative Section	Pages 23 - 26
PART IV	- Political Section & Public Relations Branch, War Material Disposal & Italian POW Sub-Commission, Communications Sub-Commission, Army Sub- Commission.	Pages 27 - 30

1152

Declassified E.O. 12356 Section 3.3/NND No. 785016

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

CONFIDENTIAL

Ref/498/CA.

30 August 1944.

MONTHLY REPORT FOR JULY

General Remarks

1. July is the harvest month in Italy and though the wheat was late this year all eyes were turned towards the crop, which in most areas was well above average. The farmers were anxious about labour and gasoline for their threshing machines: the townspeople thought the generous price for wheat might seriously affect the price of bread (which it has not): the Italian Government and the Allied Control Commission wondered how much of the abundant crop would find its way to the Government grain depots. Generally speaking the harvest has begun well. Imported soldiers of the Italian Army helped the farmers in FOGGIA: helped also to maintain the labour markets for the Allied military authorities and to keep down exorbitant demands for wages by the harvesters. Where gasoline and oil was lacking the farmers reverted to the customary method of treading out the wheat by oxen. The intensive campaign for Granai del Popolo continued and collections of grain began to come in. Strenuous efforts by the officials of Allied Control Commission and in most (but not all) areas, by Italian Government officials, have been made to start the campaign with success. It is too early to prophesy the results.

2. Established in ROME, with the Headquarters of the Allied Control Commission alongside, the Italian Government had its first opportunity of functioning in the capital of the country and with the proper machinery of Government. The focus naturally turned to ROME and conditions in ROME were regarded as a mirror of those throughout the country. This is not so. ROME was not occupied until June 5th and although the city has suffered little material damage, much dislocation has taken place which can only be remedied in time. Conditions in South Italy and in the Provinces outside ROME are undoubtedly better than within.

3. In the North, AMGs with both Armies have done outstanding work. Their problems were manifold, but they overcame them. Law and order were kept: food was supplied in spite of grievous shortages of transport: refugees were passed back for dispersal in neighbouring Provinces: patriots, a new problem, were dealt with tactfully and firmly.

4. The procedure of Provincial teams, from the Region, rapidly following up and sometimes accompanying the AMG staffs in the Armies has proved successful.

5. AMG Regions have continued to employ to the maximum the Italian machinery and personnel of local government, who generally have been helpful and effective in spite of grave difficulties caused by devastation, lack of communications, and mines. Civilian casualties from these remnants of battle have been tragic and numerous.

1153

Declassified E.O. 12356 Section 3.3/NND No. 785016

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6. In the areas handed over to the Italian Government the reduction of Allied officers of the Allied Control Commission has been maintained gradually: the props on which the Italian Local Government is so prone to lean are being withdrawn and more responsibility is thrown on to the local authorities. There are some, especially in the cities, who think that the withdrawal is premature. But it is essential if the policy of the Allied Nations is to be implemented: and experience shows that it is right.

Declassified E.O. 12356 Section 3.3/NND No. 785016

7. At the end of his last report on Sicily, Colonel A. N. Hancock, the Regional Commissioner, writes as follows :

"SICILY has now been under AMG or ACC counsel for just over one year. Perhaps the greatest fault - or is it praise - that can be found in Region I is a too rapid return to a state of normal peacetime economic activity together with local politics and slow administration. As for over three thousand years, SICILY still suffers from internal disunion and too great a spirit of selfish independence and local patriotism. The grain campaign - which is still being run under the High Commissioner even if greatly aided by ACC pressure - will be the touchstone of SICILY's ability or failure to administer herself. For the future, the prosperity or poverty of SICILY is a matter for SICILY herself to make - there is little more ACC can do for her. "

8. This will become true for the areas in Italy as time goes on.

9. The two problems which face the Commission are food and transport. In the South the peak of the food problem can be said to have passed - so long as the new crop can be distributed. North of the Garigliano in the devastated areas, food is not so plentiful: the basic bread ration from this line to the front line is 200 grams compared with 300 grams in the South. Other forms of food are as short. The same applies to ROME. In the country districts to the East and North of ROME the general food situation is easier, though the basic bread ration remains at 200 grams. Transport is the difficulty. It is inadequate. Food cannot be brought from the producer to the consumer areas. It is even difficult to carry petrol to the threshing machines and grain from the threshing floors to the collection depots.

Declassified E.O. 12356 Section 3.3/NND No. 785016

PART I

R.C. & M.G. SECTION

AMG FIFTH ARMY.

1. The end of July found the Army on the banks of the Arno, with the Southern portion of PISA in our hands. The capture of SIENA intact on the 2nd July was followed on the 20th by the fall of LIVORNO with the port area in a ruinous state but the rest of the town mainly undamaged. During the month the latter remained under intermittent shell fire.

2. In SIENA the usual problems of power, light and water presented themselves, the former impossible to deal with at present, while the latter promised to be in fair order in about a month. Banks were sound, lacking only currency. They were opened on 20th July. The University was closed for summer vacation and so presented no problem. Being the centre of a rich agricultural district the food situation was not pressing. SIENA was handed over to AMG Eighth Army on 22nd July.

3. The supply situation grew more satisfactory during the month as the much needed items such as salt and sugar came through. The Army is in a corn growing area with an excellent harvest being gathered, so import of flour is not an immediate necessity. POL is being distributed to promote grinding of flour locally thus relieving transport. In SIENA the stockpile for FLORENCE was established and with the opening of PIOMBINO and the retention of an RASC Transport Coy until replaced, the situation is not unsatisfactory.

4. LIVORNO does not present as bad a picture as was at first thought. There is a possibility of getting an alternative supply of water for some 60,000 people and as the present population is 35,000 against a normal 140,000 the situation will be well covered. There is a fine hospital with a potential capacity for 2,000.

5. The patriots have been most useful. In LIVORNO they marked minefields and acted as guides and police. They respond to tactful handling and the issue of certificates and proclamations has a very good effect. Similar services were rendered elsewhere but at SIENA they presumed complete political freedom even within sound of the enemy guns. Patriot Liaison Officers sent by HQ ACC were very welcome. Some Italian officers have been sent up by the Ministry of War to facilitate enlistment in the Italian Army.

6. In other branches affairs remain satisfactory. The Granai del Popolo collections are good. There is a little hooliganism but crime in the towns shows no unusual increases.

AMG EIGHTH ARMY.

7. The rate of advance slowed down during the month mainly owing to the increased resistance offered by the enemy in the hills South of FLORENCE. By the end of the month, however, the whole of the Provinces of SIENA and MACERATA and most of AREZZO, PERUGIA and ANCONA had been occupied. This meant a population of about 2,000,000 under Army AMG administration. These provinces are mainly agricultural and have not been greatly disturbed by war. They are self-subsisting as regards grain, oil and vegetables. Harvesting is proceeding but has been hampered by

Declassified E.O. 12356 Section 3.3/NND No. 785016

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8. The Provinces of RIETI and TERNI were handed over to Region IV on the 10th and 30th July respectively.

9. Of the places occupied during the month one was the port of ANCONA where only 6,000 people were found on arrival out of a population of about 90,000. 35% of the town has been destroyed. The once attractive town of AREZZO was reported 30% destroyed and had a population of 1500 out of the normal 31,000. The Prefect was not there to welcome the Allies but fled with funds belonging to the Province to the tune of 17,000,000 lire.

Declassified E.O. 12356 Section 3.3/NND No. 785016

10. Many patriots were encountered and although a few were troublesome the majority were disarmed without incident and were cooperative. Some assisted to gather mines and explosives and others even volunteered to rebuild the railway from TERNI to TODI.

11. TERNI has a very considerable labour problem. The steel mills have been totally destroyed and the 7,000 employees have little prospect of returning to their old employment for a long time to come. This is the first purely industrial town to be encountered and therefore emphasises problems which will arise if similar destruction occurs in the industrial north.

12. Useful work has been done in the whole area by Italian welfare organisations although they have been handicapped by lack of supplies. They have shown themselves calm and efficient under great difficulties.

13. More refugees have been encountered, which is to be expected when an advance slows up, when they come over to us from no mans' land and the devastated areas in the battlefield zone.

REGION I (SICILY)

14. During July the grain campaign overshadowed all other forms of activity in Sicily absorbing AOC, the Italian Army, Carabinieri and Government officials, as well as affecting politics, Separatism and crime. Even the black market has reacted to the new conditions. It brings back memories of the first efforts to feed Sicily just a year ago.

15. The quota of grain to be collected this harvest has been fixed at 3,100,000 quintals, sufficient to feed the rationed part of the population for one year. By 30th June 6802 quintals had been collected; by 31 July this figure had risen to 234,251 quintals. Great difficulties beset the collection of the grain and already nearly 5000 persons have been denounced for infringement of regulations with confiscations amounting to over 10,000 quintals. Transportation facilities provided for the Granai del Popolo have been adequate but tyre troubles are severely felt.

16. In the field of politics Separatism has been more subdued this month in a belated attempt to appease the authorities and particularly the new High Commissioner - Aldisio, who is credited with the intention of crushing the Movement.

17. After a year as the first part of Italy and Europe to be liberated it seems that Sicily is likely to miss the greatest opportunity in her history of becoming an important part of Italy. Many of her difficulties are of her own making. Internally disunited and ultra-political she is unready to make common cause with the mainland and share its burdens, whilst her actions arouse deep suspicion on the part of Italians. A great deal depends on the influence of the High Commissioner in the next six months, for by firm handling he can do much to steer Sicily to a brighter future.

18. It is not generally realised that Sicily has already a lively export trade. The value of goods exported to the principal buyers in the last twelve months is as follows :

Great Britain 343,666,110 lire.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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Great Britain	343,666,110	lire.
U.S.A.	21,626,000	"
Malta	242,614,225	"

Nearly all the commodities exported are the products of the fertile soil and include items such as lemons (525,892 cases), lemon oil (180,000 Kgs.), nuts, oranges and orange oil.

19. Prices and cost of living continue to rise and taking the index figure for January 1944 as 100, in June it had increased to 129,95.

Declassified E.O. 12356 Section 3.3/NND No. 785016

REGION II (APULIA, LUCANIA)

20. The Communist party has continued its ascendancy to the point where it is now provocative. This is most marked in POTENZA and BRINDISI Provinces. Previous uneasiness has turned among the intelligent classes of Italians to fear that some violence will occur if the Allies do not stand near them. Provincial governments still lack teamwork and initiative as they do not feel the staunch backing of the present Italian Government. They have become more suspicious lately that the Allies will leave them "on their own" entirely, despite assurances to the contrary.

21. In the majority of provinces the collection of wheat is well ahead of normal and MATERA Province has already exceeded its total collection for 1943. Barley collection is somewhat behind, for the reason that producers are awaiting a decision of the Italian Government on their appeal that Barley should be considered as food for livestock in many localities.

22. Otherwise, in the grain collection campaign, almost all the problems have been solved with satisfaction except transportation and policing. The transportation problem, rail and motor, with continued shortage of gasoline, tyres and spare parts has become more acute than before. This shortage has now reached the point that the successful collection and distribution of grain is dependent largely upon how quickly and in what quantity rail transport and/or transport can be made available.

23. The Carabinieri and Questura have proved fairly effective in providing police for the grain campaign. Road blocks are in operation throughout the Region. Many arrests for grain violations have been made and more than 1,000 quintals of grain has been confiscated by these road block groups.

24. The food situation in this Region remains satisfactory.

25. The supply of leafy vegetables has lessoned, but tomatoes and melons are fairly plentiful. Fruits remain satisfactory.

26. The wine surplus in APULIAN Provinces remains unchanged or in a worse position. Producers are now beginning to pour it out to make room for the new crop. There is still an excess of 300,000 tons remaining in the Region.

27. The new crop of grapes, almonds and tobacco continues normal in condition.

28. The usual labour unrest prevails in TARANTO Province. Otherwise, no serious labour disputes have occurred.

29. A few small imbroglios occurred among troop units. Chiefly between Italian soldiers and French Colonial troops in BRINDISI and TARANTO Provinces. In each instance local commanders and ACC officers handled the situation and managed to prevent serious disorders on a large scale.

30. The civilian population as a whole remains orderly.

31. The general health of the people continues to be very good. For the third successive month there has been no outbreak of an appreciable nature of any communicable disease.

160

Declassified E.O. 12356 Section 3.3/NND No. 785046

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32. The small epidemic outbreaks of foot and mouth disease in TARANTO, MATERA and POTENZA Provinces now appear to be stabilized.

33. During the month the Italian Provincial Committees have handled practically all the Italian refugee problems in this Region. Large numbers of Italian families have been surging into the Region, especially into BARI, trying to return to their homes in other parts of Italy, especially to NAPLES. This at a time when rail transport was very critical, caused [illegible] conditions.

34. Although there has been an inflow of over 2,300 Italian refugees during July, there has also been an outflow into those parts of Italy where travel is allowed. Therefore, the total refugee population in this Region has probably remained static at around 30,000.

Declassified E.O. 12356 Section 3.3/NND No. 785016

35. The unannounced "freezing" of rolling stock for movement of military supplies during the middle of the month was almost fatal to the distribution of civilian supplies and to the grain campaign. Only by superhuman efforts could grain be moved for bread. BARI and LECCE Provinces are living from hand to mouth insofar as bread and pasta are concerned.

36. There are some healthy signs of competition in trade since ordinary consumer goods formerly hidden are beginning to show in some quantity on the open market. However, transportation difficulties, scarcity of raw materials, and machine spare parts still tend to restrict revival of trade.

37. Prices of ordinary goods remain high and beyond the reach of the ordinary housewife. Bank savings and deposits continue to increase and surplus funds continue to flow into the central bank.

38. Black market dealings in sterling and Blue Seal dollars increased somewhat during the month.

REGION III (CAMPANIA)

39. The various political parties remain active and continue in their attempts to control public offices, but no party has a definite programme or policy and therefore party membership tends to reduce rather than to increase. The general public continues to be more interested in food than in politics. The change to Italian Government and the withdrawal of ACC officers have caused general uneasiness which in some cases amounts to actual fear.

40. The food situation was good until the latter part of the month, when purchases for ROME caused shortages and higher prices. At the end of June the population of the City was estimated to be 932,919 and the number of persons having a right to bread and pasta 835,847. On 30 July the total number of ration cards issued was 886,353.

41. The flour ration was increased from 160 grams to 240 grams per day, consisting of 200 grams of bread and 78 grams of pasta.

42. The olive oil crop is extremely good. It is hoped that mines will be cleared in the northern part of the Region in time to assist in the harvesting.

43. The water system for the City of NAPLES continued to operate satisfactorily and under excellent conditions from source to the pumping stations. Chlorination of the entire water supply has been considered advisable, but has been found to be impracticable because of the lack of chlorine and chlorinating equipment.

44. Coal for the gas works in the City of NAPLES came in quite regularly and two months' supply of coal was on hand at the end of July. The SALERNO gas works commenced supplying gas for heating and cooking.

45. There was a slight lessening of civilian crime. Fewer crimes of violence were reported and black market offences decreased. There were 21 cases of forgery of Allied currency.

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REGION III (CAMPANIA)

39. The various political parties remain active and continue in their attempts to control public offices, but no party has a definite programme or policy and therefore party membership tends to reduce rather than to increase. The general public continues to be more interested in food than in politics. The change to Italian Government and the withdrawal of AMG officers have caused general uneasiness which in some cases amounts to actual fear.

40. The food situation was good until the latter part of the month, when purchases for ROME caused shortages and higher prices. At the end of June the population of the City was estimated to be 932,919 and the number of persons having a right to bread and pasta 835,847. On 30 July the total number of ration cards issued was 886,353.

41. The flour ration was increased from 160 grams to 240 grams per day, consisting of 200 grams of bread and 78 grams of pasta.

42. The olive oil crop is extremely good. It is hoped that mines will be cleared in the northern part of the Region in time to assist in the harvesting.

43. The water system for the City of NAPLES continued to operate satisfactorily and under excellent conditions from source to the pumping stations. Chlorination of the entire water supply has been considered advisable, but has been found to be impracticable because of the lack of chlorine and chlorinating equipment.

44. Coal for the gas works in the City of NAPLES came in quite regularly and two months' supply of coal was on hand at the end of July. The SALERNO gas works commenced supplying gas for heating and cooking.

45. There was a slight lessening of civilian crimes. Fewer crimes of violence were reported and black market offences decreased. There were 21 cases of forgery of Allied currency.

46. Relations with Military Police were good, apart from the French, but conduct of Allied troops did not show any marked improvement. There was too much drunkenness on the part of soldiers and sailors, and many reports of crimes of violence committed by them were received. American Negro troops and French Colonial troops were concerned in a number of these cases, and the conduct of Canadian troops in AVELLINO leaves much to be desired. The increase of French troops in the AVELLINO area caused alarm among the civilian population, and after dark there was in fact a voluntary curfew.

1163

Declassified E.O. 12356 Section 3.3/NND No. 785046

47. Smallpox showed an unseasonable incidence in the Province of NAPLES and BENEVENTO, approaching epidemic proportions in the cities of AFRAGOLA and FRATTAMAGGIORE. 416 cases of smallpox were reported in the Province of NAPLES and 106,913 vaccinations were administered in the Province. Typhoid fever has persisted in all Provinces, but has not been unseasonable.

48. Telephone service from NAPLES to ten other cities was established for Italian Government use. At the end of the month, telegrams could be sent to all parts of Southern Italy, with an average delivery time of two hours. No long distance telephone service was given to the public.

49. Delivery of letters and postcards was established on 1 July to the City of ROME and VATICAN CITY, on 17 July to the Provinces of CAMPOBASSO and ROME, and on the 24 July to the Provinces of FROSINONE and LITTORIA.

50. Cash holdings and deposits with the banks increased.

51. Sales and exchanges for the month exceeded redemptions by 260,000,000 lire. Unofficial meetings of the NAPLES Borsa were inaugurated to stop clandestine dealings. Prices were slightly lower, with the unofficial prices quoted in NAPLES about two points higher than the daily newspaper quotations in ROME, a disparity which no one could explain.

REGION IV (LAZIO)

52. The need to economise in personnel dictated a reorganization in the administration of ROME and at the end of the month ROME Region ceased to exist as a separate entity and was absorbed by Region IV.

53. The month of July was the harvest month over most of the Region. In the Southern Provinces the harvest yield was below normal, owing to war devastation, the withdrawal of labour, and the difficulties caused by minefields. In the Northern Provinces the crop was excellent. Anxiety was felt owing to the absence of POL required for the agricultural machinary, but im fact the Italian farmers, working long hours and using hand methods, have garnered most of their excellent harvest. The outlook for potatoes, olives and grapes remains good.

54. Progress was made im the construction of road bridges. An excellent bridge carrying the Via Salaria into RIETI was built in exceptionally rapid time. This bridge was ceremonially opened by the Regional Commissioner on 10 July. In the Provinces as a whole the Genio Civile got to work on the construction of the many bridges required.

55. Two other problems are of paramount importance: transportation and electric power. On every hand the same difficulties were met with. The lack of transport and the lack of electric power impinged upon practically every aspect of the work of the Region.

56. Political: No very definite developments took place during the month of July. Reports of activities of the Communist Party were received from TERRACINA and from the Province of VITERBO. In neither case was the movement very widespread though potential political tension exists in the numbers of Port workmen evacuated during German occupation from CIVITAVECCHIA to UMBRIA, TUSCANY [illegible]

164

Declassified E.O. 12356 Section 3.3/NND No. 785016

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57. Industry and Commerce: The paper manufacturing Industry in FROSINONE and ROME Provinces is being rehabilitated to supply newsprint, book and other papers sufficient for local consumption and will shortly be able to provide substantial exportable surpluses. Transportation of materials of construction and of raw materials to the plants makes progress slow. Several woollen mills, pasta factories, cement factories and a shoe factory are being resuscitated. Threshing proceeds slowly due to shortage of POL. Spoilage of grain will occur unless supplies of POL are made available more rapidly.

1163
Declassified E.O. 12356 Section 3.3/NND No. 785016

58. Public Utilities: Survey of all generating facilities was made and necessary orders given to initiate repairs. Orders were issued rationing electricity and limiting it to essential users.

59. Postal: Services resumed in ROME, LITTORIA, and FROSINONE Provinces, limited to ordinary letter and P.C. mail not exceeding 210 grams weight. 872 Kgs. of PoW mail was distributed.

60. Public Safety: Rapid strides have been made in the reorganisation of the Police Services, which as a result have regained confidence, and are taking a pride in their appearance. Their efficiency is good according to Italian standards. The prisons have been checked and there is no overcrowding. All courts are functioning and there is no delay in bringing prisoners to trial.

61. Public Health: The general health of the people remains the same as at the time of the last report. Malaria is still on the increase but this is to be expected. Typhoid has been reported in the VITERBO area but vaccine in sufficient quantities has been furnished.

62. Refugees: In the early part of the month there was a threatened wave of refugees from the AREZZO district. On the whole, however, the local inhabitants "Stayed put" even in the battle areas. The main problem was the beginning of a cross surge of uncontrolled repatriation.

63. Opening of Schools: Practically all schools, elementary and secondary, have opened and are functioning in LITTORIA and FROSINONE Provinces - often under unbelievably difficult conditions in makeshift locations. In ROME, VITERBO and RIETI, schools have begun to function in a number of communes which had less than four months of schooling during the year, and the rest of such communes are rapidly being got ready to open schools.

REGION V (MARCHE, ABRUZZI E MOLISE)

64. After the first wild enthusiasm in the Northern Provinces following their liberation, the population remains favourably disposed to the Allies and appreciates the problems facing AMG in the new Provinces.

65. On the whole Italian Provincial Government has taken over administration fairly well. Some changes of Prefects and heads of Departments have been necessary and are to be anticipated from time to time.

66. The rationing system is felt to be unnecessarily rigid. CAMPOBASSO is on a higher cereal ration than other Provinces, which are all grain producers, and this discrimination is likely to affect the collection of grain and to render cereal rationing more difficult in the other Provinces.

67. Despite gloomy prophecies the harvest proceeded satisfactorily. Threshing is hindered by a shortage of POL, due partly to a reduction in deliveries and partly to transportation difficulties. However, it is hoped that the threshing will only be delayed and ultimately all the harvest will be dealt with.

68. Water supply is now generally satisfactory although the restoration of supply to PESCARA City was a particularly big problem. Everything possible is being done to complete repairs before winter sets in. Limited electricity for milling and

Declassified E.O. 12356 Section 3.3/NND No. 785046

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69. Health is very satisfactory and an Italian malariologist has been appointed. Italian welfare organisations are functioning well.

70. Refugee Camps were opened during the month at ASCOLI, TERAMO and CHIETI. As elsewhere there has been an unauthorized movement of refugees which has caused considerable anxiety. A plan for billetting in the Communes is nearing completion and should help to arrest the movement South.

I 167
Declassified E.O. 12356 Section 3.3/NND No. 785016

71. In the Region's new Provinces practically all roads are open to traffic and the Italian civil engineering organization is being reorganized for their maintenance and repair.

72. Telephone and telegraph communications are so much damaged that it will be months before they can be restored. Every effort is being made to get the postal service operating, but the limitation of transport has its effect here.

REGION VI (SARDEGNA).

73. Recent incidents have revealed a tendency towards reprisals against ex-Fascists. Of particular note is the formation of "Action Squads" during a strike at NUORO. These "Action Squads" are somewhat reminiscent of the "Enforcers" of the Fascist regime.

74. The Christian Democratic Party continues to make constant progress. The Party is most active in fighting Communism and is strongly supported by the Clergy of the Island.

75. A new clandestine Fascist sheet has appeared in the latter part of the month. It is entitled "Repubblica Sociale" and is believed to be printed in CAGLIARI. The initial issue attempts to belittle the progress of the Allied Armies by stating that the invasion of Normandy has been a failure and that Allied claims in the Pacific are largely exaggerated. It also speaks of a new "secret weapon" which the Germans will soon bring to bear and which will change the entire course of the war.

76. Strikes took place at NUORO, CAGLIARI, IGLESIAS, and CARBONIA. The CARBONIA strike involved over 8,000 workers. The cause of the strike was :

(i) Protest against the black market and demands for authoritative control of prices.
(ii) Demands for increases in pasta and bread rations.
(iii) Demands for wage increases.

77. The food situation remains fairly satisfactory but the poor suffer considerably from the high prices of foodstuffs in the markets. The normal difficulties in regard to the supply of fresh produce to the population in the more densely populated areas obtained, due mainly to the lack of transportation and inadequate refrigeration facilities. Considerable supplies of fresh fish were available but distribution to the populated areas presented difficulties for the reasons just stated. The shortage of sugar and complete lack of olive oil is very much felt. A small consignment of olive oil is expected shortly from the mainland.

78. Thirty tons of soap has arrived for distribution to hospitals and other institutions. Two tons of caustic soda has also been imported and are being distributed to a soap factory in each of the three Provinces. This should make available a supply of soap to the general public for an estimated period of one month.

79. Orders have been received from Allied Military Authorities for 2,230 tons of various metal products from the metal mines in the IGLESIAS AREA. There is an exportable surplus of breathing and welding oxygen of between 300,000 and 400,000 cubic feet per month but caustic soda and cylinders would be needed if this oxygen was required outside SARDINIA.

I 1 6 8
Declassified E.O. 12356 Section 3.3/NND No. 785016

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80. 288,300 fire bricks and 101 tons of refractory cement was shipped to the mainland for the Allied Forces and further supplies of the above are awaiting shipment.

81. The harvest has progressed normally though somewhat retarded by lack of supplies and materials. Practically no grain will be lost through failure to harvest. Crop yields are only about average due principally to lack of fertilizer.

82. As regards the Granai del Popolo the warehousing of grain began early in July at a slow rate increasing to about 4,000 qtls per day by the end of the month. Provincial Committees have proved valuable in planning but the Communal Committees vary from very good to poor.

1169
declassified E.O. 12356 Section 3.3/NND No. 785016

83. Control is somewhat below a desirable standard due mainly to shortage of Carabinieri and guards, and to scarcity of transport.

84. Threshing has proceeded well but owing to lack of spare machinery parts, more than the usual amount of animal threshing is necessary with consequent reduced control. All grain was harvested without binder twine because the twine did not arrive in time. This, with the shortage of mechanical threshers and difficulty of transporting grain has accounted for relatively slow rate of collection.

85. Prospects for the olive harvest are good and should yield enough oil to meet Regional needs given adequate processing facilities.

86. The condition of roads remains satisfactory although secondary and inter-Communal highways are becoming increasingly worn to the extent of slowing up bus traffic, food distribution and mail deliveries.

87. The transfer of the work and maintenance formerly performed by the AA.SS to the Genio Civile is taking place.

88. The water situation generally continues satisfactory except that for CAGLIARI City which threatens to become critical about October next. The position is being closely watched particularly as this matter is of vital concern to the Allied Garrison.

89. The general health situation in SARDINIA is quite satisfactory. No medical supplies were received during the month but as existing supplies had not been exhausted the delay has so far caused no inconvenience. The primary morbidity rate of malaria with the exception of a few isolated areas, is still well below last year's figures for the corresponding period.

90. Road transportation continues to be hampered by lack of efficient vehicles and spare parts. It is considered however, that Italian officials are not organising existing resources to the best advantage.

91. Inflation is still a burning question but relatively the situation is calmer at the moment, probably due to more food being available. Money is still being deposited with the banks to a satisfactory degree, and revenue returns are increasing.

REGION VII (CALABRIA).

92. Owing to difficult supply position in July it was not possible to distribute the increase of 550 grams per week. However, as from 1st August 350 grams of pasta or flour per week will be distributed to those Communes which have had a satisfactory return of ration cards, and it is hoped that by August 15th the stock position will permit the introduction of the full scale of 550 grams flour or pasta per week.

93. Partly because of the price being too high, and partly because of differences in national diet, dehydrated soup, meats and stews do not go well, and the Consorzio Agrario are left holding large stocks. The black market price of tinned meat is lower than the official one.

94. The collection of olive oil has been proceeding slowly. Up to 31 July 23,600 quintals of oil had been shipped to NAPLES from REGGIO and CATANZARO Provinces.

95. There has been a gradual decline in black market prices which after all are

Declassified E.O. 12356 Section 3.3/NND No. 785016

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95. There has been a gradual decline in black market prices which after all are a barometer of economic conditions. The reasons are several; first, the increased price to grain growers and the consequent greater attraction of the Granai del Popolo scheme; secondly, the increased ration scale; and thirdly, the greater availability of seasonal vegetables and fruits in the market.

96. From a farmer's point of view the harvest is satisfactory both as to yield and quality, and harvesting is proceeding under ideal weather conditions. Collection, however, is another story. So far 83,000 quintals have been collected against a target figure of 290,000 quintals.

Declassified E.O. 12356 Section 3.3/NND No. 785046

97. The principal source of fertilizers for the Region is the Montecatini Factory at CROTONE. This is ready to start production as soon as supplies of phosphate, due from North Africa early August arrive. Stocks of raw pyrites (obtained within the Region) are at a satisfactory level despite transport difficulties.

98. Owing to lack of transport stocks of wine are already very high. Storage of the new vintage will be difficult unless these stocks can be moved. Much economic hardship among the considerable proportion of the population connected with the industry is likely to result.

99. There have been five cases of smallpox at NICASTRO, limited to patients in the hospital there, where the original case contracted in NAPLES was treated. The Medico Provinciale has tightened quarantine measures.

100. There has been no movement of Refugees into the Region during the month. The lot of those already settled in Communes in the Region remains unenviable, and many are trying to return to their homes despite instructions issued by Prefects to the Sindaci that they are not to move without permission of the Italian Government.

ROME REGION.

101. At the end of the month ROME was absorbed into Region IV so that in future its activities will be reported on by that Region.

102. The administration of ROME has been attended by a mass of detail but generally speaking the month was without untoward incidents. Admittedly, the food ration is a bare minimum and consideration is being given to an increase at an early date. Through under-nourishment the people are restless and this is one of the reasons for the political situation being more tense.

103. As a measure of the supply problem of so large a city 7,986 tons of imported foodstuffs were distributed during the month. 93 tons went to soup kitchens and 99 tons to hospitals. These figures indicate a distribution of rationed foods of 164 grams per person per day, 160 grams of which was flour. This is 40 grams less than the amount decided upon and failure to supply the full scale was due to limitations of transportation. By the end of the month 172,400 meals per day were being served from soup kitchens and 31,000 in industrial kitchens.

104. Between 4,000 and 5,000 quintals of fresh vegetables and fruit were reaching the market daily by the end of the month.

105. The water supply, due to enemy action, continues to be unreliable and much work must be done before the autumn rains. Failure of temporary repairs has deprived certain areas in the city of water for periods of one to ten days.

106. Supply of electricity is also insecure. 400 tons of coal per day is necessary to maintain a reasonable output of current but only 250 tons are being received. Apart from this the unaccustomed use of standby steam driven generators brought another problem. The level of the Tiber fell so that water supplies for the condensors were endangered and a dam had to be built to step up the water level. Restrictions in the lighting supply has caused a heavy demand for candles which is

Declassified E.O. 12356 Section 3.3/NND No. 785016

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107. The incidence of crime is low and there is no serious trouble to report. One incident received publicity at the time and can be related. Allied soldiers held a dance to which Italian girls had been invited. A section of the male population resented this and when the girls left the hall the hair of one of them was cut off. Allied soldiers intervened and there was a clash between them and Italian civilians. Steps have been taken to avoid repetition of this incident by arranging for Carabinieri to patrol with Allied Military Police.

108. Health is satisfactory and there has been nothing in the nature of an epidemic. Hospitals are however badly administered.

Declassified E.O. 12356 Section 3.3/NND No. 785016

109. Several hundred escaped German prisoners have been rounded up as also have a large number of criminals released by the enemy from REGINA COELI Prison before retreating.

110. There are 40,000 registered unemployed at the present time. ROME has no industry worth mentioning so the influx of men unsettled by the course of events cannot be absorbed. Later when transportation becomes freer and rehabilitation schemes are organised there should be a considerable demand for labour.

111. Allied Courts disposed of 764 cases and referred 3000 to Italian Courts. The latter are falling into arrears and drastic action may soon be necessary.

112. Relations with the Church in welfare matters have been excellent and its assistance has been invaluable.

113. Bank deposits by the public increased by approximately 1079 million lire.

ITALIAN REFUGEE BRANCH.

114. Movement of Refugees:

(a) Received and dispersed by forward Corps Camps in Army areas - 17,867.
(b) Received in Main Transit Camps - 9,334.
(c) Dispersed through Main Transit Camps - 9,755.
(d) Dispersal from Main Transit Camps to Regions as follows :

Region I	-	110
" II	-	2636
" III	-	1149
" IV	-	4548
" V	-	866
Mis'cl.	-	446
	Total:	9755

115. Main Camps:

(a) By July 1st, CAPUA and NAPLES Camps were closed.
(b) Most of AVERSA Camp was handed over to Int. & Displaced Persons Sub-Commission, Italian Refugee Branch retained a reduced staff to empty the camp of refugees.
(c) CESANO Camp was in full operation by the beginning of this period. The main difficulty was that the numbers of incoming refugees were nearly as great as the number of refugees dispersed, owing to transport difficulties.
(d) CINE CITTA Refugee Camp opened early in July. The chief difficulty being the lack of an adequate water supply.
(e) ROCCASECCA Camp was closed and transported to CINE CITTA Camp.
(f) FOGGIA Camp was closed and is now awaiting transport to move to ANCONA.
(g) Camps in ROME Area were declared the responsibility of ROME Area.

116. Transportation: Road transport from any source other than civilian sources has been extremely difficult to find. Rail transport has been used only for bringing refugees from :

(i) Railhead to ROME.

1174
Declassified E.O. 12356 Section 3.3/NND No. 785016

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(f) FOGGIA Camp was closed and is now awaiting transport to move to ANCONA.
(g) Camps in ROME Area were declared the responsibility of ROME Area.

116. Transportation: Road transport from any source other than civilian sources has been extremely difficult to find. Rail transport has been used only for bringing refugees from :

(i) Railhead to ROME.
(ii) ORTONA to BARI.

117. Dispersal Areas: Refugees in the South are restless. The authorities have failed to prevent them from trekking North by every conceivable means of transport. The inevitable result being that NAPLES, and other cities are far beyond capacity. This movement has been encouraged by various unauthorised statements on the Italian radio and press, and by various authorities issuing unauthorised passes to refugees.

1175
Declassified E.O. 12356 Section 3.3/NND No. 785016

INTERNEES AND DISPLACED PERSONS SUB-COMMISSION.

118. The main features of the month's activities were :

(a) The despatch of 983 Jewish refugees to the United States.
(b) The collection of approximately 600 Maltese for despatch to TRIPOLI in August.
(c) The opening of SANTA CESAREA as an Orphan Camp for about 1,000 children whose ages ranged from a few months to 14 years. The orphans were flown from Yugoslavia and were organised into groups of 25 under trained teachers.

119. A Childrens' Summer Centre at GIUGGI has been opened. Some 87 children of 7 nationalities have already been registered to spend from 14 days to two months, according to health requirements.

120. Food supplements on medical grounds have been supplied to 830 Allied Nationals weekly. ACC is supplying milk, meat, sugar and dried soup. An endeavour is being made to obtain from Army sources tea, cocoa, cornflour, custard powder and margarine.

121. Record Bureau: At the present time there are recorded in the Record Bureau a total of 40,000 displaced persons representing 56 nationalities. Of this number the location of 38,000 is known to the Record Bureau. 30,000 of them have been evacuated from Italy. Since arriving in ROME the Record Bureau has obtained information on 6,175 other persons. This includes displaced persons and other nationals who normally lived in ROME. It does not include a large group of other nationals who normally lived in the Vatican.

122. Repatriation: The movement of Jewish refugees to NAPLES for embarkation to the United States started on 9th July and persons began to arrive at the AVERSA Refugee Camp on 11th July. At AVERSA Camp, P.B.S. had set up a portable shower unit and a disinfector. All refugees went through these units and were then given a medical inspection by P.B.S. medical personnel who also vaccinated and inoculated where necessary. On 17th July all refugees were embarked and loading was completed that day.

123. Finance: During the month the finance officer's activities dealt with almost every conceivable financial problem that a refugee could present - letters of credit, foreign exchange, bank accounts in general and blocked bank accounts in particular, investment securities, relief funds, relief rates for ex-internees, advances for British and American Nationals, and conversion of currency for departing refugees. Arrangements were made for approximately one thousand Polish refugees to receive an emergency payment of an amount not to exceed four thousand lire each.

PATRIOTS BRANCH.

124. Formation of the Patriots Branch: Patriot bands which are many of them large and highly organised bodies, have been created in various centres of German occupied territory in Italy and have received considerable encouragement and active help and instructions from the Allied Command. It is therefore clearly one of our chief tasks to look after the individual members of these bands when their [illegible] is over and in this connection it has been laid down by A.A.I. that bands

Declassified E.O. 12356 Section 3.3/NND No. 785016

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125. Patriots, although mostly Italians, may be of any nationality, and are defined as being those in the ranks of genuine fighting bands who have carried arms, engaged in sabotage or secured important military information to the benefit of the Allied war effort.

Declassified E.O. 12356 Section 3.3/NND No. 785016

126. A pool of Italian patriot representatives has been formed to assist Allied officers who are concerned in identifying patriots and in handling patriot problems. Nine pairs of representatives (one each representing the C.L.N. Group and the Military Centre Group) have been despatched to Army areas and further teams are being organised for Regions.

127. It is the task of the Patriots Branch to direct the rehabilitation of all patriots in liberated territory, and to coordinate the policy of HQs AAI and ACC with regard to future operations in enemy territory. To this end a message in poster form signed by General Sir Harold ALEXANDER was designed and distributed in forward areas. A form of certificate of merit was prepared and approved at the same time and certificates have been sent to Regions and to the two Armies for distribution through the recognised "Band" leaders to individual patriots.

128. Handling of Patriots South of the Line: Plans have been drawn up for dealing with patriots. Although many are used for a short while by the Army in their own area as guides and as patrols and for reconnaissance work, the intention generally is to direct nearly all of them into civil life. About 50% return to their own homes and occupation locally. Of the remainder some will be used for police duties or as drivers, others will be employed on engineering work, and on mine clearance; and arrangements have been made for recruiting and passing back volunteers for service in the Italian Army and Air Force. Communal Committees are being set up to assist Provincial Commissioners in this work, and to help weed out bogus applicants among the genuine patriots. The problems of collecting and disposing of the patriots' arms is in hand. The arms will be used for future operations as directed by AAI.

129. Information and Publicity: Reports are being received from Patriot representatives and from the leaders of the patriot bands. Information from these reports is extracted and passed on when relevant, for use by P.R.O., P.W.B. and the press. Italian newspapers are closely scrutinised. Information is being collected about conditions in enemy occupied territory in order that suitable plans can be made for handling patriot problems in that territory when it is liberated.

130. Italian Liaison: Liaison is maintained with the Italian Ministry of War through an Italian senior officer who is responsible for coordinating the work of the Groups which are recognized - the C.L.N. Group and the Military Centre Group.

131. Policy: Directives have been issued as required in agreement with AAI and other authorities. It is fair to say that the task of ensuring that these directives are acted upon by all Allied officers concerned and by the leaders of the patriot bands is well in hand. The broad political aspect of the patriot problems has been borne constantly in mind, and very close liaison is being maintained with those Allied officers and officials who are concerned with the political future in Italy.

1178

Declassified E.O. 12356 Section 3.3/NND No. 785016

PART II.

ECONOMIC SECTION.

LABOUR SUB-COMMISSION.

1. Labour Relations, Laws and Regulations.

(a) Petitions and threats of work stoppage received by this office on the following: Postal Telegraph, railways, tobacco, provincial employees. The above were presented to the Ministry with policy that such could be considered by ACC when presented properly by the Italian Government.

(b) Agreement reached for sulphur mine wage and working conditions in joint conference with Industry Sub-Commission and the Ministry.

(c) A request for approval of unauthorised wage increases in the Tosi Dock-yards was left with this Sub-Commission at a conference held in the office of the Minister. The following regulations or procedures were offered:

(i) uniform interpretation of wage increase order;
(ii) required procedure for submission or requests for wage changes;
(iii) plan for the uniform study of wages throughout Italy.

(d) The following laws in draft were submitted to this Sub-Commission for approval:

(i) Suppression and Liquidation of Fascist Confederations;
(ii) arbitration by Labour Offices or Ispettorato of disputes arising from wage increase order of 7.December.1943.

(e) The general "Labour Charter" was found not acceptable by the new Ministry.

2. Wages and Hours and Working Conditions.

(a) Food ration in Rome Area was increased, still not satisfactory.

(b) Price of wheat and cost of bread held to a minimum.

3. Social Insurance, Benefits and Training.

(a) Desire indicated by the Ministry for new appointment of Commissario of Previdenza Sociale, Malattia and Infortuni.

(b) Provision of Proclamation No.4 prohibiting payment of family allowances to dependents of the military, POW's and workers in Germany rescinded by ACC, and only allowances to the dependents of those working for the enemy were prohibited.

4. Statistics, Manpower and Registration Problems.

(a) A tentative plan was approved and is being put into force in Rome for the comparative study of industrial wages in Italy.

(b) A collection made of weekly budgets of 12 familes; later extended to 100 families for a period covering several weeks.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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5. Region II Summary. The following disputes were settled satisfactorily:

(a) sit down strike at S.G.P.E., Bari;

(b) political strike of a few hours duration in Taranto dockyard.

6. Region IV Summary.

(a) Order issued in Rome by SCAO 5 Army recognising increases over collective wages in effect 1 September 1942.

(b) Social security agencies established in Rome under policy of Labour Sub-Com.

7. Region VII Summary. Labour dispute pending involving the Societa Elettricita delle Calabria. The employees demanding same adjustment as in S.M.E.

1180
Declassified E.O. 12356 Section 3.3/NND No. 785016

FINANCE SUB-COMMISSION.

8. The Finance Sub-Commission has undertaken a comprehensive programme to defascistize Italian financial institutions. 130 officials and other personnel have been suspended from the Banca d'Italia, the Royal Mint, Istcambi, Banco di Roma, I.R.I., I.M.I., Credito Italiano, Banco Commerciale Italiano, Banca Nazionale del Lavoro, and other organisations.

9. As nearly as can be estimated at this time, the Italian governmental deficit for the year ending 30 June 1944, amounted to approximately 180 billion lire. This figure includes German occupation expenses but does not include 30 billion lire of Allied occupation expenses. Thus the total excess of disbursements over income on "government account" is well over 200 billion lire for the year, or about 2½ times the enormous deficit of the preceding fiscal year.

10. Net investment in Governmental bills (Buoni del Tesoro Ordinarii) in Southern Italy during June remained at about the same level as the preceding month (a net investment of 362 million lire). The total net investment for the year in these territories amounted to around 2.5 billion lire, that is, less than 10 per cent of the deficit. The bulk of the deficit of 34 billion lire was covered by funds supplied by the Banca d'Italia.

11. Until this year the Conserzii, on receiving wheat, have issued paper accepted by the provincial group of participating banks. After sale of the flour to the millers at a much lower price, the Consorzii repaid the participating banks to the extent of the proceeds of sales. The balance, representing the subsidy and the operating costs of the amassing system, were guaranteed by the Government and bore interest ranging from 6 to 7½% until they were liquidated at the end of the fiscal year. Actually these balances have not been liquidated since 1940 so that the financing of the last four crop years has been drawing a high rate of interest. After conference with the Ministries of Agriculture and Treasury, the Banca d'Italia and the Corte dei Conti, this system has been changed. The Consorzii have been instructed to submit budgets for operating expenses and will obtain funds as do other governmental agencies, without payment of interest. All participating banks have been instructed to present claims for the oustanding balances of past years for immediate payment, thus ending this interest burden. All participating banks have been instructed to present all balances of the current crop year for payment at a reduced interest rate of 6 per cent, at the end of each thirty day period, thus cutting the effective interest rate on this year's crop to one-half of one per cent.

12. Delay has been encountered in implementing the directive laid down in ES 41. This document states that local subsidies shall be provided to finance the same of imported supplies wherever such supplies cannot otherwise be sold at not more than a 25 per cent increase over the wholesale price listed in the directive. The delay was caused by the objection of the Ministry of the Treasury to the principle involved. However, the Minister of the Treasury has now instructed the Minister of the Interior to authorise the provincial officials to provide the subsidies required. A decree has been prepared providing 400 million lire for this purpose.

13. Sometime ago the CCS was duly authorised to explore, on behalf of the Italian Government, the production of non-military lire currency by the fastest possible means, since currency conversion, which is an integral part of the Italian Stabilization and Inflation Control Programme, is considered essential to the economic rehabilitation and political resurgence of Italy. Plans for such production are proceeding and in view of all the obstacles considerable progress

Declassified E.O. 12356 Section 3.3/NND No. 785016

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Discussions are under way for the production in the United States of the 50 and 100 denomination notes representing 75% of the total quantity of the new currency contemplated. It is hoped that with production of the large denomination notes (500's and 1000's) in Italy and the small denomination notes (50's and 100's) in the U.S., the total amount of currency required will be produced within 6 to 7 months. Lengthy discussions have been held with officials of the Italian Ministry of the Treasury and of the Banca d'Italia on this matter and every effort is being made to produce the required amount of currency by 15 February, 1945.

14. On 29th July, Niccolo Introna, Deputy Director General, was named by the Council of Ministers as Commissioner of the Banca d'Italia, and Ameeto Pettinari, Director of the Bari and Naples branches, as Vice Commissioner. Arture Atti, the

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Declassified E.O. 12356 Section 3.3/NND No. 785016

Commissioner named last winter for Southern Italy, died during July. Introna, the new Commissioner, is a career man, having been with the Banca d'Italia from its foundation. Pettinari was the Vice-Commissioner in Southern Italy and continues in the same post. Vincenzo Azzolini, the former Governor, has now been imprisoned by the Italian Government.

15. During July a decision was taken by the Council of Ministers to place the supervision of banking institutions under the Ministry of the Treasury. In accordance with this decision, the Inspectorate (Ispettorate per la Difesa del Risparmio e l'esercizioDel credito) which is charged with credit control has been assigned to the Treasury. At the same time, the industrial financing organisation of the government, I.M.I. (Instituto Mobiliare Italiano) was also put under the Treasury.

16. The Treasury has also made strenuous attempts to secure control of I.R.I. (Istituto por la Ricestruzione Industriale), the financial holding company of the Government. I.R.I. owns the three biggest commercial banks in the country and the largest part of the key heavy and armament industries of Italy. Were the control of I.R.I. to pass to the Treasury, this Ministry would literally be able to decide the economic future of Italy. The Finance Sub-Commission's adviser to I.R.I. has made arrangements to re-activate the organisation. A team consisting of a representative each from the Ministry of Finance, Onofrio Pompucci, and the Ministry of the Treasury, Sergio Fortis, who are technically competent and work well together, have been put in as temporary heads until the government can come to a final decision as to the control of I.R.I. The most probable outcome is that the Board of Directors of I.R.I. will consist of a sufficient number of Ministers or their representatives to give representation to the major national economic and political interests. The actual operation of I.R.I. would be conducted by a technician as managing director within the lines of general policy laid down by the Board.

FOOD SUB-COMMISSION.

17. Supplies.

(a) In July the main problem was the movement of supplies from base to forward areas. To meet the demands for food in the forward areas, Food Sub-Commission warehouses were opened at the Ports of CIVITAVECCHIA and PIOMBINO, and inland at ORVIETO and SIENA.

(b) 11,614 tons of imported supplies were delivered to ROME during the month, again after constant struggles for all forms of transport. Supplies for AMG Fifth and Eighth Armies have involved long road hauls from CIVITAVECCHIA to SIENA for AMG Eighth Army and to CECINA for AMG Fifth Army. In addition to the maintenance requirements, 15 days supplies have been built up for the City of FLORENCE. An added strain has been thrown on to SIENA depot by reason of the cessation of the mills in AREZZO through lack of POL to mill grain.

(c) The movement of locally produced grain constitutes a daily problem. Difficulty was experienced in moving it from FOGGIA to MATERA to less productive [illegible] railcars being the bottleneck. Despite a surplus of 40,000 [illegible] grain had to be used to avoid a

Declassified E.O. 12356 Section 3.3/NND No. 785016

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(c) The movement of locally produced grain constitutes a daily problem. Difficulty was experienced in moving it from FOGGIA to MATERA to less productive areas, deficiency of railcars being the bottleneck. Despite a surplus of 40,000 tons waiting to be moved from MATERA, imported grain had to be used to avoid a complete breakdown in the supply programme in LECCE and BRINDISI.

18. Food Processing. Allocation of the tomato paste pack of 21,550 tons was made to 22 plants in the NAPLES-SALERNO area. Allocation to these plants was based on their location in relation to the areas of tomato production to economise in transport. The yeast factory in ROME is being restarted with an output of three tons per day. Conferences have been held in ROME with directors of 11 processing plants in Northern Italy, to plan for their rehabilitation as soon as possible after liberation.

1184

Declassified E.O. 12356 Section 3.3/NND No. 785016

19. Rationing. The increase in the basic ration from 200 grammes to 300 grammes of flour for all normal consumers in South Italy, Sicily and Sardinia became effective 1 July. The overall Heavy Workers entitlement was maintained at the June level however, necessitating a re-adjustment in the value of the supplementary ration cards "A" and "B". Owing to the late harvest in Sardinia and the insufficiency of supplies due to erroneous stock reports, delay in issue of increased rations was inevitable.

20. Warehousing and Forwarding Division. This division has been set up under the Food Sub-Commission to deal with the warehousing and forwarding of all supplies, including Food, Agricultural, Industrial and Medical Supplies and has assumed full operating responsibilities.

21. General. Important discussions have been held with Finance Sub-Commission in preparing plans for setting up a Government Department for handling all accounting for all imported supplies. Estimates have been prepared and submitted to AFHQ covering the total requirements for the whole of Italy, Sicily and Sardinia for a three monthly period October to December 1944 and a five monthly period October to February 1945.

TRANSPORTATION SUB-COMMISSION.

Railways.

22. Considerable progress has again been made in forward railheads, but the rapid military advance caused a distribution problem, which could only be met by combined efforts of rail, road and water. The nature of Military requirements has severely limited tonnage available for ACC on the two rail routes NAPLES - ROME, opened during the month, but fullest cooperation and assistance has been given by Army Movements during difficult circumstances.

23. In Southern Italy, Reggio Calabria Railway Division has been handed over to ACC for supervision, and plans are in hand for the training of other ACC personnel in methods of supervising Italian railroad operation, in order to facilitate conversion from purely military to civil administration. Grain traffic emanating from Matera, Potenza and Bari Provinces has been satisfactorily dealt with, and NAPLES area continued to move large tonnages, including a glut of potatoes.

24. Continued review of railways not in use for military purposes is maintained, and experienced railway engineers are examining the feeder private railways to ROME and the railways connecting valuable lignite mines with the main railway routes. Thanks are due to the Director General of Military Railway Services for continued and ready help.

Roads.

25. Roads Section has reorganised and expanded to cover increasing responsibilities. Sub-Sections have been established as follows :

1. Administration.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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1. Administration.
2. Operations.
3. Accounting.
4. Maintenance.
5. Inspections.
6. Supply of Spare Parts.
7. Tyres.

26. Transport requirements exceed availability. In February, AFHQ authorized 1000 trucks. To-date, 922 have been received. In May ACC submitted a further requisition for 2000 trucks. None have yet been received.

1186

Declassified E.O. 12356 Section 3.3/NND No. 785016

27. ACC plan to use all available civil transport. Companies have been formed in most Provinces. They operate on standard Tariff Rates published by the Italian Government. Companies are charged for gasoline, oil, parts, and operating expenses, balance being credited to Company. Where military vehicles are used by civilian companies, same rates are charged for haulage; any excess o over expenditure is credited to ACC. About 3000 trucks, civilian and military, are operating under this scheme, which is working very satisfactorily.

28. Spare parts, and especially tyres, are a problem. No part of ACC requisition for tyres to AFHQ in June has yet been supplied.

29. A few miscellaneous tyres have been received, and ACC are repairing C - I tyres in various plants under their control. Inner tubes are urgently needed. A supply of tyres and batteries would enable ACC to place 50% more civilian transport on the road.

Water.

30. During July urgently needed supplies for RCME [illegible] Coasters for special goods were arranged. On July 18 a new instruction for schooners was issued by MEDBO, by which all civil bids were required at a weekly Schooner Committee Meeting. As this reversal of ACC arrangements could not be made at once, an allotment for August of 1260 long tons (nearly all schooners under 50 tons) was made. These schooners to be operated by COGENA, not under ACC supervision but to carry ACC and civil goods. As far as possible with this limitation of authority the existing scheme of ACC Tn. Shipping Memo No.1 is being operated until September. A review of all schooner needs, Service, ACC and civil, has been ordered prior to a September allotment according to needs.

Coal.

31. The month opened and closed with the problem of the supply of coal for RCME, but great efforts enabled the Power Stations to operate although difficulties remain. Proposals to bring coal to FIUMICINO and CIVITAVECCHIA are being considered. It is intended to repair the rail connections to RIECOLA and PIETRAFITTA Lignite Mines, with their stocks of over one hundred thousand tons.

32. Conferences have taken place with members of Italian State Railways with a view to their taking over the discharge, handling and distribution of coal in parts of Italy. The Government is considering the prices of coal and coke.

PUBLIC WORKS AND UTILITIES SUB-COMMISSION.

33. The month of July proved the soundness of the reorganisation. Relations with the Ministry of Public Works have improved. In the field staff distribution still appears to be almost insoluble but the proposed amalgamation of the Southern Regions and the subsequent handing of responsibility to the Italian authorities will ease the position considerably.

34. Owing to the recent advance the work of the Sub-Commission has increased some ten times.

Declassified E.O. 12356 Section 3.3/NND No. 785016

needed. A supply of tyres and batteries would enable ACC to place 50% more civilian transport on the road.

Water.

30. During July urgently needed supplies for ROME [illegible] Coasters for special goods were arranged. On July 18 a new instruction for schooners was issued by MEDBO, by which all civil bids were required at a weekly Schooner Committee Meeting. As this reversal of ACC arrangements could not be made at once, an allotment for August of 1260 long tons (nearly all schooners under 50 tons) was made. These schooners to be operated by COGENA, not under ACC supervision but to carry ACC and civil goods. As far as possible with this limitation of authority the existing scheme of ACC Tn. Shipping Memo No.1 is being operated until September. A review of all schooner needs, Service, ACC and civil, has been ordered prior to a September allotment according to needs.

Coal.

31. The month opened and closed with the problem of the supply of coal for ROME, but great efforts enabled the Power Stations to operate although difficulties remain. Proposals to bring coal to FIUMICINO and CIVITAVECCHIA are being considered. It is intended to repair the rail connections to RIBOLLA and PIETRAFITTA Lignite Mines, with their stocks of over one hundred thousand tons.

32. Conferences have taken place with members of Italian State Railways with a view to their taking over the discharge, handling and distribution of coal in parts of Italy. The Government is considering the prices of coal and coke.

PUBLIC WORKS AND UTILITIES SUB-COMMISSION.

33. The month of July proved the soundness of the reorganisation. Relations with the Ministry of Public Works have improved. In the field staff distribution still appears to be almost insoluble but the proposed amalgamation of the Southern Regions and the subsequent handing of responsibility to the Italian authorities will ease the position considerably.

34. Owing to the recent advance the work of the Sub-Commission has increased some ten times.

35. The Pontine Marshes besides being a responsibility of this Sub-Commission is now a cause for concern to Public Health for anti-malarial measures are held up owing to difficulties of finance.

36. Town planning, transport maintenance, material supplied by the Allies, payment of road gangs were all discussed with the Italian authorities. By decree the AASS, the Fascist highway organization, has been dissolved.

Declassified E.O. 12356 Section 3.3/NND No. 785016

37. Complying with Italian Ministry practice the Sub-Commission is prepared to organise ship salvage.

38. Many hundreds of bridges have been destroyed. Repairs to forty one were begun in July, of which 22 were in Regions III and IV. Bridges and highway contracts in hand involved a total of some 500 million lire. Transport for road maintenance improved slightly but the POL situation deteriorated jeopardising supplies to civilian contractors. Plans to deal with the situation were made in consultation with Pet. Sec. AFHQ. Materials are short with the additional embarrassment that they are mainly in the hands of firms closely associated with the old regime.

39. Electricity Staff has now the addition of a number of Italian experts. Power plants are now being cleared of debris and examined. The position is not encouraging for only some 5% of 600,00 Kw of power can be made available by first aid methods as against a total loss of some 90%. It must be emphasised that whereas ACC was not to indulge in long term planning a short term policy with regard to power is of no use at all. Complete rehabilitation alone is feasible and that would take from one to three years. It may be that certain machinery may have to be imported but the possibilities of the north are not being overlooked. Small portable plants are being requisitioned. Power in Southern Italy is in complete control and a rationing scheme for ROME now in practice. The Electrical Reconstruction Committee Italy has been formed under AAI to supersede the Central Electricity Board to coordinate Military and civil requirements. The dissolution of the C.E.B. has thrown a heavy burden on the Sub-Commission.

40. In Region I, Messina is 75% cleared and bridge building is being pushed forward to release Bailey Bridges to the Army. In Region II quarries have been reopened and a satisfactory state exists with regard to highways which is true also of Region III in its heavy programme. In Region IV the electricity position is serious with only 5% supplies available, while water supply constitutes a serious problem, affecting the City of Rome. A dam to raise the level of the Tiber has been completed to assist operation of the City Power Stations. Region VII has a drought which has affected the power situation. Elsewhere affairs are satisfactory with the usual emphasis on electricity without which the country will not come to life.

AGRICULTURE SUB-COMMISSION.

Reconstruction of Italian Agriculture Forestry and Fisheries Control

41. Rather slow progress has been made during the month in getting the Ministry of Agriculture to strengthen its control. Many of the senior officials went North with the Republican Government, and some of those remaining in ROME are regarded with suspicion, and have not as yet been called back into service. Forestry and Fisheries Directorates are taking shape fairly rapidly; the former by building up staff under the acting chief who came with the Ministry from Salerno, and the latter by the dissolution of the Commissariato Generale per la Pesca (a Mussolini creation 1939). Fisheries control is now being transferred to a Directorate in the Ministry building.

42. The aim of every officer in this Sub-Commission, and of every Agricultural

Declassified E.O. 12356 Section 3.3/NND No. 785016

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42. The aim of every officer in this Sub-Commission, and of every Agricultural officer in the field, is to work himself out of a job at the first opportunity from south to north; to this end everything possible is being done to energise the Italian officials and to improve Italian control. Accordingly intensive work has continued on a complete programme and plan for Italian agriculture 1944-45, and in connection therewith a complete and detailed estimate of farm input requirements (fertilizers, insecticides, seeds etc.) for the coming crop year is also in course of compilation. As an aid towards completing these plans and in passing executive duties to the Italians, a seventy-five page booklet "Re-activation of Italian Agriculture" has been compiled and is being circulated to Allied Officers and to Italian officials. It is printed in English and

1190

Declassified E.O. 12356 Section 3.3/NND No. 785016

Italian and will reach every Commune as close to the front line as possible. It contains all basic memoranda, decrees, ministerial directives and other official releases concerning organizations and programmes as agreed upon by the Italian Minister of Agriculture and the Agriculture Sub-Commission.

Agriculture.

43. Two new Decrees came into force:

(i) On control of threshing;
(ii) On penalties for grain delivery violation - strengthening the hands of legal authorities.

44. Progress of the crop collection (Granai del Popolo scheme) is retarded by shortage of fuel for threshing and of transport. Greater opportunity is therefore given for disposal by illegal methods, but nevertheless good progress is being made in many areas; indeed in some provinces the collection is ahead of the same period in years under Fascist control.

45. Purchase and stockpiling of many types of vegetable seeds and field seeds for export to Allied nations continued throughout the month.

Forestry.

46. A plan for the production, allocation and transportation of charcoal and fuel wood for all southern Italy under Italian Government control, has been prepared and distributed. A similar plan is in preparation for the rest of the country.

Fisheries.

47. Production is showing notable increases. Preservation of fish in oil and salt is progressing to such an extent that considerable exports could now easily be made both from Sicily and Sardinia. Permission for night fishing as far north as FIUMICINO has been obtained. Except for the port of NAPLES, and a few other restricted areas, the night fishing method (LAMPARA) - probably the most productive in Italy - is being practiced all over the west coast from FIUMICINO to REGGIO CALABRIA, around the Sicilian coast and along certain coastal areas of Sardinia.

INDUSTRY SUB-COMMISSION.

48. The current month has seen the divorce of Industry from Commerce Sub-Commission, and it is hoped that a greater concentration on essentials will be possible.

49. A scheme for the reactivation of industry on a priority basis, to be undertaken by the Ministry of Industry, has been drawn up. This scheme provides for the establishment within the Ministry of an Industry Advisory Board, which will cover the entire industrial field.

50. The liberation of large areas of territory has uncovered a considerable

1191

Declassified E.O. 12356 Section 3.3/NND No. 785016

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50. The liberation of large areas of territory has uncovered a considerable number of plants of importance to the Italian national economy, and reconnaissance of factories as far north as LEGHORN has been made.

51. The gravest problem, which confronts Italian industry is the wholesale destruction by the enemy of generating stations, priority has been given to a survey of their condition, as upon them will depend the possibility of operating the plants which they supply.

291

1192

Declassified E.O. 12356 Section 3.3/NND No. 785016

52. Surveys have therefore been made of the imprtant heavy industrial plants at TERNI, with particular reference to the hydroelectric power stations, including the giant Galleto Unit and the Valdarno Generating Station at NERA MONTORO. It is considered that with the exception of last mentioned, their repair will be a long term project, and the industries dependent upon them will consequently be paralysed until repair is made.

53. Other surveys have been made covering chemical industries, including the extensive Solvay and Anfomo Plants at ROSIGNANO, rubber processing plants of the Pirelli Company, and additional fertilizer production possibilities in Central Italy.

54. The chief extile manufacturing districts are still behind the enemy lines, and no substantial addition has therefore been made to productive capacity in liberated Italy. As in other industries one of the greatest obstacles to resumption will be lack of power, followed closely by lack of raw materials, upon the importation of which the Italian textile industries have always largely dependod.

55. Leather production remains unsatisfactory, chiefly owing to the shortage of tannin, but a second factory has commenced production and another has recently been liberated and reports are awaited. A civilian expert is being sent to Italy to advise on the rehabilitation of this key industry.

56. Hemp maintains the average of the last four months, except for canvas which showed an increase of 100%.

57. Investigations of mines uncovered recently are being made especially of lignite and mercury in Tuscany, and of pyrites near Grossato, where there is an exportable surplus of 200,000 tons.

1943
Declassified E.O. 12356 Section 3.3/NND No. 785016

PART III.

ADMINISTRATIVE SECTION.

1. Defascism. The new consolidating decree was published on the 29th July and is in the hands of ACC officers in the Field and of Italian Prefects. The work of organising the Ministerial Commissions is in hand.

INTERIOR SUB-COMMISSION.

2. Local Government. During the period covered by the report the Italian Government submitted for approval a large number of names for appointment or for transfer. Having regard to experience gained by some of the nominees whilst working under AMG considerable negotiation and screening has had to take place. After alternative proposals were made agreement has been reached on the appointment of 10 Prefects, 4 Directors General, a Secretary General and seven members of the Giunta Consultiva of Sardinia.

3. Executive Memorandum No. 39 dealing with local government organisation and administration has been revised. This document summarises the position of the Sicilian landing and its revision was necessary to give effect to developments and the arrangements connected with local government organisation, made since which have occurred and experience gained since its original production. It has been issued by R.C. & M.G. Section.

4. Officials. As mentioned in previous reports, experience has shown that AMG with Armies have at times found no administrative officials in newly liberated provinces. To cater for these circumstances, arrangements were made in collaboration with the Italian Government for the provision of a small team containing the minimum number of officials (including a Prefect) which would be necessary to restart the administration. Such teams were prepared to proceed to PERUGIA, SIENA, AREZZO, PESCARA, TERAMO and ASCOLI.

In the Provinces mentioned, however, it was discovered that sufficient satisfactory officials had remained at their posts and the personnel who were ready to move at short notice were not called forward. A Prefect, however, was provided and sent to Macerata.

Similar preparations are being made to cover the following provinces should the need arise, viz: Pisa, Livorno, Florence, Pistoia, Lucca, Apuania and Ancona, and areas further North.

5. Interviews. The Director has seen his Excellency Bonomi in his capacity of Minister of the Interior on frequent occasions. In addition, interviews have taken place with the Under-Secretary of State Canevari, Sorrentino, the Chief of Cabinet and his successor, Berruti. The subjects concerned have included nominations for Prefect and Sindaco of Florence (each of whom was also seen), refugees going North and their interference with military movement, teams of officials, and other senior appointments.

PUBLIC SAFETY SUB-COMMISSION.

6. Commanding General, Royal Carabinieri. On 21st July General Taddeo ORLANDO formerly Minister of War, was designated Commanding General of the Royal Carabinieri with HQ in Rome.

7. Public Security. On 27th July Dr. Luigi FERRARI formerly President of the Court of Assizi in Rome, was appointed Director General of Public Security in the Ministry of Interior. The Public Safety officials at the Ministry are

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8. Policing Forward Areas. During the month all requests from Armies and Region VIII for CC.RR to police newly occupied territory were met. New replacement centres were opened at Grosseto (west coast) and Chieti (east coast) to deal with CC.RR reporting for duty from liberated territory.

9. Strength of Royal Carabinieri. Urgent representations have been made that a total strength of 55,000 officers and men is totally inadequate to cope with the duties which will devolve on the Royal Carabinieri when the whole of Italy is occupied. [illegible] 41,902 CC.RR are fully employed and the thickly populated industrial north has yet to be policed.

290

10...../

1945

Declassified E.O. 12356 Section 3.3/NND No. 785016

10. Royal Finance Guards: The HQ of the Royal Finance Guards has been established in Rome with General Morricca remaining in command. Owing to the ceiling imposed on CC.RR and GG.FF strength, on 31st July the GG.FF were taken off the Italian Army ration strength and placed on civilian (heavy workers) rations this being a substantial reduction in quantity.

11. Conduct of Troops. The behaviour of Allied troops generally leaves much to be desired. The conduct of French Colonial troops towards the Italian civil population is disgraceful, and the attitude of indifference adopted by junior French unit commanders when crimes are reported to them encourages indiscipline. At Taranto and Brindisi clashes between French soldiers and sailors and Italians in which firearms and hand grenades were used, resulted in five persons being killed and twenty injured. In three cases Allied Military police came to the assistance of the Italian police and in one instance machine guns were used to restore order.

12. Prisons. Overcrowding remains the chief problem in prison administration but, part from the question of military prisoners, the position is steadily improving. Progress is being made with the rebuilding problem, while a number of prisons requisitioned by Allied Military authorities have been released. The detention of Italian military prisoners in civil prisons is still under discussion with the authorities concerned.

PUBLIC HEALTH SUB-COMMISSION.

13. General. The lack of ambulances is a serious problem in both forward and rear areas. The question of the re-organisation of the Italian Nursing Service is one in which it is felt that the initial steps should be taken by the Italian Government.

14. Supplies. Expected shipments of medical supplies to cover the inclusive July to December period have not yet arrived. Latest information indictaes that they may be expected between the 19th and 29th August.

There is an acute shortage of glass ampules due to scarcity of long flame coal; the lack of transport is hampering the distribution of other medical supplies but it is hoped that the Italian Government will soon take over the responsibility for the distribution for medical supplies to Regions I, II, III, VI and VII.

15. Disease.

(a) V.D. The V.D. incidence among troops in the PBS-Naples area has fallen to 120 per thousand for June. In Region VI the venereal rate is very satisfactory, being as low as 60 per thousand and in some units even 37 per thousand. The hospital accommodation for infected women has improved in Region II and there is some diminution in the number of cases being admitted.

(b) Smallpox. Continues in Naples City and Province. Total number of cases to date is 870 and the total number of vaccinations is 446,257. The disease is in a mild form, six deaths only have occurred in debilitated children who might otherwise have been expected to recover.

(c) Malaria. As a result of enemy sabotage, large areas of country in Region IV and Rome Region are flooded. This will increase the incidence of malaria. Energetic measures, including airplane dusting are being taken to cope with the existing conditions.

1996
declassified E.O. 12356 Section 3.3/NND No. 785016

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16. Veterinary. Foot and mouth disease is now widespread in Southern Italy but the mortality is low and it is hoped that sufficient vaccine will soon be available. An incidence of Sheep Pox has occurred in Brindisi.

Large quantities of crystal violet hog cholera vaccine are now available.

17. Welfare. The condition of all Italian welfare agencies is such that it is felt that a strong governmental policy of complete re-organisation is essential.

Legal Sub-Commission..../

Declassified E.O. 12356 Section 3.3/NND No. 785016

LEGAL SUB-COMMISSION.

18. Handled all legal matters connected with restoration of territory as of 20th July and proposed restoration as of 15th August 1944; consideration of "sanctions against fascism" decree and matters relating to unsatisfactory situation as to Italian Courts at Bari.

19. The Chief Council worked on the preparation of General Orders having to do with the agricultural and general economy of Italy.

20. Defascistisation decree approved and passed on 27th July 1944. Re-organisation of Ministry of Justice and High Court of Cassation well under way. New legislation promulgated to meet present conditions and eliminate all traces of fascist republican enactments. Judicial officials having taken refuge in Rome are gradually being reposted to their original seats.

21. Work in HQ and in the provinces was hampered by lack of personnel. The BENTEVEGNA case was the first open General Court in Rome. As the accused was a Communist and a patriot it became a political event. In Naples from 22nd December 1943 to 19th July 1944 the Allied Military Courts disposed of 25,961 cases. Allied Military Courts in Rome have, it is thought, made a generally good impression.

EDUCATION SUB-COMMISSION.

22. (a) Italian Government Territory. The most pressing problems are: school buildings still to be derequisitioned, old or inactive or undependable proveditori, expurgated epuration, and in agricultural districts, absence of children from school.

(b) Littoria. In this devasted province all elementary schools except one and all secondary schools except two (2000 children) have been opened. Several hundred teachers have been brought from Rome and are working under primitive conditions. School officials have been looked over and 72 officials have been vetted and 21 dismissed. School lunches have been brought to six communes and 3,900 textbooks for each of the elementary grades.

(c) Rome. 76 members of the governing body of Rome University have been epurated.

PROPERTY CONTROL SUB-COMMISSION.

23. Command. The DPC, Lt.Col. C.R.S. Harris (B) was injured in a traffic accident on 9th July and he has since been invalided to England. Colonel C. Carroll (A) is now acting DPC.

24. Field Work. Satisfactory progress in controlling and caring for Allied properties has been made in all areas which we have occupied. Plans have been made for taking over in the Northern areas.

25. Policy. The following is under review:-

(a) The degree of control to be exercised over commercial concerns in AMG areas and in transferred territory.
(b) De-sequestration and its consequences.
(c) Means of insuring a continuing responsibility of the Italian Government for the care of sequestrated properties.
(d) Liability for management fees.
(e) Return of properties to owners.
(f) Reports to owners.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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MONUMENTS, FINE ARTS & ARCHIVES SUB-COMMISSION.

26. General. MFAA problems of Regions I, II, VI and VII being in the hands of the Italian Government, and Region III about to be handed over, the major concentration of works is in the devastated portions of Lazio and Tuscany. Information passed to SHAEF about matters of interest re MFAA in the Western Theatre. Works of Art in Italy from centres outside Italy are being traced.

289

27. Field Work.

(a) Armies. Four MFAA officers are at present at work in the forward areas with 5th and 8th Armies. One of these belonging to Region VIII is in charge of controlling..../

1969
Declassified E.O. 12356 Section 3.3/NND No. 785016

of controlling and protecting the deposits in the vicinity of Florence where most of the art objects from that city are stored.

(b) Rome. MFAA officer is busy with repair work in the vicinity of Rome and with arranging two great exhibitions of works of art for Allied troops in Rome.

(c) Region V. Damages are minor except in Ancona City where they are heavy.

28. Relations with Italian Government and Church. Close relations established and maintained with the Italian Director General of Monuments and Staff and with Director General of Archives at Rome. Relations also established with President of the Pontifical Commission for Sacred Art; Vatican Fine Arts authorities have given every facility for checking the deposits stored in the Vatican. Check of art objects stored at Vatican from the deposit at Montecassino completed with note of German pillage.

29. Publications. The Lists of Protected Monuments have been completed. Soldiers Guides to Rome and Florence published.

1200

Declassified E.O. 12356 Section 3.3/NND No. 785046

1201

Declassified E.O. 12356 Section 3.3/NND No. 785016

PART IV.

POLITICAL SECTION, PUBLIC RELATIONS BRANCH AND INDEPENDENT SUB- COMMISSIONS.

POLITICAL SECTION.

1. The first half of the month was taken up by the transfer of the Government and the HQ. of the Allied Control Commission to Rome where it was announced they would alike begin to operate on July 15th. This move was carried out successfuly and the first meeting of the Council of Ministers in Rome was in fact held on that date. A symbolic link with the past was forged when Orlando was invited to assume his duties as head of the Camera dei Diputati and the Marchese della Torretta was named President of the Senate. On the 15th too the Allied Advisory Council announced the transfer - to take place on the 20th - of the Provinces of Naples (excluding the Commune of Naples), Avellino, Benevento, Foggia and Campobasso, to the Government. At the same time it was announced that Frosinone, Littoria and Rome Provinces, including the capital itself, would follow on August 15th.

2. It has been a month of considerable accomplishment for the Government. For one thing the various defascistisation decrees have been collated. Special courts have been set up to try Fascist crimes and these courts are empowered to give the death sentence, although, perhaps with some irony, at the same time Italy went back to her old position of "moral supremacy" by abolition of capital punishment which the Fascists had brought into the old code. Sforza was named High Commissioner for Fascist sanctions (July 28th). These sanctions can be resumed under the following headings: cancellation of Fascist political sentences, punishment of Fascist crimes, defascistisation of state administration and confiscation of wealth acquired through Fascist connections. Epuration of the various governmental branches is being handled through a committee formed by the department itself plus a member appointed by Sforza's commission. Sforza has been given subordinate High Commissioners to assist him, one for each of the "sanctions" indicated above. The machinery swung into gear somewhat late in the month but there are indications that it will move rapidly and remorselessly. Some earnest of serious intentions may be seen in the dismissal of De Vecchi and Bastianini from government service, naming of a new head of the Bank of Italy (Introna) to take the place of Azzolini, discharge of Jacomini, once Lieutenant General of Albania, and in such measures as revocation of pension to veteran "volunteers" of the Spanish war.

3. The government has been very anxious to have a greater participation in the war effort. Bonomi made a speech to the employees of the Foreign Office on July 25th, the anniversary of the overthrow of Mussolini, in which he stated this hope, stressing that it was only right that Italy should be allowed to "work her passage" since only in this way could the armistice terms which he described as "very hard" be modified. Along this same line the end of the month saw the Government taking a much more lively interest in the patriots; the Council of Ministers recommending, at its meeting of the 19th, that they be included in the armed forces. As the month ended the earlier anxiety about the armistice clauses changed into an appeal for "understanding" from the Allies, ranging from a straight-forward expression of hope for Lend Lease to fairly open hinting that the time had come for an end to co-belligerency and conferring of full Allied status instead.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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4. After some heart searching, the Government also fixed (July 17th) a political price for bread and pasta at 5 and 7 lire respectively, though the real price is 12 and 14. The Ministry of Education repealed the racial laws and the Fascist sindacati were legally suppressed - as they had been in fact ever since Allied landings - at the meeting of the Council on the 28th.

5. There has been one change in the Ministry. Croce has resigned stating that the trips from Sorrento to Rome would be too much for him and has been replaced by Count Carrandini (born 1885 of Piedmontese stock) a veteran Liberal and a man of some experience in agriculture and commerce. As Croce had long announced his intention of resigning on the transfer of the Government from Salerno, this change did not affect the stability of the Government nor detract from the added prestige which accrued to it by its establishment in the capital.

288

Public Relations Branch..../

1203

Declassified E.O. 12356 Section 3.3/NND No. 785016

PUBLIC RELATIONS BRANCH.

6. News Production. More than 100 releases in both English and Italian were written or serviced to nearly 30 outlets concerning ACC Headquarters, Region IV and Rome Region, in connection with essential operations, as well as important matters of policy such as transfer of territory to the Italian Government, treatment of patriots, and rules on civilian movement. A full investigation and report of alleged German brutalities to prisoners in Via Tasso was made with documents and 18 photographs. Releases were made on behalf of the Allied Advisory Council.

7. Press.

(a) Italian Journalists.

Close and daily contact was maintained with Italian journalists to acquaint them with Allied objectives and to learn at first hand their re-actions to ACC activities. Schede Personali were filed for several scores of journalists and sent to Security Branch. Cards were printed and prepared for issue to screened Italian journalists accrediting them to function. Coordination was made with Italian epuration agencies in this field. Curfew and travel passes were obtained for Rome journalists.

(b) Neutral Correspondents.

Journalists of neutral nations were accepted as an ACC PRB responsibility. Accrediting cards were issued to nine such journalists. Weekly guidance meetings of the neutral correspondents were held.

(c) Allied Correspondents.

Interviews and information were arranged for representatives of British and American press and radio. Action was initiated through G-5 toward early acceptance by ACC PRB of accrediting responsibilities for political correspondents from the Allied press.

8. Relations with Italian Government. Daily talks were held with the office of the Under Secretary for the Press in the Ministry of the Interior toward better and more responsible service toward correspondents by the Italian Government. Quarters for the Italian press office were obtained.

9. Allied Publications Board. Regular and special meetings of the APB were attended preparatory to turning over operations of the Board to the Italian Government and in [illegible] the somewhat disorganised but free Rome press.

10. Publications. Distribution of the Weekly Bulletin and daily trend of copy of correspondents and Digest of Rome Press continued and considerably expanded due to demand from readers, including the Allied Advisory Council, War Department and War Office.

WAR MATERIAL DISPOSAL AND ITALIAN PRIONERS OF WAR SUB-COMMISSION.

11. During July the War Materials Disposal Sub-Commission commenced inspections of Italian Army material in the Military Depots in the newly liberated regions. Lists giving particulars of the depots, the service to which they belong, the condition of the buildings, etc., together with stock lists, have been compiled and filed for reference.

12. Equipment and stores found and handed back to the Italian Services concerned included radio equipment, MT spares of considerable value and 800 pairs of

1204

Declassified E.O. 12356 Section 3.3/NND No. 785016

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12. Equipment and stores found and handed back to the Italian Services concerned included radio equipment, MT spares of considerable value and 800 pairs of new boots.

13. Ammunition dumps were located and information passed to C.E.M. Section at HQ. AAI.

14. Sufficient signal wire to complete the telephone installation in the Ministero delle Corporazione Building was provided by the Sub-Commission when other sources failed to supply.

15. The question of putting into operation some scheme whereby all damaged vehicles and material and MT spare parts could be collected immediately the Armies passed on was discussed with the Economic Section.

16...../

1205

Declassified E.O. 12356 Section 3.3/NND No. 785046

16. As from July 29th the title of the Sub-Commission was changed to War Material Disposal and Italian Prisoners of War Sub-Commission and the additional duties of dealing with all matters in connection with Italian Prisoners of War were added to the other work of the Sub-Commission.

17. Instructions for the release of 60,000 paroled Prisoners of War in Sicily as at July 31st were received from AFHQ. New regulations regarding the repatriation of Italian prisoners of war were issued and now prisoners of war over 60 years of age, and those over 50 years who have been POW for over two years, can be released on compassionate grounds. Italian POW who can be employed in specific judicial and administrative positions for the furtherance of the war effort in Italy will be considered for repatriation.

18. The release of other Italian POW can only be considered on special compassionate grounds, and only when the grounds are such that an Allied soldier under similar circumstances would be repatriated to his own country.

19. Among the various and diverse questions on Italian POW the one asked daily is "why cannot they be released from POW status?" So far a simple answer has not been found.

COMMUNICATIONS SUB-COMMISSION.

20. (a) Telephone.

(i) All main telephone circuits to the South (e.g. Palermo, Messina, Reggio, Cosenza, etc), terminated at Salerno for Italian Government use, were put through to Naples. A total of five telephone circuits between Naples and Rome were handed over by the military for ACC/Government use; only three of these are trunk circuits of which one is used by ACC Rome - Naples, one by Italian Government Rome - Bari, leaving only one circuit for Italian Government use to Naples that is suitable for extension to the South. The other two circuits are overhead circuits only suitable for Rome - Naples communications. Trunk telephone facilities for Government use are therefore still extremely scanty.

(ii) Release on inter-provincial telephone facilities to civil use in Italian Government territory was given by military security. North of Naples, telephone facilities are reserved for Government use.

(b) Telegraphs.

(i) Telegraph circuits were made available to the Italian Government from Rome to the South (Naples and Bari). The traffic capacity is fair, but not capable of carrying all traffic without long delay. Direct telegraph circuits were provided for the Italian Air and Navy Ministries from Rome to Bari.

(ii) Civil telegraphs between Rome and the South of Italy were opened on July 21st; by the end of the month over 5000 telegrams a day were being dealt with in the Rome office.

(c) Circuit Repair. Work has been in progress on restoration of civil communications in Regions IV and V. Reconnaissances were completed, plans made, transport obtained and release of routes or wires from military signals arranged. Due to the extensive damage and shortage of stores, little

1206

Declassified E.O. 12356 Section 3.3/NND No. 785016

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21. Postal.

(a) Civil mail services, both internal and foreign, were extended to Rome on July 1st and to the Provinces of Rome, Littoria, Frosinone and Campobasso later in the month.

(b) The mail service between Naples and Bari, the main cross-Italy link, was increased to a daily service each way.

287

Army Sub-Commission..../

1207

Declassified E.O. 12356 Section 3.3/NND No. 785016

ARMY SUB-COMMISSION.

22. The chief event of the month was the move from LEQUILLE (LECCE) to ROME on 14th July. The Italian War Ministry and General Staff moved simultaneously. The advantages of concentration were at once evident and the increased efficiency of having all contacts on the spot, especially the Ministry of War and SMRE, was most noticeable.

23. The first and most pressing problem to be tackled was Patriots. The Italian authorities were anxious to deal with the large numbers who had been found in newly liberated territory, and the War Ministry asked for a policy. Owing to the restrictions on recruiting for the Italian Armed Forces and the ceiling laid down by the CCS, MMIA authorised the Ministry of War to recruit up to 3000 men for the Army in Rome, stipulating that for every volunteer accepted a serving soldier of an older class must be demobilised, thus keeping within the ceiling laid down. Italian Army screening and recruiting agencies were sent to Army areas to work in close collaboration with AMG Fifth and Eighth Armies and Polcorps. Their function is to screen Patriots volunteers for the Army, and to arrange for their evacuation to the Rome and Chieti enlistment centres. A further three screening detachments have been sent to work under the direction of Region IV. All volunteers become an Italian Army responsibility only when they are actually re-enlisted at Rome or Chieti.

The ceiling for the Italian administrative troops has been fixed at 27,000 and the necessary steps have been taken to ensure that troops are not wasted in Administrative Headquarters.

24. July has been the heaviest month for the movement of Italian Army personnel. This increase is largely accounted for by the programme in hand for forming new Pioneer Labour Regts and re-forming existing Labour Units. Shipments from Sardinia went well.

25. The initial allotment from the CCS of certain items of boots and clothing is coming to an end and approximately 400,000 pairs of US part worn boots have been delivered to the Italian Army for repair. The War Ministry have been instructed to make a survey of all repairable Italian uniforms and repair materials.

Advanced arrangements have been made for the rationing of the Italian Army from British sources, effective 1 Aug 44.

ELLERY W. STONE
Captain, USNR
Acting Chief Commissioner

1208

Declassified E.O. 12356 Section 3.3/NND No. 785016

1209

Declassified E.O. 12356 Section 3.3/NND No. 735016

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

Phone:
478201

Ref/497/74/CA.

8 August 1944.

SUBJECT: Monthly Report.

TO : Economic Section.
Administrative Section.
Political Section.
F.R.O.
Army Sub-Commission.
Navy Sub-Commission.
Air Sub-Commission.
Communications Sub-Commission.
War Material Disposal Sub-Comm.

1. The Acting Chief Commissioner directs that in future the monthly A.C.C. report will appear in two forms :

(a) the normal condensed report having a wide internal and external distribution;

(b) reports in detail by Sub-Commissions as Appendices to (a) for distribution only to AFHQ (35 copies) who in turn distribute to London/Washington.

2. The detailed reports (para.1 (b) above) must be presented in a uniform manner. The lay out of the A.C.C. Monthly Report has met with approval and this therefore is suggested as an example to follow. 35 copies will be mimeographed by the Sub-Commissions and sent to R.C. & M.G. Section for coordination and distribution.

3. An aspect of the present report (para.1 (a) above) is that it has been the practice of the Economic Section to send detailed reports of their Sub-Commissions to R.C. & M.G. Section for condensation into suitable length. It is felt that this is unsatisfactory to Sub-Commissions and it is therefore suggested that commencing with the month of July they condense their reports into about 500 words before submitting to R.C. & M.G. Section. These will then be incorporated into one report and mimeographed by R.C. & M.G. Section.

4. It is requested that reports, both full length and abridged, are submitted to R.C. & M.G. Section by 15th of each month.

286

M.S. Lush

M.S.LUSH,
Brigadier,
Executive Commissioner.

1210

Declassified E.O. 12356 Section 3.3/NND No. 785016

(8) Pt in Embassy Quelpe.

Sent original for British & US Representatives.

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

CONFIDENTIAL

MONTHLY REPORT

JUNE 1944

General Remarks			Page 1.
PART I	-	R.C. & M.G. Section	Pages 2 - 9
PART II	-	Economic Section	Pages 10 - 16
PART III	-	Administrative Section	Pages 17 - 19
PART IV	-	Political Section, Communications Sub-Commission.	Pages 20 - 22
APPENDIX	-	"A"	

CONFIDENTIAL

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

Ref/498/CA.

31 July 1944.

MONTHLY REPORT FOR JUNE

General Remarks

1. The speed of the advance has not slackened during the month and many new towns and Provinces have been occupied. The City of ROME was entered by Fifth Army on 4th June and so began the administration by Allied Military Government of the first capital city in Europe to be liberated.

2. In view of the fact that the Rome Committee of National Liberation contained the recognised leaders of all the Parties except the Communist Party, it had long been clear that a political crisis was inevitable when Rome came into Allied hands. In the first place, whatever government was in power in the South of Italy would inevitably have to resign and, in the second place, it was to be feared that, despite any commitments made by the Parties in the South, the Rome leaders would reopen the institutional question. In the upshot a solution was found both for the governmental and institutional problems.

3. In forward areas the month has taught many lessons: the necessity of close co-operation between AMG's with the Armies and the Regions following up behind: the vital necessity for planning well ahead with respect to supplies and transport: the necessity of having organised transport companies both with the Armies and forward Regions: the fact that the refugee problem decreases with the speed of advance: the value of training and planning in view of the inevitable breakdown in communications: the increasing necessity for a pool of Italian Government officials which can be called upon at short notice: the need for continuity with regard to legislation in the forward areas and those turned over to the Italian Government.

4. With large areas of newly occupied territory, new Regions have had to be formed with the inevitable reduction of numbers in the southern areas. This practice is in accordance with policy but has been attended by many difficulties owing to the necessity for keeping large numbers of Allied officers in Sicily, Region II and FOGGIA in order to initiate the collection of the grain.

5. In the southern areas the effects of this reduction of officers are becoming apparent: inevitably the standard of administration is lowered and becomes more approximate to the Italian standard: inevitably the distribution of food becomes irregular: corruption begins. On the other hand there is no doubt that the local governments, slowly, and perhaps feebly, but gradually, are beginning, at any rate in the elementary forms of administration, to find their feet.

6. It is difficult especially in Southern Italy to inspire into the people

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6. It is difficult especially in Southern Italy to inspire into the people any enthusiasm towards the Allied war effort. They work because they must earn their bread but to the mass of the people the war has passed them over. Particularly noticeable is the spirit in ROME, a city untouched by war and whose citizens appear to have more zeal in safeguarding their own local interests, be they physical or political, than in any progressive measures towards the rehabilitation and reconstruction of their country as a whole.

Declassified E.O. 12356 Section 3.3/NND No. 785016

PART I

R.C. & M.G. SECTION

AMG EIGHTH ARMY.

1. During the month the Provinces of RIETI and TERNI have been taken over and a large portion of PERUGIA. The Province of FROSINONE has been handed over to Region IV and AQUILA, CHIETI, PESCARA and TERAMA Provinces to Region V. Patriots are now being encountered by Army AMG's in increasing numbers and form another and separate responsibility for CAOs. Many of these men have led a roving existence for long periods and it is not easy to divert their usefulness into the normal channels of the community. The situation requires handling with exceptional tact to avoid widespread repercussions. A directive was issued by AMG Eighth Army and the Patriot Branch has been formed at HQ Allied Control Commission to co-ordinate action.

2. PERUGIA with a population of 100,000 was by far the largest city liberated. It was little dmmaged. The banks were well supplied with cash.

3. The wheat crop in all Provinces is excellent and harvesting is in progress but milling is a problem due to the present lack of electricity in the area.

4. In the Provinces of FROSINONE and AQUILA alone, 1500 tons of supplies were distributed.

5. From the date of the CASSINO battle 23,000 refugees have been dealt with.

6. Health generally is extremely good and a number of hospitals have been encountered in good condition, some well stocked with medical supplies.

7. Preparations for the occupation of FLORENCE include the issue of an Operation Order and an Administrative Instruction by Eighth Army with their AMG counterparts. It is hoped that this will safeguard the amenities and treasures of this famous city.

AMG II POLISH CORPS.

8. Early in the month it was considered necessary to attach an AMG spearhead to this formation from AMG EIGHTH Army which remained with it until its task was accomplished on 24 June.

9. The following Provincial capitals were entered: CHIETI, PESCARA, TERAMO, ASCOLI-PICENO and AQUILA. Conditions varied considerably, from PESCARA which was badly damaged, to TERAMO almost unscathed.

10. Escaped Allied PW's became a problem as there were several hundreds of them. All speak of the good work done by the Patriots.

AMG FIFTH ARMY.

1213

Declassified E.O. 12356 Section 3.3/NND No. 785016

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AMG FIFTH ARMY.

11. SCAO II Corps was the first AMG officer to enter ROME on June 4th. He reported an enthusiastic reception of the Allies and cars being loaded with flowers. Two days supply of food for the city was left by the enemy. ROME Province was handed over to Region IV on 15 June. This being the first capital city to come under ACC control it is thought that more complete details of the activities of this newly created Region than are usually included in this Section of the Monthly Report would be of interest. Consequently at Appendix "A" is a Summary of the June Report of ROME Region.

12. During the month, in addition to ROME Province, LITTORIA Province was handed over to Region IV on 9th June and VITERBO Province on 29th June.

1214

Declassified E.O. 12356 Section 3.3/NND No. 785016

13. Conditions were much better NORTH of ROME than had been up to that point. Health was generally good and damage to property less. It is estimated that damage amounted to 40% but only in the path of the enemy's rearguard. PIOMBINO was one of the more important towns where devastation was really bad due to deliberate demolition. It is of course a sizeable port and possessed iron and steel works for processing iron ore mined in the neighbourhood. Large quantities of ore were left although a number of mine workings were destroyed.

14. Wheat crop is good and harvesting under way. It is estimated that in VITERBO Province alone 70,000 tons of grain will be collected.

15. In last month's report the conduct of French African troops on this front was commented on and it is good to be able to mention an improvement. Cases of rape are still occurring but to a much less extent and the inhabitants of VITERBO showed approbation of the action by the CMPO in that town who himself arrested two Moroccans on this charge.

REGION I (SICILY)

16. Grain collection in Sicily is meeting with considerable opposition and there is evidence that a substantial proportion of the harvest of the smaller farmers is going underground. Other measures having failed the law is now being prosecuted with vigour.

17. In addition to all other forms of publicity for Granai del Popolo a film is being made for immediate showing in towns and villages.

18. Morale was considerably raised by the entry of the Allies into ROME and by landings in France.

19. Political activity is on the increase particularly the Communist Party. The Separatist Movement appears to be sponsoring grain evasion.

REGION II (APULIA, LUCANIA)

20. There has been jubilation on the liberation of ROME and on the political side strenuous efforts made by Labour and Communist parties to establish an ascendency. Defascistization has made progress with bolder action by the Italian authorities.

21. Reaping of the splendid grain crop has been a complete success. Threshing and collection has begun and the next phase is the problem of transport and defeat of those who would divert grain to their own profit.

22. Labour shortage and high costs at one time threatened harvesting but the threat of producing military labour averted the trouble.

23. Some progress has been made with the distribution of the large surplus of wine in APULIAN Provinces, but generally transport is at too much of a premium to be spared for this task.

Good crops of grapes and figs are forecast, and normal crops of olives

1215

Declassified E.O. 12356 Section 3.3/NND No. 785016

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16. Grain collection in Sicily is meeting with considerable opposition and there is evidence that a substantial proportion of the harvest of the smaller farmers is going underground. Other measures having failed the law is now being prosecuted with vigour.

17. In addition to all other forms of publicity for Granai del Popolo a film is being made for immediate showing in towns and villages.

18. Morale was considerably raised by the entry of the Allies into ROME and by landings in France.

19. Political activity is on the increase particularly the Communist Party. The Separatist Movement appears to be sponsoring grain evasion.

REGION II (APULIA, LUCANIA)

20. There has been jubilation on the liberation of ROME and on the political side strenuous efforts made by Labour and Communist parties to establish an ascendency. Defascistization has made progress with bolder action by the Italian authorities.

21. Reaping of the splendid grain crop has been a complete success. Threshing and collection has begun and the next phase is the problem of transport and defeat of those who would divert grain to their own profit.

22. Labour shortage and high costs at one time threatened harvesting but the threat of producing military labour averted the trouble.

23. Some progress has been made with the distribution of the large surplus of wine in APULIAN Provinces, but generally transport is at too much of a premium to be spared for this task.

24. Good crops of grapes and figs are forecast, and normal crops of olives and nuts. Potato yield will be small and almost nil from imported seed.

25. A single case of foot and mouth disease was reported and thanks to immediate control measures there has been no spread.

26. Public Health is good, sanitation continues to improve and there is marked progress with communications in MATERA and POTENZA Provinces.

declassified E.O. 12356 Section 3.3/NND No. 785016

REGION III (CAMPANIA)

27. Shops in NAPLES have been selling potatoes at 7 - 8 lire per kg. and there is a large surplus which is being exported to neighbouring Provinces. Wheat is coming in well particularly in the Province of SALERNO. There are ample supplies of soft fruits. Fishing industry attained 3410 quintals - a new record. Next month perhaps this record will be beaten for the director and two inspectors of the Central Fishing Agency were arrested for black market operations.

28. The tramways in and out of NAPLES have resumed operations.

29. The conduct of Allied troops is still unsatisfactory and considerable crime is reported.

30. AMG Courts in the Region, excluding SALERNO, tried 1328 cases and acquitted 41. Italian Courts in the City of NAPLES tried 6332 cases and acquitted 814.

31. Health is good and the outbreak of smallpox in NAPLES is abating but is still active in the Province, notably in AFRAGOLA. 300,000 have now been vaccinated in NAPLES and 25,000 out of 40,000 in AFRAGOLA.

32. Increasing use of the railways is now possible and AOC bids for the month amounted to 29,842 tons.

33. Plans have been made for NAPLES Bourse to open simultaneously with the ROME Bourse. Sales and exchanges of Italian Government Bonds for the month exceeded redemptions by 240,000,000 lire. Market prices of bonds were higher.

REGION IV (UMBRIA, LAZIO)

34. The history of this Region did not commence until the Armies started to attack on May 11th, but by the end of June it was in control of four Provinces, LITTORIA, FROSINONE, ROME and VITERBO, with three more to be added, RIETI, TERNI, and PERUGIA. It was originally intended that ROME City would be a Sub-Region under Region IV but a change of plan resulted in the creation of a separate Regional HQ to administer the City.

35. Region IV is facing a heavy task for its territory is more devastated by war than any other. It should be remembered that it includes the rivers MELFA, RAPIDO and LIRI where the most bitter fighting of the campaign has taken place and townships have been destroyed utterly.

36. In the four Provinces so far taken over, the Italian machinery of Civil Government has been set going: "Epurazione" has been taken in hand; political problems have been few; plans for dealing with Patriot Bands are under discussion; Italian Courts have been reopened; Bank and Post Offices have been reopened; Carabinieri have been installed and organised; the incidence of crime is low except for the crimes of violence in the areas which the French Colonial Troops passed through. The standard of health is remarkably good; civil hospitals have been opened and medical supplies distributed; welfare organizations have been established; schools have been reopened; the food situation has at times given cause for anxiety but it is now reasonably in hand. The distribution of

Declassified E.O. 12356 Section 3.3/NND No. 785016

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37. Prospects are good for almost all crops; wheat, corn (maize) olives and vines. In FROSINONE, LITTORIA and ROME the harvest has suffered from war damage, lack of labour and the presence of mines. Indeed mines may be said to constitute an outstanding problem and in parts prevent a return to normality for the present. Daily casualties occur among workers who are bold enough to try to cultivate their crops. Although handicapped by shortage of agricultural machinery, the Italian peasants have done excellent work in reaping and gathering crops almost entirely by manual labour.

38. Reconstitution of the Italian Agricultural Agencies has been taken in hand. New officials have been found where necessary. There is a lack of fuel for the small amount of mechanical equipment available and a lack of binding twine, sacks, etc. On the whole, however, hard work and improvisation by the Contadini are overcoming obstacles in a most commendable way.

Declassified E.O. 12356 Section 3.3/NND No. 785016

39. Industry has been severely crippled but a good start has been made in rehabilitation. The Engineering Division has had to cope with a great volume of repair work on roads, public services etc. The Italian organization of Genio Civile has been put to work. Transportation has been a grave pre-occupation throughout. The Germans in their withdrawal stripped the country-side of all transport not carefully hidden. Much that was hidden was in a bad state of repair with porished tyres and batteries. ACC transport had to be driven by inexperienced Italian drivers and gave cause for much anxiety. However wheels are moving and civilian transport is being organized in every Province.

REGION V (MARCHE, ABRUZZI E MOLISE).

40. As stated earlier this Region during the month took over four Provinces from the Eighth Army, viz. CHIETI, PESCARA, TERAMO and AQUILA. Generally speaking the passage of the Armies has not done much harm to the crops, which promise well. The AVEZZINO basin in AQUILA Province is one of Italy's richest agricultural centres and the enemy did nothing to destroy crops here or elsewhere. Mines and booby traps abound, of course, and make reaping a hazardous process, with casualties among the labourers.

41. Feeding of the new areas proceeding according to plan but transportation is difficult owing to the number of blown bridges, mines and bomb craters. Evidence of the Allies precision bombing of the enemy's supply routes is to be seen and its effects felt ! Unfortunately when our troops moved on they removed some of their temporary bridges with them.

42. Plans are being made for a sea supply route.

43. This Region includes the Provinces of FOGGIA, the largest individual wheat growing area of Italy. Harvesting is almost completed and the arrangements for bringing in thousands of Italian troops to assist worked smoothly.

REGION VI (SARDINIA)

44. Propaganda activities of the Communist Party are continuing intensely and especially in the mine regions of IGLESIAS. A new sheet entitled "MINIERA" is being published by the party. Recently Paolo TEDESCHI delivered speeches in the more important urban centres of the island. The following three points were the theme of his talks :

(i) Maximum collaboration in the war effort by the Italians.
(ii) Moral and material reconstruction of the Nation.
(iii) Defascistization of civil administration and within the Armed Forces.

Economic Resources and Supply.

45. The food situation generally is satisfactory but instances of failure in distribution still occur. The fresh vegetable market and the greater supply of local produce has made the demand for imported foodstuffs less acute during the month. Fats generally are lacking and olive oil is an urgent need. Fish supplies

declassified E.O. 12356 Section 3.3/NND No. 785016

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46. Arrangements are being made to ship 100 tons of hides to the mainland. The ammonia plant at CHILIVANI is expected to start operation about the middle of July. Soap is very scarce but if the expected supply of 10 tons of caustic soda arrives local manufacture should be possible shortly.

47. Crop yields are good but indications are that they will not be above average. Damage by hot dry winds and unusually cold weather prevented high yields. The grain is of excellent quality and good progress is being made in harvesting and threshing.

declassified E.O. 12356 Section 3.3/NND No. 785016

48. During the month the programme for the Granai del Popolo was organised with all Provincial and Communal Committees in action. The attitude of farmers varies and some reluctance towards consigning the grain to the Granai del Popolo exists. This is due in general to three factors: (i) fear that last year's experience may be repeated when additional consignments were required, reducing the retentions authorised at harvest time; (ii) the fact that much wanted commodities can be secured in exchange for grain or flour but not for money; (iii) the temptation of the huge profits to be gained in the black market.

Public Works and Utilities.

49. Public Works and Utilities on the Island continue to be operated by civilian personnel under normal conditions except for shortage of spares and maintenance materials.

50. The tram service is operating on the outskirts of CAGLIARI and it is hoped to resume the service within the city during July. Delays in starting have been due to necessary repairs to equipment and shortage of supplies for tracks and/or overhead wiring.

Public Safety.

51. Public order generally continues to be satisfactory. During the month thefts decreased by 25% while robbery declined by 37%.

52. With further transfers of Italian military personnel from the civil prisons the prison accommodation situation has still further improved. Although some prisons are still holding prisoners above their normal capacity the situation generally can now be considered as satisfactory.

Public Health.

53. The health situation on the Island is generally satisfactory. There is no evidence of malnutrition. The medical, Hospital and Sanitary services are functioning as well as can be expected under the prevailing circumstances. Consignments of ACC medical stores arrived on schedule.

54. There is every indication that there will be no serious endemic of malaria in the Island this season and that there may be an appreciable diminution compared with 1943 statistics.

Finance.

55. There appears to be little change in the inflation situation but any tendency in this direction should be minimised by the increasing movement of the Italian Army from SARDINIA and by greater efforts at tax collection.

56. The gradual return to confidence is apparent as the savings and deposits in the banks show a substantial and steady increase.

REGION VII (CALABRIA).

57. The Regional Commissioner reports that morale is high consequent on the landings in NORMANDY, successes in and beyond ROME, and the increase in the bread

1221

Declassified E.O. 12356 Section 3.3/NND No. 785016

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REGION VII (CALABRIA).

57. The Regional Commissioner reports that morale is high consequent on the landings in NORMANDY, successes in and beyond ROME, and the increase in the bread ration from 200 - 300 grs. per day. Striving after perfection, unsatisfactory Sindaci are still being removed and the formation of Giunta Provinciale Administration is proceeding slowly but surely.

58. The railways are improving to such an extent that they can now be depended on to handle almost all the Allied food supplies, but there is a serious shortage of rolling stock.

59. Prices show a slight tendency to rise except in the black market where bread has fallen 30 points.

1222

Declassified E.O. 12356 Section 3.3/NND No. 785016

60. The Minister of Agriculture visited COSENZA where a speech he made left a deep impression and was a valuable contribution to the great effort being made for a maximum collection of the harvest. Large farmers are on the whole working for the success of "Granai del Popolo" but small ones find black market temptations hard to resist.

61. As ever the pinch is transport and in this Region the shortage is affecting distribution of larvicides for anti-malarial work.

REGION VIII (TUSCANY).

62. For the first time this Region, which will eventually include the Provinces of GROSSETO, LIVORNO, SIENA, FIRENZE, PISA, AREZZO, PISTOIA, LUCCA and MASSA, finds itself sufficiently advanced to submit a comprehensive report. At the end of the month territory occupied by the Allies consisted of the whole of GROSSETO and parts of LIVORNO and SIENA but the Region is as yet controlling only a small portion of its territory. It is hoped that by the time the next report comes to be written more details of general interest will be available.

AMG ELBA.

63. Political reaction in so far as the industrial population is concerned appears to be mainly Communistic. The agricultural people are moderate and rather more Socialistic in their views. Popular opinion is strongly in favour of the Allies, and maximum co-operative effort is being encountered from every direction.

64. The main industries have been completely disrupted since September 1943, Agriculture engages approximately 65% of the working population; transport, industry and mining 20%; and general commerce 6%.

65. Iron Ore Mines. These turn out a very high-grade ore reputed to contain over 60% pure iron. Mines mainly surface-operated could rapidly be brought back into production; but all smelting plant is completely destroyed.

66. Calcium Mines. Porto Ferraio. Damaged and looted, but not beyond repair. Production could probably be recommenced in about three months.

67. Electrical Plant. Privately owned. Very little damaged. Already back in service for lights only.

68. A full ration of 300 grams daily is now being distributed to all Communes. This year's grain crop will be poor, due to a seven month's drought. This has also affected the vegetable gardens.

69. Fisheries are momentarily at a standstill. It is proposed to resume daytime fishing shortly. Stopped originally by Germans, and at present impossible to resume due to known presence of mines. Shortage of nets. ELBA will be incorporated in LIVORNO Province of Region VIII.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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ITALIAN REFUGEE BRANCH.

70. Movements from forward areas showed a further increase with a total for the month of 14,737 whilst dispersals were as follows :

To Region I	- 462
" " II	- 2661
" " III	- 500
" " VII	- 5951
To Italian Army	- 2887
To Homes in Regions III and IV	- 3144
	15,605

Declassified E.O. 12356 Section 3.3/NND No. 785016

71. On entry into Rome CESANO Camp was found established by the Germans in a disused factory and contained 7,000 refugees in a most pitiable condition. They had insufficient clothing and bedding and were practically starving. There was no real medical attention or sanitation and disease was rampant Emergency measures were taken at once to remedy this appalling state of affairs and the refugees are now properly fed and housed and a hospital is in operation.

72. Another camp has been established at CINECITTA, South of ROME.

73. There has been an unfortunate and ill-timed movement by refugees to areas which have recently become safe, e.g. NAPLES. Not only are communications unprepared for this movement but considerable confusion is caused by the arrival of groups of people who are without accommodation and are at once a liability to authorities.

INTERNEES & DISPLACED PERSONS.

General.

74. Headquarters of the Sub-Commission moved from BARI to ROME and the Camps in Southern Italy came under command No.1 Sub-Section, LECCE, with a staff officer from the Sub-Commission attached to HQ Region II, BARI. Region II assumed administrative control (with certain qualifications) of No.1 Sub-Section and Camps under command.

75. President Roosevelt announced on Friday 9th June at his press conference that arrangements had been made to bring 1000 European Refugees from ITALY to an emergency refugee settlement at PORT ONTARIO near OSWEGO, N.Y. The announcement created great interest in ITALY and the 1,000 refugees were selected from the following places : ROME, NAPLES, POTENZA, BARI, SALERNO, DI BAGNI, TARANTO.

76. On the fall of ROME the Sub-Commission opened an office at the same time and place as Rome Area Command. Through the various group leaders some 5,200 Allied Nationals were supplied with additional food and in some cases medical assistance as well.

77. During the month 1906 refugees were received and 1219 embarked for Middle East.

Organisation.

78. Two new camps have been opened, (a) CINE CITTA, 12 kms from ROME, transit camp capacity 2000 persons, and (b) AVERSA near NAPLES, transit camp for North Africa, capacity 4000 persons.

79. A small group, 1 officer and clerical staff, are ready to move into FLORENCE and deal with all Allied Nationals following the method so successful for ROME.

Medical.

80. Medical assistance for Allied Nationals in ROME has been made available when required, but on the whole their health is good. Use has been made of the Italian Civil Hospitals in the few cases where treatment was indicated.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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Red Cross.

81. The condition of clothing of refugees on arrival is still variable. Clothing is held for all camps at BARI where the initial issues are made. Supplementary issues are made as required at DI BAGNI where the initial issues are made. Supplementary issues are made as required at DI BAGNI and DI LEUCA where there are workshops making and remaking clothes. A variety of garments are made from various materials, large or damaged clothing into children's clothes etc. The scarcity of thread is still a problem. With the diminished

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Declassified E.O. 12356 Section 3.3/NND No. 785016

staffs in camps which are considerably isolated from military units the welfare problem of the staff constitutes a difficult problem of its own.

Record Bureau.

82. The Record Bureau moved from BARI to ROME at the end of the month. With more territory liberated the work of enquiries for welfare and whereabouts is bound to increase and with the liberation of the bigger towns in the north, it is anticipated that very considerable numbers of enquiries will be received. About 400 enquiries were received from the International Red Cross in ROME, which they had been holding unable to take action until the Allies' arrival.

Declassified E.O. 12356 Section 3.3/NND No. 785016

1228

Unclassified E.O. 12356 Section 3.3/NND No. 785016

PART II

ECONOMIC SECTION

LABOUR SUB-COMMISSION.

1. There is a growing spirit of discontent among all classes of workers who are becoming more vocal but are irresponsibly led and organised. A new decree incorporating all legislation in the labour field is about to be submitted to the Italian Government. This, in addition to abolishing the Fascist Syndical Corporative System in all its aspects, aims at re-instituting freedom of trade union organisation, authorises the setting up of labour offices as the state machinery in the labour field and sets up a democratic system of governing labour relations.

2. The Labour Sub-Commission has attended a number of meetings of the AAI Labour and Wages Committee, and the Sub-Commission's activities in the field of wages, hours and working conditions have been the subject of favourable comment.

3. Wage studies have been made on public utilities, dockyards, steel mills, glass and brewing industries where unsettled conditions have prevailed, Attention has also been given to the clerical and administrative fields.

4. There is evidence that unauthorized wage increases are being granted by employers.

5. Increased rations beginning 1st July was the outstanding item assisting holding the line on wages. This may tend to relieve many requests for wage increases based on the high cost of food. More food is the answer to the working men's immediate problem with increased wages as a secondary issue.

Labour Organization Trends.

6. Trade Union organization remains in a more confused situation than ever as a result of the action taken in ROME by the three popular parties, the Communist, the Socialist, and the Social Democrats. Their platform would set up a triumvirate to cooperate in:

(a) Achieving a unity of trade union movement, by eliminating party politics from the Trade Union field, and

(b) Creating a central Confederation of Labour with a national objective, incorporating the "Red and White" Federations.

7. The "Confederazione Generale del Lavoro" appears to have taken exception to this move, particularly because the "Party of Action" elements led by Dino Gentile objected to the Partito d'Azione being left out of the Central Committee of three. The idea is put forward that the action taken in ROME was arbitrary — an argument that could be well applied to the members of the Confederazione Generale del Lavoro in respect to the method they adopted in the creation of the Confederation. The

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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2. The Labour Sub-Commission has attended a number of meetings of the ACC Labour and Wages Committee, and the Sub-Commission's activities in the field of wages, hours and working conditions have been the subject of favourable comment.

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Social Insurance.

8. During the month there was co-operation with Italian officials on Social Insurance problems. Many important administrative matters were settled and close liaison at the National Headquarters in ROME was established.

9. All Social Insurance work progressed according to schedule. This field is very complicated, but lends itself to easier control than wages.

declassified E.O. 12356 Section 3.3/NND No. 785016

10. Pension work progressed favourably. Parallel pension orders for all AMG territory and efforts toward the abolition of certain Fascist pensions in Italian Government Territory is proceeding slowly in full co-operation with the Finance Sub-Commission.

FINANCE SUB-COMMISSION.

11. The new Bonomi Government has reverted to the practice which prevailed before Fascism, that of dividing financial matters between the Ministries of Finance and Treasury, the former having jurisdiction over revenues, and the latter over expenditures, budgets, and the public debt.

12. The Finance Sub- Commission's policy of having the Banca d'Italia provide currency for newly liberated territories has worked extremely well in practice. Currency surpluses have moved from rear areas to forward areas, thus reserving supplies of AMG lire for their primary purpose, that of paying the Allied Forces.

13. As of 1st June, the maximum amount which an Italian household may receive from the U.S. under the personal remittance system was revised from $ 100 per quarter to $ 50 per month.

14. A directive was received from CCS approving the recommendation of the Finance Sub-Commission that Internees and Displaced Persons Sub-Commission be made responsible for disbursing advances to Allied nationals and for accounting to AFA for such payments, other than advances to American and British nationals.

15. Arrangements were affected whereby remittances may be made by British held Italian prisoners of war to their dependents in Italy. A similar plan is being developed for American-held Italian prisoners.

16. Reports from Rome indicate that last winter, anticipating the City's fall, the Germans formed separate Head Offices of the social insurance institutions in the North. A Head Office of "Previdenza", for example, was formed at VITTORIO VENETO. Some cash securities and documents were transferred at the time, There remain in ROME, however, sufficient records and reserves to carry on necessary operations. When plans for ROME were being drawn, careful consideration was given to the position of the national Commissioners, and it was decided that arrangements should be made for them to go to ROME at the earliest possible moment. Accordingly, after consultation with the Labour Sub-Commission and the Italian Government, the national Commissioners have been despatched to ROME to assume control and recreate their Head Offices.

17. During the month progress has been made in supply accounting, both at HQ and in the Regions. At the close of the preceding month consolidated accounts were prepared only through 31 January 1944, due to delay in the submission of Regional reports, a condition primarily ascribable to lack of personnel. The additional officers allocated to supply accounting during the past two months have substantially improved the situation. All Regions have now submitted returns through 30 April 1944, except Regions I and VII, and in these Regions returns have been received through 31 March 1944. Consolidated accounts have been prepared at HQ level taking in the returns as above indicated. The accounting includes all commodities imported and drawn from the Armies, except medical supplies.

18. The new fiscal year begins on 1st July. Budgets have been prepared and

declassified E.O. 12356 Section 3.3/NND No. 785016

supplies of AMG lire for their primary purpose, that of paying the Allied forces.

13. As of 1st June, the maximum amount which an Italian household may receive from the U.S. under the personal remittance system was revised from $ 100 per quarter to $ 50 per month.

14. A directive was received from COS approving the recommendation of the Finance Sub-Commission that Internees and Displaced Persons Sub-Commission be made responsible for disbursing advances to Allied nationals and for accounting to AFA for such payments, other than advances to American and British nationals.

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18. The new fiscal year begins on 1st July. Budgets have been prepared and presented by each Ministry, and are now being considered by the Council of Ministers. Owing to the change in Governments it is anticipated that the approval of these budgets will be delayed for about a month. Accordingly, the incoming Government is to issue a decree authorising Ministries to work provisionally, on the basis of the prepared budget, but this authority will not constitute provisional approval of any budget. The normal Italian procedure will be re-introduced whereby each Ministry issues its own "ordini di accreditamento", for each chapter of its own budget, and all such authorities will be registered at the Corte dei Conti before they can be effective.

1232

Declassified E.O. 12356 Section 3.3/NND No. 785016

19. Discussions have continued during the month with the Ministry on improvements in the Italian revenue system. The change in Ministers has again necessitated going over old ground, but the proposed legislation has not been changed by the present Minister.

FOOD SUB-COMMISSION.

General.

20. Food Sub-Commission has had one of its busiest months. The reasons are briefly stated. In anticipation of forthcoming events and to meet the needs of AMG Fifth and Eighth Armies in the forward areas, stockpiles of flour and miscellaneous essential foodstuffs including soap, salt, sugar, soup, canned meats, dried vegetables, biscuits etc. had been built up within the Army boundaries. But due to the speed of the advance AMG transport was insufficient to carry all the stocks forward and 2000 tons were left behind at CARINOLA and CAPUA for liquidation, and restrictions on movement by sea and rail rendered all organised movement and planning ineffective.

21. Due to port congestion and operational movement, outloading of civil supplies during period 5 - 20 June was approximately 4000 tons in arrears and discharges at ANZIO fell behind schedule. This, of course, aggravated the situation.

22. It is realised that under operational conditions, there can be no static or clean-cut movement programme, but except for the untiring efforts and individual resource of the entire personnel of the Sub-Commission involving very long hours, there would have been a serious breakdown, not through lack of supplies, but because of the inability of the transportation services to handle through the ports.

Supplies.

23. Stocks during June were sufficient for full issues of imported miscellaneous items. Soup continues to be a popular item in the ration in forward areas.

24. Flour now being milled at 91% extraction has proved successful. Plans are now being prepared for increasing to 95% during the next few weeks and for using some of the barley crop by mixing with wheat in milling.

25. A large consignment of dry salt fish arrived during June. The fish was in very good condition and is being issued in ROME and NAPLES.

26. The rapid advance of the troops and the consequent call upon transport of all kinds at both the front and in the base areas for maintenance constituted the main difficulty of sppply during June. Yet, despite this difficulty the front areas were maintained and ROME was supplied regularly throughout the period.

27. The harvest has started in most areas in the plains. Hill harvesting is not expected to begin until mid-August or late August. Threshing has commenced in some areas but it will be early August before there is any appreciable effect on the supply programme. The scheme for moving the grain by rail has been approved by Movements AAI. Movement will commence from MATERA on a fairly large scale during the week commencing 10th July. Some 3000 tons will be moved into Region VII

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declassified E.O. 12356 Section 3.3/NND No. 785016

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28. As there have been few facilities for milling in forward areas a heavy milling programme has had to be undertaken in NAPLES area. This possibility was foreseen some time ago and a stockpile of 10,000 tons of flour was maintained in NAPLES to meet it. It was from this stock that ROME was supplied as soon as it fell by means of shipments to ANZIO.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

Food Processing Division.

29. During the month the Food Processing Section centered its attention on the programme to pack canned peeled tomatoes and the processing of tomato paste in barrels. Four canning plants have been selected to handle the peeled tomato programme and a revised schedule of the essential canning supplies required is being furnished by Industry and Commerce Sub-Commission. Plants were selected by the Canners Committee to process tomato paste in the NAPLES - SALERNO area.

30. A visit was made to LITTORIA and SEZZE to investigate the sugar refinery at LITTORIA and the tomato processing plant at SEZZA. The sugar refinery was found to have suffered little damage and its restoration is largely a matter of replacing motors and generators confiscated by the Germans. However, there will be no sugar beet crop in the area this year. A stock of 850 tons of molasses suitable for yeast manufacture was discovered at the refinery. The tomato processing plant suffered only slight war damage.

Olive Oil.

31. 1500 tons of edible olive oil has been earmarked in CALABRIA and will be despatched to NAPLES.

Ration Cards.

32. Difficulties have been experienced in the printing and distribution of Ration Cards mainly owing to transportation. A government plant and a large stock of paper was found intact at ROME and will ease the print problem considerably.

Enforcement.

33. Examinations have been carried out at 41 bakeries during June in NAPLES, total to-date 125. Offences by bakers appear to have decreased but consumer cards impounded have risen from 241 in May to 476, approximately 1% of the cards examined.

34. On one inspection of prenotation coupons in BARI Province it was found that 3439 were suspect. On the commencement of harvesting period, POTENZA Province were able to report a reduction of 25% in the number of ration cards.

TRANSPORTATION SUB-COMMISSION

Railways.

35. Contructional priorities for the month were as follows :

(a) NAPLES - ROME via FROSINONE.
(b) NAPLES - ROME coastal route.
(c) ANZIO - ROME.
(d) CIVITAVECCHIA - ROME.

36. These were military responsibilities, and railway construction groups were ordered to abandon temporarily other routes on which they were engaged. All the lines mentioned above were very thoroughly wrecked by destruction of sleepers, rails and bridges. Traffic for the present is restricted to that for military purposes

Declassified E.O. 12356 Section 3.3/NND No. 785016

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37. Priorities still exist in Southern parts of the system but military authorities have been most helpful in affording facilities for ACC supply traffic thanks to close liaison with Movements and Director General of Military Railway Services.

38. In Sicily the railway system shows an appreciable return to normality in some sections. Efforts are being made to obtain 30,000 sleepers for maintenance purposes, and repairs of war damage are proceeding satisfactorily. The SIMENTO Bridge should be rebuilt by August 20 and the PALERMO - MESSINA and CATANIA - MESSINA lines re-opened in early part of the autumn. By the end of the year the bridge over the River PETROLE, the last link severing the coast line from REGGIO, should be completed.

Declassified E.O. 12356 Section 3.3/NND No. 785016

Roads.

39. There is nothing special to report. The shortage of transport becomes ever more pronounced as more country is taken over and much transferring of vehicles among Regions has taken place. Special arrangements had to be made too for collection of grain in FOGGIA Province.

Water.

40. Schooner traffic is being constantly expanded as vessels are recovered and repaired. Their use for supplying some of the recently released areas, as a means of supplementing other methods of supply, will be invaluable. 16,140 tons of schooners are now carrying civilian supplies.

PUBLIC WORKS & UTILITIES SUB-COMMISSION.

41. The work of the Sub-Commission in June was marked, from the middle of the month, by a change of importance: viz. Specialist officers in the field, working largely in contact with Headquarters, were brought together in Regions under a single head, viz. the Regional Engineer. Hence, that officer now has under his control such widely diversified engineering projects as highways reconstruction, bridge design and construction, water-works, reclamation schemes and malaria control, gas-works, main drainage, canals and irrigation, buildings and structures generally, works in docks and harbours, and electrical problems with their varied specialised features (including systems of rationing power-supplies).

42. As a measure of the vast amount of work being controlled the following is a survey of the bridge situation in the 7 Provinces of NAPLES, AVELLINO, BENEVENTO, CAMPOBASSO, FOGGIA, POTENZA and REGGIO. Some months ago there were 640 road interruptions on State and Provincial roads (the majority of these being outside the classification of "military highways"). These included anything from small or medium sized culverts under the roads, to bridges of complicated construction and with large spans. In the two Southern Provinces there were 150 such places of which 35 were large bridges, 25 medium, 90 small (including the culverts). By the end of April, 71 had been restored and 29 were in hand. In the 5 Northern Provinces mentioned, there were 490 such places, 59 large span bridges and 41 bridges of medium span (i.e. over 30 feet). Of the 59 large bridges, 41 were under reconstruction at the end of April together with 90 of the others; At most of the culverts or small bridges temporary diversions or crossing arrangements had been made, but a large number still remain for full repair and reconstruction involving heavy demands on materials and manpower.

43. Up to the end of May the total value of contracts let on repairs and maintenance of roads and bridges was about 250,000,000 lire and by the end of June the figure had risen to nearly 352,000,000 lire. This included over 6,000,000 lire of miscellaneous work, distinct from highways and bridges.

44. A principal difficulty for some time has been not that of finding contractors of competence, but to find those with engineering equipment.

45. Damage to Public Utilities by retreating enemy. The German practice is to make use of all available facilities until the last moment, and then detonate explosive charges which have been placed in position for some time. With the exception of two steam-driven electric generating plants, totalling about 40,000 hp, practically all generating stations both hydro-electric and steam-driven in

Declassified E.O. 12356 Section 3.3/NND No. 785016

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Declassified E.O. 12356 Section 3.3/NND No. 785016

AGRICULTURE SUB-COMMISSION.

Production.

46. Harvesting of fruit, vegetables, hay and grain crops was well under way during June with excellent results almost everywhere except in areas immediately along winter fighting zones and scattered areas in Southern Italy where potato and vegetable crops are short.

47. It is estimated that 25% of the wheat on the Italian mainland had been harvested and threshing was under way in most of Southern Italy.

48. Much of the harvest is being effected against great odds and shortages of materials and facilities including power for harvest machines, and transportation to haul grain from fields to threshers and threshers to warehouses. Where normal facilities for cutting and threshing are not available resort is made to hand harvesting, binding and threshing.

49. Early potato harvest began in the NAPLES areas in June and a large crop is in prospect. The north-east coast crop is late, and the southern crop is short due to seed failure and poor stands.

50. Cherries came on to markets during most of June and at the end of the month a large apricot crop was being harvested. Due to the lack of sugar for preserving and canning purposes all of the cherries and most of the apricot crop were consumed in the fresh state.

51. A fairly heavy green bean and tomato crop was ripening as the month closed and there will be a surplus for tomato paste production in the late crop coming on in the Naples area.

Distribution.

52. Final distribution of 7000 tons of copper sulphate and approximately 15,000 tons of agricultural sulphur was completed during June. Approximately 350 tons of sulphur and 200 tons of copper sulphate had been stockpiled for the Army's advance and these materials were in forward areas and being used shortly after June 1st. While the amounts were inadequate they were acclaimed by Italian farmers even in the small amounts available. Imported binder twine arrived at least 30 days late but all the main production areas received supplies for binders.

Fisheries.

53. Several shipments of fresh tuna fish and salted fish were made by Region I both to NAPLES and ROME. Production as a whole was nearly normal around the Island of SICILY.

INDUSTRY AND COMMERCE SUB-COMMISSION.

Industrial Section.

54. Fertilizer. The production of agricultural fertilizer will be assisted with the output of the Montecatini Plant at PORTICI which will have an anticipated daily production of 30 tons of sulphuricacid for superphosphates.

55. Olive Oil. It has been arranged for the Gasliri & Masturzo Plants in

Declassified E.O. 12356 Section 3.3/NND No. 785016

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55. Olive Oil. It has been arranged for the Gasliri & Masturzo Plants in NAPLES to start up. These will be engaged on the extraction and refining of olive oil with a total production of 15 tons per day of edible oil. By-products are used for soap manufacture.

56. Paper. The restoration of a paper mill in FOGGIA, now due to start operating, will do much to allay the chronic paper shortage.

57. Leather. As a check to the black market in the leather industry tanning extract is now controlled. The repairs of salvaged boots has been brought up to 5,000 pairs per week.

Declassified E.O. 12356 Section 3.3/NND No. 785016

Fuel Section.

58. Every effort is being made to make the POL rationing scheme effective, particularly in Italian Government Territory where there has been a good deal of lethargy, even opposition. During the harvest period allocations for agriculture for July - September can be drawn at any time during that period.

Foreign Trade Section.

59. The following have been exported during the month:

Sulphur	2,600	tons to N.Africa.
Hemp	707	" " U.K.
Raw Silk	5	" " "
Argots	100	" " "

Mining Division.

60. Estimated production of Sardinian Coal for the month is 35,000 metric tons. A progressive step up in production is planned for the coming months, rising to 70,000 metric tons in December. 1,000 metric tons of sulphur were mined during May.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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Declassified E.O. 12356 Section 3.3/NND No. 785016

PART III

ADMINISTRATIVE SECTION

1. Activities of forward Regions is depleting both Headquarters and rear Regional Staffs of all Sub- Commissions, with corresponding effects on the amount of work and degree of supervision which remains possible.

INTERIOR SUB-COMMISSION.

2. Development of Local Government. Although the RDL 111 was promulgated two months ago, reports indicate that in some provinces progress of re-organisation has been slow. The Minister has been asked to make suitable representation to the Prefects concerned with a view to the Decree's provisions being implemented.

3. Pool of Prefects. Lists of Italian officials suitable for various appointments are maintained: recently 14 Prefects and other officers have been selected and sent forward for 7 Provinces.

4. Clerical Stipends. This question, which is complex, is under discussion with the Italian Government, Some increases have been granted, but do not apply to all clergy or in all parts of Italian Government territory.

PUBLIC SAFETY SUB-COMMISSION

Police.

5. Policing Forward Areas. The mobile CC.RR moving into new territory with the Armies has done excellent work in restoring law and order. In some instances patriots had disarmed the existing police and taken the law into their own hands, but the mobile CC.RR quickly restored the authority of the local police.

6. Rome. 2700 CC.RR and GG.FF entered ROME with the Allied troops on 5th June and met with an enthusiastic reception. The Polizia Africa Italian, a Fascist police organisation of 1950 men, was at once disbanded. The Patriots who had formed an armed force of some 17,000 men, were also dissolved and dis-armed. Recognised police agencies - Carabinieri, Finance Guards, Agents of Public Security and Metropolitani now number 17,700 men and are working satisfactory.

7. Police Replacement Centres. Additional CC.RR and GG.FF centres, where men are equipped, trained and held in reserve for policing forward areas have been established in ROME. 1700 CC.RR and 220 GG.FF who had been disbanded during the German occupation have reported to the centres. Although considerable difficulties have been encountered in feeding, equipping and transporting these men, groups have been sent forward at the request of FIFTH and EIGHTH Armies and Regions IV, V and

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Declassified E.O. 12356 Section 3.3/NND No. 785046

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8. Conduct of Allied Troops. The conduct of French Colonial Troops, especially towards women, has shown some improvement. The conduct and discipline of other Allied troops still leaves room for improvement.

9. Prisons. During the past month it was ordered that Italian soldiers serving sentences of over 30 days, or awaiting trial for over 30 days should be a civil responsibility and confined in civil prisons. This matter is being pursued and it is hoped that it will be possible to remove 1,824 Italian Military prisoners from overcrowded civil jails.

10. Fire and Civil Defence. A mobile unit of 10 appliances and 100 firemen entered ROME on 5th June. The Rome Fire Brigade was found to be functioning normally and after a few days the mobile unit was sent back to NAPLES.

Declassified E.O. 12356 Section 3.3/NND No. 785016

11. Registration and Licensing.

(a) Firearms. The Minister of the Interior has issued an order through Prefects in Italian Government Territory requiring all Italian Army weapons and explosives to be surrendered and all civilian weapons and explosives to be declared to the Italian Police.

(b) Aliens. General Order No.27 has been published re-establishing the Italian system of alien registration. Restrictions have been imposed on the movement of enemy aliens unless in possession of an ACC pass. The same regulations have been published by the Minister of the Interior in Italian Government territory.

PUBLIC HEALTH SUB-COMMISSION.

Diseases.

12. (a) Venereal Disease. V.D. control work in Italian Government territory is now complete an Italian Government responsibility. The incidence of V.D. among troops is showing a progressive fall. The Italian Government is taking steps to enforce more strictly the existing laws concerning the treatment of infected women and to improve the administration of V.D. hospitals.

(b) Smallpox. The Naples smallpox epidemic continues in mild form. No deaths have been reported. Smallpox vaccine for 500,000 has been allotted to the Italian Government.

(c) Malaria. Four memoranda dealing with malaria control have been published. Arrangements have been made for the production of 220,000 litres of kerosene-pyrethrum insecticide.

13. Veterinary.

(a) Swine Fever. A new method of immunisation against Hog Cholera is in operation. The vaccine used has been prepared entirely in FOGGIA and the results of this field test are being followed up.

(b) Foot and Mouth. Foot and mouth disease is present in TARANTO, BARI, FOGGIA and CAMPOBASSO Provinces. Steps have been taken, in co-operation with military authorities to prevent its spread.

Supplies.

14. Negotiations are in progress for the Italian Government to handle the distribution and costing of medical supplies in Southern Italy. Satisfactory stocks of medical supplies are on hand for the Armies and all Regions. Arrangements with drug firms in NAPLES have reached the stage that the early production of biologicals on a large scale is anticipated. Raw materials have been obtained to start the manufacture of sulphur ointment in quantity. Production of veterinary biologicals is satisfactory and on the increase.

Declassified E.O. 12356 Section 3.3/NND No. 785016

PUBLIC HEALTH SUB-COMMISSION.

Diseases.

12. (a) Venereal Disease. V.D. control work in Italian Government territory is now completely an Italian Government responsibility. The incidence of V.D. among troops is showing a progressive fall. The Italian Government is taking steps to enforce more strictly the existing laws concerning the treatment of infected women and to improve the administration of V.D. hospitals.

(b) Smallpox. The Naples smallpox epidemic continues in mild form. No deaths have been reported. Smallpox vaccine for 500,000 has been allotted to the Italian Government.

(c) Malaria. Four memoranda dealing with malaria control have been published. Arrangements have been made for the production of 220,000 litres of kerosene-pyrethrum insecticide.

13. Veterinary.

(a) Swine Fever. A new method of immunisation against Hog Cholera is in operation. The vaccine used has been prepared entirely in FOGGIA and the results of this field test are being followed up.

(b) Foot and Mouth. Foot and mouth disease is present in TARANTO, BARI, FOGGIA and CAMPOBASSO Provinces. Steps have been taken, in co-operation with military authorites to prevent its spread.

Supplies.

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Welfare.

15. The Italian Government has issued instructions regarding the settlement of children whose mothers are undergoing treatment for V.D. Similar instructions are to be issued in AMG Territory. The Soccorso Militare grant in Military Government Territory has been increased by 70% and assistance has been extended to families whose breadwinners have been removed by the Germans. The question of allowances to Ex-Internees in Italian Government Territory has not yet been settled.

275

1246

Declassified E.O. 12356 Section 3.3/NND No. 785016

PART IV

POLITICAL SECTION, COMMUNICATIONS S.C.

POLITICAL SECTION.

1. The political events of the month centred round the capture by Allied forces of the city of ROME on the night of the 4/5th June. In view of the fact that the Rome Committee of National Liberation contained the recognised leaders of all the Parties except the Communist Party, it had been obvious from the beginning of Badoglio's first administration that a political crisis was inevitable when ROME came into Allied hands. In the first place, whatever government was in power in the South of Italy would inevitably have to resign, and in the second place it was to be feared that, despite any commitments made by the Parties in the South, the Rome leaders might reopen the institutional question. In the upshot a solution was found both for the governmental and institutional problems.

2. The first steps were taken in accordance with a pre-arranged plan. The King formally derogated powers to the Prince of Piedmont to sign Royal Decrees and to exercise prerogatives as Lt.General of the Realm. Marshal Badoglio handed his resignation and his government's to the new Lieutenant, who instructed him to form a new government. For this purpose the Marshal took a representative of each of the six Parties in the old government to meet the Rome Committee of Liberation on June 8th, three days after the Allied occupation of the city. It became immediately apparent at the first meeting that the leaders of all the Parties were unwilling to serve under Badoglio but were ready to join a government under Bonomi, who was the President of the Rome Committee. The Marshal thereupon called on the Lieutenant General of the Realm to report this and to recommend that H.R.H. should call on Bonomi to form a government. Before he did so, however, the Chief Commissioner formally warned the Lieutenant General that there were two conditions which H.R.H. must insist upon before entrusting anyone with the task of Prime Minister, that any Prime Minister and his Government must accept without question all existing undertakings to the Allies and that the institutional question must not be raised until the end of the war. Bonomi did not demur at either of these conditions and by the evening of the 9th June had already decided upon his list of Ministers, which was completed next day with a full additional list of under-secretaries.

3. This government was approved by the Allied Advisory Council and all members having established themselves in Salerno the Lieutenant General of the Realm on the 18th June formally signed the necessary decrees to enable them to start their labours. The full list of Ministers is as follows :

Prime Minister, Minister of the Interior and Foreign Affairs	LABOUR DEMOCRAT	Bonomi
Minister of Education	INDEPENDENT	De Ruggiero
Minister of Agriculture	COMMUNIST	Gullo
Minister of Labour	CHRISTIAN DEMOCRAT	Gronchi
Minister of Finance	ACTION	Siglienti
Minister of the Treasury	LIBERAL	Soleri
Minister of Communications	LABOUR DEMOCRAT	Cerabona
Minister of Public Works	SOCIALIST	Mancini

Declassified E.O. 12356 Section 3.3/NND No. 785016

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Minister of Public Works	SOCIALIST	Mancini
Minister of War	LIBERAL	Casati
Minister of the Navy	INDEPENDENT	De Courten
Minister of Air	" "	Piacentini
Minister of Justice	CHRISTIAN DEMOCRAT	Tupini
Ministers without Portfolio	ACTION	Cianca
	LIBERAL	Croce
	CHRISTIAN DEMOCRAT	De Gasperi
	LABOUR DEMOCRAT	Ruini
	SOCIALIST	Saragat
	INDEPENDENT	Sforza
	COMMUNIST	Togliatti

274

1248

Declassified E.O. 12356 Section 3.3/NND No. 785016

LEGAL SUB-COMMISSION.

16. Every effort is being made to ensure that the administration of justice in ROME is such as to be a credit to the Allies.

17. An officer of the Sub-Commission was on the Staff of "S" Force and entered ROME with it. He kept the Ministry of Justice functioning without break, investigated the activities of the Ministry and interviewed over 200 officials.

18. Military Courts have been established. Crime at the beginning was light but is increasing although the cases are mostly of a trivial nature.

EDUCATION SUB-COMMISSION.

19. Administrative personnel have been found more plentiful as we go North. As was expected in FROSINONE and LITTORIA the Germans had suspended schools in some cases for over a year. Education was resumed behind the advancing Armies and in many cases schools were re-opened, frequently in improvised buildings within a fortnight of our troops passing through. Text books and other items were provided.

20. Taking the children off the countryside will not only reduce mortality from mines, but prepare them for a full resumption of work in the autumn. Italian teachers have materially assisted in this rehabilitation. Many of them have volunteered to be transported to devastated Regions far from their homes and live under conditions of hardship.

21. Arrangements have been made to provide free lunches in the devastated regions in FROSINONE and LITTORIA. 18,000 children are already being so fed in LITTORIA.

22. Work is proceeding smoothly with the new Ministry, with the production of text books and re-organisation of the Universities of ROME and NAPLES.

PROPERTY CONTROL SUB-COMMISSION.

23. On legal advice, the policy of the Controller of Property taking custody of the property of Allied Nationals is under review. Hitherto sequestrated property has been placed by the Italian Government in the hands of managers and when the C.P. took possession it was the practice to leave the property under the same management, but his taking possession terminated Italian liability. It is proposed that an acknowledgement only shall be taken from the Italian Government as to the condition of the property at the time and that it has no claim on it. In order that liability for the property shall not attach to the C.P. it is proposed that an acknowledgement only shall be taken from the Italian Government as to the condition of the property at the time and that it has no claim on it.

MONUMENTS FINE ARTS & ARCHIVES.SUB-COMMISSION.

24. MFA. officers have been well forward with the troops and reports have been made on all towns of any importance within a short time of their recovery.

25. Arrangements have been made with the Abbot of CAVA for monks to proceed

1249

Declassified E.O. 12356 Section 3.3/NND No. 785016

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25. Arrangements have been made with the Abbot of CAVA for monks to proceed to CASSINO to supervise the recovery and safe removal of objects of value lying among the ruins. Despite notices forbidding the taking of souvenirs, there is little doubt that wholesale souvenir hunting by Allied personnel is taking place.

26. Remains of a Roman bridge have been discovered at PONTE SERRETELLA when repairing a bridge blown by the Germans. The damage to antiquities in ROME by Allied bombing has on examination proved to be almost negligible, the only damage of importance being that to the Basilica of S. Lorenzo fuori le Mura, which has been previously reported and which is being repaired.

1250

Declassified E.O. 12356 Section 3.3/NND No. 785016

Declassified E.O. 12356 Section 3.3/NND No. 785016

5. The Council of Ministers met for the second time on 30 June, and their main work was concerned with the preparation of a decree dealing with grain amassing laws. This provides penalties of imprisonment from six months to six years and fines at the rate of twenty times the value of the grain withheld, a timely measure which should have a salutary effect in encouraging the amassing of this year's harvest on the necessary scale.

6. On the same day the Advisory Council met in Naples and unanimously recommended the transfer as soon as possible of the Italian Government from SALERNO to ROME and with the move of the Government to the capital greater administrative efficiency should result since there has been neither the necessary permanent staffs nor accommodations for the proper functioning of Government in a provincial city such as SALERNO.

COMMUNICATIONS SUB-COMMISSION.

Telecommunications.

7. In Italian Government territory there have been only minor changes. The percentage of telegraph offices connected by the end of June reached 100% in SARDINIA, 51% in SICILY and 84% in ITALY, an average of 77%.

8. In SICILY practically all military signal personnel have been withdrawn and the maintenance of the military circuits still remaining has been taken over by Italian organisations under arrangements made by the Regional Telecommunications Officer. In the NAPLES area telegraph service has been restored to the larger suburban areas, TORRE ANNUNZIATA, PORTICI, TORRE DEL GRECO, CHIAIA etc.

9. Communications to and within ROME have been the chief activity of the month. In ROME, the urban automatic system was practically undamaged, but there were many problems of power supply, restoration of services and priorities, that were dealt with by the combined efforts of Allied Armies and AMG Telecommunications Officers. The first circuits to ROME were restored by the military for their purposes on overhead routes by the middle of June. The main underground cable was restored (24 circuits) on July 1st.

Postal.

10. The main development in the South was the restoration of internal and foreign letter services in the province of SALERNO and in the remainder of NAPLES Province, which is now fully served. Registration, insurance, express, airmail, and money order services are included. To provide for postal matters in ROME, a Postal Officer was sent forward and arrived in the city on June 6th. Conditions were found to be very favourable. All Post Offices were in good order and not occupied by any military units. In addition to the Central Post Office, there are five Branch Offices and seventy Sub-Offices in the city. Records, stamp stocks, etc. were generally intact. The personnel normally employed number some 5000 (apart from a large Ministerial staff) and the chief officials were mostly available. Assorted stocks of postage stamps were on hand, and in quite large supply for most denominations. These stocks comprised a number of the normal Italian issue, a further number which had been overprinted by the Republican Government, and two denominations of a special Republican issue which are stated not to have been put on sale. All other than the normal stamps are being called in and "frozen".

Declassified E.O. 12356 Section 3.3/NND No. 785016

4. The first meeting of the Council of Ministers was held on June 22nd. Their first act was unanimously to approve a declaration in which the following points were made. They declared that the Government, on account of its political origin, represented that large majority of the country which, even in 1940, was against Fascism and against Italy's entry into the war by the side of Hitlerite Germany. They repudiated the so-called Fascist claims against the honour and integrity of other nations and they condemned the Fascist aggressions against France, Greece, Yugoslavia and Russia. These aggressions had violated Italy's political tradition and consequently the Cabinet intended to continue the war by the side of the United Nations until the final defeat of Hitlerite Germany and to intensify Italian participation in various ways. In addition, the Cabinet considered a scheme for the calling of the Constituent Assembly, which would be elected by universal and secret ballot once the whole country was liberated.

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Postal.

Civil Censorship.

11. Operational control was handed over to the Italian Government and the Allied Censorship Officers were withdrawn at ports used for foreign mail. Italian censor officers have also been attached to censorship stations in Military Government Territory to prepare for the transfer that will take place when this territory is handed over.

ARMY, NAVY & AIR FORCE SUB-COMMISSIONS.

12. As in previous months reports have been rendered directly to the Allied Services concerned.

E. W.

ELLERY W. STONE
Captain, USNR
Acting Chief Commissioner

1253

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ELLERY W. STONE
Captain, USNR
Acting Chief Commissioner

1254

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APPENDIX "A"

REPORT

PROGRESS IN ROME FROM 4 JUNE - 30 JUNE 1944.

Political.

1. Principe Filippo Doria Pamphili, anti-fascist, has been put in as Sindaco of the Governatorato of Rome. A junta has been formed of twelve members, two from each political party. Close contact is being maintained with the Committee of Liberation. An Epuration Order, Regional Order No.1, was published 26 June 1944. There is no particular tension evident in the administration of the Rome Governatorate.

Economics and Supply.

2. There is slightly better than a week's supply of flour and five days supply of other foods. Upon arrival in the city the bread ration was 100 grams per day of mixed white and dark flour. This was immediately changed to 100% white flour. On 21 June 1944 the bread rations was increased to 150 grams all white flour and on 25 June the ration was increased to 200 grams per day, all white flour. On this basis the daily tonnage of flour required to feed ROME is slightly over 300.

3. On 18th June the five day issue of miscellaneous foodstuff rationed as laid down by ACC was distributed to the stores. Another such issue occurred on 23rd June and another one on 28th June.

4. By Regional Order No.8 a subsidy of 1.30 lire per kilo was ordered to be paid to all bakers duly registered. Subsidies rendered were from 6 to 30 June, but no authority granted beyond that date without further order. Regional Order No.7 established on the top retail price of milk at 5 lire per litre. Regional Order No.2 ordered that all existing provisions, orders and decrees of Italian law requiring that all fruits, vegetables, dairy products, meat etc. brought to the city of ROME should be sold at the general market were considered to be in full force.

Industry.

5. During the period of this report, constant visits and interviews took place with Italian and other business men desiring to collaborate and get their plants into production or to protect what remained and to reorganise. Inspections were made of :

Chemical Plants	4	Electrical Supplies	2
Automobile repair or manufacture	1	Automatic Telephone	1
Cement and building materials	2	Glass, Radio Quartz	2
Explosives etc	2	Armaments	1
Gas and war gases	2	General engineering	1
Fertilizers	1	Industrial gases	3
Soap	2	Tyres, Rubber Goods	1
Printing Radio Equipment	1	Tayon, Parachutes	2
		Timber and Metals	2

272

6. Steps were taken to set up a local committee to control the distillation, brewing, sale and medical analysis of all alcoholic beverages.

1255

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2. There is slightly better than a week's supply of flour and five days supply of other foods. Upon arrival in the city the bread ration was 100 grams per day of mixed white and dark flour. This was immediately changed to 100% white flour. On 21 June 1944 the bread rations was increased to 150 grams all white flour and on 25 June the ration was increased to 200 grams per day, all white flour. On this basis the daily tonnage of flour required to feed ROME is slightly over 300.

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Agriculture and Fisheries.

7. Economics and Supply hired a civilian, Mr. Van Artssen, former director of the International Agriculture Institute of Rome. His activities consisted in receiving hundreds of applications for assistance in the way of electric power pumps, fuel, lubricating oil etc. in connection with agricultural production to save crops and to improve output.

8. Personal inspection was made of about ten large farm properties in the AGRO ROMANO, and the Milk Central Station. Study and recommendation of milk subsidy came from this Section.

1256

Declassified E.O. 12356 Section 3.3/NND No. 785016

9. An order was posted and permits printed for the resumption of fishing under proper limitations on a short coastline. This was done in conjunction with Region IV.

Labour.

10. The Italian Collocamento was reopened at No.6 Via Lucullo. The records and files were intact. The personnel were not present and new personnel have been engaged. The old personnel could not be used because of their close collaboration with the German forced Labour programme. Approximately 10,000 workers have been furnished to the Armed Forces through this office. There is an over-supply of labour in all classifications except English speaking typists.

11. The order abolishing the Fascist Corporative System and permitting free organizations of employers and employees was issued on 13 June. This order included titles creating Italian Labour Offices and adjusting wages of Government and private employees.

Public Works and Utilities.

12. Water. Damaged siphons, tubes and secondary aqueducts were repaired by inter-connecting the two systems and installing regulating valves. Supplies of water were maintained in the city to the extent of approximately 100,000 gallons a day at the lowest. Further repairs have improved the situation, and the normal water supply should be resumed by 9th July. Permanent repairs still have to be made.

13. Electric Power. The hydro-electric network normally supplying ROME with 126,000 kilowatts was cut off, and some stand-by sets consumed fuel which was in short supply. Several small hydro-electric installations were located nearby, and these were repaired and put back into operation. Due to shortage of power a rationing system was put into effect which allowed civilians four hours of power every other day at a specified time. Military installations were given continuous service. Up to 30th June the lowest number of kilowatts on the line in any one day was 17,000 and the largest number 28,000. Within the course of the next ten days the total capacity on the line should be in the region of 40,000 kilowatts, of which 26,000 is steam or diesel generated and 14,000 hydro-generated. These 40,000 kilowatts cannot be maintained continuously, since the fuel burning plants are stand-by plants and were not meant for the steady use to which they have been recently put and must be stopped from time to time for repairs. The coal needed for fuel driven plant varies from 30 tons a day at low load to 300 tons a day at peak load.

14. Tramway Services. Tram lines are restricted to 50% of operation at the present time. In the morning 360 cars are being used - from 11 o'clock onwards 180 cars. The service is limited to the times when workers should go and return from work, and is also limited by the total power available on any one day.

15. Gas. Under the Germans no gas was supplied to the city for several months. Gas was supplied to the hospitals immediately after our arrival. However, due to the shortage of fuel the gas plant was closed down and the fuel diverted to the power plants. This condition will remain in effect until such time as adequate supplies of fuel for gas as well as power can be assured.

1257

Declassified E.O. 12356 Section 3.3/NND No. 785046

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16. Sewers. The sewage system of the city is unharmed. Since they operate by gravity they are functioning satisfactorily, especially with the increase in the water supply. Normal maintenance is being continued.

Public Safety.

17. (a) General. Public order is very good. Proclamations observed in almost every respect. No clashes between civil police and public, no rioting.

2,850 civil police brought into ROME area - one fire brigade. Guards placed on over 2,200 buildings almost immediately on arrival. Over 2,000 Carabinieri disbanded by the Germans have been recruited and are on active duty. This is in addition to the numbers brought in. The Polizia Africa Italiana force of 1,950 men were dissolved and disarmed. The General in charge has since been arrested, and the assets of 3½ million lire frozen.

1258

Declassified E.O. 12356 Section 3.3/NND No. 785016

The patriot political police force of some 17,000 was dissolved and disarmed. All former civil chiefs of police have been removed from office. About 2,800 undesirable police have been removed, due to bad records or over-age. There are now approximately 17,000 officially recognised civil police in service, and working well.

The Rome fire service is completely mobilised and on active duty.

Before our arrival the Germans let all prisoners out of jail. Due to the fact that the prison records were found intact many of these criminals were re-arrested. The prisons are in good condition.

Large quantities of fire arms and ammunition were surrendered to the police; arms and explosives located at various places turned over to the military. The offices of political organizations were raided, and quantities of arms and explosivies seized.

(b) Allied Courts. Three Allied Military Courts are functioning and of these two are Summary and one Superior. The Courts are now disposing of approximately fifty cases per day.

(c) Italian Courts. Upon arrival in the city it was found that all Courts were prepared to function normally, with the exception of three sections of the Court of Cassation, the three judges of which had fled the city with the Germans. Italian Courts are now functioning under the supervision of the Legal Division and are up-to-date with their calendars.

Public Health and Welfare.

18. Diseases. No epidemic disease. Tuberculosis definitely on the increase due to general malnutrition. The rate has risen to 200 per thousand as against 75 per thousand eighteen months ago. The death rate has increased only among the old age groups in the sixth decade, due mostly to heart disease.

19. Hospitals. There are 16,000 beds for civilians, 6,000 being for general disease, the remainder for specidist cases. Army units have not encroached on civilian needs.

20. Medical Supplies. AMG medical supplies have arrived and are adequate for all hospital needs. In addition, all wholesalers and pharmacists have sufficient supplies for at least three months.

21. Milk. About 30,000 litres of fresh milk are distributed daily to various essential categories. 52 tons of powdered milk have arrived and are to be used for infant feeding during warm months. This amount is sufficient for a four months period.

22. Welfare. Under the supervision of Public Welfare 339 soup kitchens feeding approximately 264,000 people are operating. They are operated by four organizations :

1. Ente Assistenza di Roma.
2. [illegible]

1259

Declassified E.O. 12356 Section 3.3/NND No. 785016

(b) Allied Courts. Three Allied Military Courts are functioning and of these two are Summary and one Superior. The Courts are now disposing of approximately fifty cases per day.

(c) Italian Courts. Upon arrival in the city it was found that all Courts were prepared to function normally, with the exception of three sections of the Court of Cassation, the three judges of which had fled the city with the Germans. Italian Courts are now functioning under the supervision of the Legal Division and are up-to-date with their calendars.

Public Health and Welfare.

18. Diseases. No epidemic disease. Tuberculosis definitely on the increase due to general malnutrition. The rate has risen to 200 per thousand as against 75 per thousand eighteen months ago. The death rate has increased only among the old age groups in the sixth decade, due mostly to heart disease.

19. Hospitals. There are 16,000 beds for civilians, 6,000 being for general disease, the remainder for specialist cases. Army units have not encroached on civilian needs.

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2. Circolo di San Pietro.
3. Opera Nazionale Assistenza Religiosa Morale Operai.
4. Societa Generale Immobiliare.

271

Of this number approximately 40,000 persons are receiving free assistance; the remaining groups pay approximately 3 lire. By the end of June all persons were giving up ration points for their daily meal at the soup kitchen.

23. Contact has been constant with the Welfare Committee at the Vatican. This Committee is effective and helpful. Had it not been for their activity in furnishing food to the large chain of soup kitchens severe suffering would have occurred in ROME before food was received in the stores. Many cases of individual relief have also been handled.

1260

declassified E.O. 12356 Section 3.3/NND No. 785016

24. The general condition of the populace is slowly improving and as soon as the food ration can be further increased and varied the general condition of undernourishment which prevails throughout should be corrected.

Education.

25. University. The University is now open again. A Pro Rector and a Committee of Rehabilitation has been appointed. When its work is done, the election of deans and a rector will be held. Examinations will be held as usual in the autumn.

26. Schools. Examinations were being held at the time of our arrival, and were completed. Another session for the benefit of students who were excluded from taking examinations for political and racial reasons will be held next week. A new Provveditore was appointed.

27. Music. Arrangements were made with the Musical Academy of Santa Cecilia to, give symphony concerts twice a week during July and August for troops and civilians. The series will begin as soon as the engineers can arrange lighting for the theatre.

28. Theatres. A certain number of theatres were reserved for civil entertainments. 19 companies have been given permission to give performances.

29. Opera. There will be a summer season of opera as soon as the engineers can provide lighting.

30. Libraries. All libraries have been reopened and are functioning normally.

31. Academies. All academies are functioning normally. A request has been made to ACC to dissolve the Accademia d'Italia, a Fascist creation, and to reconstitute the old Accademia dei Lincei which had been absorbed by the Accademia d'Italia.

Communications.

32. Roads. Streets, roads and bridges (with one exception) in the city were found in excellent shape. Regular repairs are going forward. Only one bridge over the Tiber had been destroyed. Arrangements are under way to have this permanently repaired. Roads in Governaterate outside the city were badly damaged. Repairs are proceeding.

33. Rail. The steam and electric railroads leading into the city have been entirely in the hands of the military. The line from Civitavecchia and the line direct from [redacted] to NAPLES will be operating early in July.

34. Telephones. The exchanges were found intact, but the long distance repeater equipment had been removed. The Germans had restricted the civilian telephone to 5,000 users. All telephones were disconnected by our advance forces. By the end of the second day all important military installations were connected to the civilian system and on the third day civilian service was restored to as

1261

Declassified E.O. 12356 Section 3.3/NND No. 785016

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35. Telegraphs. The three main telegraph offices were undamaged but owing to demolition of equipment, no general service is available.

36. Censorship. The Postal Censorship unit arrived the first day we entered ROME, established an office, and assembled the Italian censorship staff of approximately 170. These men have been vetted by F.S.S. and are now working.

1262

Declassified E.O. 12356 Section 3.3/NND No. 785016

37. Postal Service. The six main post offices and the seventy branch offices are inoccu. Postal service will start 1st July.

Property Control.

38. The property of Allied Nationals has constituted major work, consisting of supervising approximately 150 real and personal properties, and 45 corporations and business, of which 26 were American, 12 British and 7 French. All bank accounts and postal savings accounts owned by our nationals have been blocked. Enemy state property so far has consisted of 130,000 litres of liquor, the raw materials for which were furnished by the Germans.

39. Fascist public property presented some difficulties. Possession was taken of all available cash pending determination of eventual ownership. Abandoned private Fascist property required considerable protective measures to prevent looting.

Finance.

40. All banks and financial institutions were protected upon entrance into the city. 500 million lire of AMA cash were deposited in the vaults of the Banca d'Italia. These lire were brought in on trucks on the first day. Subsequently 450 million lire were brought up from the Naples Branch for the ROME branch of the Banca d'Italia.

41. A few banks and post offices were open for business on 5th June but were closed later in the day in accordance with Proclamation No.4.

42. Meetings were subsequently held with bank officials. In the opinion of managers, due to the advance of additional lire, the banks could safely be re-opened. This was done on 12 June, with no restrictions.

43. The post offices opened simultaneously and all normal services of these institutions were put into effect, except for mail.

44. No discrimination of any kind has been made against notes printed before our arrival. The banking situation after 25 days of occupation is considered to be satisfactory.

Displaced Persons.

45. At present approximately 5,000 Allied Nationals have been located in ROME, belonging to 26 nations.

46. It was found that the numerically larger goups, i.e. British (including Maltese), Polish, Yugoslav (Royalists and Patriots), Hebrews and Greeks, were well

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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46. It was found that the numerically larger goups, i.e. British (including Maltese), Polish, Yugoslav (Royalists and Patriots), Hebrews and Greeks, were well organized and had been well taken care of by the representatives of their protecting powers or by elected committees. Many had been often moving from residence to residence at short notice, or in hiding, while others had been fed, housed and cared for by Italians, often at great personal risk to life and property.

47. The numerically smaller groups and those less closely knit together have now been organized and almost every individual Allied National has been accounted for.

270

48. Special arrangements have been made for medical care of the sick and small quantities of comforts, such as milk, concentrated soups, etc., have been made available.

1264

Declassified E.O. 12356 Section 3.3/NND No. 785016

Monuments, Fine Arts and Archives.

49. Monuments and Fine Arts. Fine Arts situation in ROME City very good. Almost no war damage. Church of S. Lorenzo seriously damaged by bombing in July 1943; repairs are in progress under direction of Superintendent of Monuments, but hampered by lack of materials.

50. Archives. A general policy of removal to the North of the majority of the more important recent Archives was carried out by all Ministries before the arrival of the Allies in ROME. In the Ministry of Foreign Affairs very little remains for the period 1933/43. Regarding the Ministry of Justice, it is reported that the legal records were bombed and in large part destroyed en route North. In spite of these removals the amount remaining in the various Ministries was so large that the plans laid for the exploitation of the Archives for intelligence purposes could not be carried out. In the return intact of all evacuated documents an important preliminary is the preparation by individual Ministries of a comprehensive statement with exact lists of missing classes, files etc. This is being done.

1265

Declassified E.O. 12356 Section 3.3/NND No. 785016

CONFIDENTIAL

HEADQUARTERS,
ALLIED CONTROL COMMISSION,
APO 394.

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REPORT FOR MAY 1944.

1. For the last two months this Report has been a record of steady progress in many spheres, but nevertheless work for many assumed a routine character until such time as the Armies were again able to resume the offensive. Like the Armies we devoted the interim period to planning for a big advance. Fifth and Eighth Army AMG's were strengthened, and Region IV, now responsible for LAZIO, UMBRIA and the City of ROME, like Sleeping Beauty, was suddenly brought to life. The day when the Armies started their big attack, so long anticipated, was 11.May, and for the moment AMG teams with the Armies held the limelight.

2. The Armies progressed rapidly, leaving behind a trail of destruction wherever battles were hard fought. Townships like PONTECORVO, CASSINO and PIEDIMONTE ceased to exist as dwelling places, whilst others could accommodate only a small percentage of their inhabitants. As long ago as last September it is recorded that the enemy completely emptied one place, the population fleeing to the neighbouring hills. Considerable movement of the population took place as a result of all this and as examples, FONDI increased from 19,000 people to 30,000, and TERRACINA from 14,000 to 23,000. Many suffered from exposure and lack of food.

The feeding and medical treatment of all these people, together with the evacuation of refugees, fully extended AMG staffs but presented no new problems. By the end of the month 200,000 people were being fed in the Fifth Army area alone. Well earned were the congratulations of General Alexander and his application of the epithet "the Third Army" to A.C.C.

3. Due to the fast rate of advance contact was often lost with forward CAO's, whilst Provincial teams had to be called up urgently to take over. The small port of GAETA was quickly employed. It was captured on 20.May and although damage to the harbour was considerable a stretch of 'hard' was cleared by the Royal Navy and a U.S. Engineer Unit so that schooners could be brought in. The first one carrying food supplies entered on 26.May and was unloaded into a warehouse which had already been secured. By 28.May all supplies were on a sales basis up to a line TERRACINA - PICO, indicating a very rapid recovery of normal economic life.

It was unfortunate that the misery of the refugees in some areas was increased by the conduct of certain troops under French Command, which moreover caused a greater movement of refugees than would otherwise have been the case. Adverse accounts of behaviour of troops continue from many parts of the country. When, however, account is taken of the great number of troops, the many diverse nationalities and the fact that good behaviour is unrecorded, the situation would appear normal. A regretable exception is the behaviour of African troops under

1266
Declassified E.O. 12356 Section 3.3/NND No. 785016

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269

4. Next to the advance of the Armies harvesting prospects and organisation have received most attention. After long discussions the price of wheat was fixed at 1000 lire per quintal and it was announced in the Press and over the radio on 15 May by both A.C.C. and the Italian Government. Inevitably, there are localities where dissatisfaction is expressed over the price, but in reaching a decision factors of national importance had to be taken into consideration.

The word "Amassi", of evil association, is dropped and in its place comes "Granai del Popolo". Well conceived publicity is sucessfully establishing this phrase.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

With the wholehearted co-operation of AAI and the Italian Army, the labour problem has been largely solved by the transference to the principal grain areas of 25,000 Italian troops for the period of the harvest, mostly from Sardinia.

5. 30 and 31.May were devoted to the third Regional Commissioners' Conference which revealed both progress and harmony. Harvesting received rightly more time and detailed discussion than any other topic, for its importance to the Allied cause and the welfare of the country up to the time the last grain of wheat is stored could not be too much emphasised.

The personnel ceiling of ACC/AMG having been fixed and attained (including allowance for future expansion) it is obvious that as new areas are brought under control established areas must release personnel. Naturally the first to feel this thinning out process are the Regions in Italian Government Territory, who have nevertheless cheerfully faced the prospect during the month of parting with a number of their key men.

The remainder of NAPLES Province was handed over to Region III on 22.May.

A new defascistization law is being prepared to distinguish between the active Fascists and those who have only been tainted. In this connection emphasis has been laid on the difference existing between "defascistization" and "epuration". These terms are often used loosely and imply that they are synonymous which is not the case.

6. A committee under the chairmanship of the Deputy Chief Commissioner was appointed in order to make recommendations to check the present tendency to inflation.

POLITICAL.

7. The second meeting of the new Italian Cabinet took place on 4.May. Subjects under discussion were (i) the Granio del Popolo and the price of wheat; (ii) Defascistization; (3) Suppression of the Ministry of Foreign Exchange, its duties being taken over by the Ministry of Finance; (iv) Suppression of the Ministry of Popular Culture, press relations being taken over by the Ministry of the Interior (home and foreign news), the Ministry of Communications (tourism and radio), and the Ministry of Education (cinema and theatre); (v) Economic betterment of State employees.

8. The official price of wheat was issued on 15.May. The Italian Government asked that an A.C.C. announcement should be issued, covering AMG territory, at 2 p.m. followed at 2.30 p.m. by an Italian Government communique fixing a similar price "in order to ensure uniformity".

9. The new law dealing with the punishment of Fascist crimes and illegal practices contains a definition of those crimes which enabled Fascists to assume power in 1922 and to eliminate the last traces of democratic rule. Punishment ranges from imprisonment to death penalty. A list of mitigating circumstances is established to alleviate or to suspend sentences including such actions as fighting Germans. Provincial Commissions are established in each Province to judge all cases. Members of the Commissions will be both judges and laymen selected for their known anti-Fascist records and positions. Commissions will

1268

Declassified E.O. 12356 Section 3.3/NND No. 785016

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10. At a later meeting the Council affirmed a policy of war to the end against the Nazis and expressed its hope for a new world of international collaboration based on the principles of the Atlantic Charter and repeated its conviction that the Italian people had been betrayed and forced into a war against their interests and against their will. The Fascist invasions of other nations are deplored and, specifically, the Government looks to the early liberation of Albania.

1289

declassified E.O. 12356 Section 3.3/NND No. 785016

FINANCE.

11. The complete report of the Finance Sub-Commission receives the same circulation as this report. It is therefore proposed to present here only the salient points.

12. As the next fiscal year for the Italian Government begins on 1.July it is necessary that a new budget be prepared to control expenditure after that date. The Italian Government is taking steps to prepare such a budget for the territory under its jurisdiction, and at the Government's request the Italian forms were sent to Military Government territory in order that if and when additional territory is turned over to the Italian Government, data will be available to make the necessary changes.

13. In Military Government territory there has been distributed a complete set of forms for the preparation of budgets, the operation of such budgets, the control of expenditures, and for reporting such expenditures. Revenue data are also included in these forms. In designing these forms every attempt was made to adhere as closely as possible to normal Italian accounting and fiscal procedures. Fiscal procedure for the State agencies is quite dissimilar to that for local government bodies, and two sets of forms were necessary. The operation of the new budget procedure should result in a definite measure of expenditure control.

14. Refugees leaving Italy for Palestine have deposited substantial funds with the Internees and Displaced Persons Sub-Commission, which is seeking a means of remitting these funds to Palestine. As there is yet little or no sterling available in the AF accounts, and as CCS has not approved the expenditure of foreign exchange for this purpose, the current procedure results in blocked deposits being held by the Internees and Displaced Persons Sub-Commission, for account of the refugees abroad. The problem has been referred to CCS decision as to policy, with a suggestion that the Jewish relief agencies abroad may desire to obtain lire funds, by purchase of these blocked deposits from the refugees arriving from Italy, if this is not contrary to general policy.

15. The Italian Government decree for the Insurance Advisory Committee has been signed and the opening meeting should take place during the first week in June. Arrangements have been made for the Insurance Department of Finance Sub-Commission to be provided with agenda and minutes of each meeting, and representatives have been invited to attend the first meeting.

16. In response to a request from AFHQ, the Minister of Finance was asked to give assurances as to the implementation of that part of the Armistice terms which provides that the Allied Forces shall be immune from Italian taxation. A satisfactory reply was received from the Minister, stating that no taxes, direct or indirect, will be imposed upon the Allied Forces or organisations serving with the Allied Forces, or upon individual members thereof whether acting in an official or un-official capacity. Specific instructions which have been issued to Italian tax officials by the ministry were cited in support of these assurances.

268

ECONOMICS, RESOURCES and SUPPLY.

17. Food.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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268

ECONOMICS, RESOURCES and SUPPLY.

17. Food.

Grain shipments during May were much more regular than in April. Seven bulk wheat ships of a total tonnage of 56,000 tons and one flour ship tonnage 8,600 tons were unloaded during this period. The last ship was diverted to ANZIO with a large portion of its flour cargo together with an additional top cargo of miscellaneous subsistence items to establish a stockpile for the feeding of ROME. The manufacture of pasta for feeding of forward areas has begun and arrangements are well advanced for the manufacture of biscuit for emergency feeding of forward areas. Plans for making use of the local harvest and for its movement from areas with a surplus to areas with a deficiency are well advanced.

18. Food processing has received considerable attention. Plans are in hand to deal with potatoes, tomatoes, marmalade, jam, macaroni, fish (using the salting and drying processes) and yeast manufacture.

1271

Declassified E.O. 12356 Section 3.3/NND No. 735016

19. Ration Scales.

Supplementary Ration for Heavy Workers. The scheme for the issue of additional rations to heavy workers wholly and in part employed by Allied Armed Forces has been adopted to commence 1 June. This issue will be by means of supplementary ration cards, and these have been delivered to Regional Supply Officers for distribution to the employing units and the process is proceeding smoothly.

Industry and Commerce.

20. Much of the activity of the Industry & Commerce Sub-Commission has been in the direction of rehabilitation of factories and increased production in those concerns that are working. Special attention has been given to the following vital products:-

Soap - requirements of British Army, Italian Army, Navy and Air Force, civilians. Substantial quantities of soft soap will be produced by using the potash from almond-ash.

Glycerine and glycerine dyes for export.

Sulphuric Acid - acid for battery electrolyte has come into production and all British Army requirements will be covered.

Fertilizers - production commencing shortly at seven plants. Sulphur is to be used in place of pyrites.

Carbon disulphide, Cement, Industrial Gases, wire nails and paper.

21. Agreement has been reached with the Italian Government on measures for the future regulation of the manufacture and use of leather. The key to the scheme is control of the production and allocation of tanning extracts, and a survey of these is approaching completion. The project for the repair of salvaged Army boots has been, within its own limitations, very successful, but it is considered that this scheme should be extended even at the cost of manufacture of boots, as the needs of heavy workers for whom this type is suitable are of the most urgent priority. In addition, it is hoped that an early importation of 500,000 pairs of heavy boots will be made, as these, plus local production, would go far towards solving the problem.

22. Export Shipments. Since last reporting the following shipments have been made:-

To U.S.A.....	100,019 lbs.	Lemon Oil.
To U.K.....	10,265 tons	Sulphur.
	336 qtls	Filberts.
	388 qtls	Argols.
	17,731 gals	Lemon Juice.
	243 qtls	Lemon Oil.
	13 qtls	Tangerine Oil.
	37 qtls	Sweet Orange Oil.
	15 tons	Bentonite (sample shipment)
	160 kilos	Briarwood (" ")

23. Hemp products have shown the anticipated increases especially in canvas and cordage. Large quantities of binder twine for agricultural purposes have been

declassified E.O. 12356 Section 3.3/NND No. 785016

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21. Agreement has been reached with the Italian Government on measures for the future regulation of the manufacture and use of leather. The key to the scheme is control of the production and allocation of tanning extracts, and a survey of these is approaching completion. The project for the repair of salvaged Army boots has been, within its own limitations, very successful, but it is considered that this scheme should be extended even at the cost of manufacture of boots, as the needs of heavy workers for whom this type is suitable are of the most urgent priority. In addition, it is hoped that an early importation of 500,000 pairs of heavy boots will be made, as these, plus local production, would go far towards solving the problem.

22. Export Shipments. Since last reporting the following shipments have been made:-

To U.S.A.....	100,019 lbs.	Lemon Oil.
To U.K.....	10,265 tons	Sulphur.
	336 qtls	Filberts.
	388 qtls	Argols.
	17,731 gals	Lemon Juice.
	243 qtls	Lemon Oil.
	13 qtls	Tangerine Oil.
	37 qtls	Sweet Orange Oil.
	15 tons	Bentonite (sample shipment)
	160 kilos	Briarwood (" ")

23. Hemp products have shown the anticipated increases especially in canvas and sacking; large quantities of binder twine for agricultural purposes have been produced. Supplies to the services have been maintained. The industry has been working for three months on the small stock of spare materials which were in hand. Production must diminish unless items which have been requested are supplied. These items should be regarded as military requirements and priority allocated accordingly.

AGRICULTURE, FORESTS & FISHERIES.

24. The general impression is that most sections of Liberated Italy will have a bumber crop in the present year. This is true not only of grain but of nearly every other crop which is normally planted. Fruit crops such as cherries and strawberries, plums and similar fruits show excellent output, and the general conditions of all crops at the end of May indicates first that most favourable

1273

Declassified E.O. 12356 Section 3.3/NND No. 785016

weather conditions have offset many of the handicaps resulting from the lack of fertilizers and materials, and second, that Italian farmers in spite of shortage of tools and work animals, and in spite of disruptions due to military activity, have gone ahead and planted the last inches of land and tended and cultivated the crops well.

25. Military installations, such as air fields, ordnance dumps and staging areas, cover a very appreciable portion of the farming land in Southern Italy. While there is considerable damage to growing crops and to agricultural facilities in some areas owing to the military necessity of taking over planted land or buildings, the military is giving splendid co-operation in this particular phase through the Commanding Generals of the Armies who have issued orders instructing that every care be taken in installations and in the requisitioning of facilities, that proper regard be given to areas and facilities which may be utilised for agriculture.

26. Crop reports on the acreage planted and the condition of the crop were collected from all Provinces and the preliminary forecast on 15.May was:-

Wheat	-	1,624,135	metric tons.
Barley	-	153,460	" "
Rye	-	9,990	" "
Oats	-	271,415	" "
Corn	-	151,775	" "
Dry Broad Beans		208,830	" "
Potatoes	-	590,990	" "

27. The Granai del Popolo. Following close on the re-organisation of the Ministry of Agriculture and the announcement of the programme for collecting wheat and barley last month, activity has been intensified through the Sub-Commission and the Ministry of Agriculture to develop the necessary directives which will make possible the implementation of the collection decree, for the general co-ordination and broad supervision of the collection programme. Reports from the field indicate that the Communal and Provincial Committtees in most Provinces are functioning and declarations are being completed. Assessment forms are being printed and will be available in time for the harvest and threshing. Special decrees and directives dealing with the collection of other crops are being prepared and worked out in co-operation with the Italian Government. A programme of publicity and propaganda has been worked out by members of the staff, the Italian Government and PWB, utilizing press releases, posters, radio, sound trucks and motion pictures, in order that every citizen of Italy may realise the importance of the attempt this year of Liberated Italy to assist itself.

28. During the month inspections of important mills in the Provinces of SALERNO, POTENZA and COSENZA were made to ascertain what mills were able to provide bridge and construction timber. Eleven mills were examined and four found having machinery capable of sawing logs, 4 metres or longer in length. Public Works and Utilities Sub-Commission was notified of those considered of special interest to them.

29. Fisheries. The 21 tonnara around the Sicilian Coasts are in full swing and part of the harvest is being shipped to Naples. The remainder is being sold on the local markets as fresh fish food or is being either canned in olive oil or salted. Several shipments of hemp cordage were made to Region V during the month. Reports from Sardinia indicate that there is a normal run of tuna fish.

Declassified E.O. 12356 Section 3.3/NND No. 178506

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Barley	-	153,460	"	"
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PUBLIC WORKS & UTILITIES.

30. Highways and Bridges. At the beginning of the month eight bridges on main highways were under constructions, and at the end of the month this number had risen to fifteen. Ten new bridges were under survey and design at the end of the month, or were being let out to contract. At the end of May heavy repairs of a major character were in hand on 158 miles of roads, mostly under contract, whilst normal repairs on 791 miles were similarly in hand, either by

Declassified E.O. 12356 Section 3.3/NND No. 785016

contract or under strengthened gangs of the "Cantonieri" (direct labour). In spite of abnormally heavy traffic throughout the northern Military Government territory, there was a marked improvement in road conditions during May, both as to foundations and surfacing. All roads coming under first priority (military) were in hand, except for certain delays occasioned by local shortages of bitumen, or transport. The total number of quarries operated rose during May from five to eight.

31. Electrical Division. Under the heading of control of electric power supplies, further meetings were held with officials of the Public Works Ministry regarding a more uniform application of the decree on electricity rationing. The rationing has given very marked and on the whole satisfactory results, with a corresponding saving in coal consumption at thermal power stations, and conservation of the water held in storage at various high-level lakes and impounding reservoirs which furnish power to the numerous hydro-electric stations. The transfer of electricity generating plant from PALERMO (Sicily) to MATESE on the mainland was not found possible during the month, but will be completed in June.

LABOUR

32. Continued representations were made during the month to the Italian Government for the creation of a civilian mobilization law providing for manpower, and it is being given further consideration. The revised draft of the basic labour law was re-submitted by the Italian Government and is now being considered by A.C.C.

33. The labour situation remained fairly static. The continued threat of strike persisted and "sit-downs" of short duration were not uncommon. Unrest was more marked than in any previous month and the Labour Sub-Commission is convinced that there is systematic agitation of the workers coming from one or two major sources. The real cause of the unrest is food, not low wages.

34. Drafting of the Social Insurance plan in close collaboration with the Italian Minister is proceeding slowly. The Social Insurance structure, like the wage structure, is most complex and has never been systematically analyzed by the present Italian Government. The lack of knowledge, on the part of the Ministry, of Italian wage and social insurance laws and regulations is placing a tremendous burden upon the military authorities, who are being asked time and again by the Italian authorities to approve some ill-considered and unworkable scheme based upon fancy rather than upon fact. A social insurance programme is being drafted for direct employees of the Armed Forces in conformity with sound labour policy. The extension of social insurance to this large group of workers has been approved in principle by the A.A.I. Local Resources Board.

TRANSPORTATION

35. Railways. Whilst military control becomes less rigid in the south, in the north extended territory and preparations for further extension led to an increase in traffic to military railways. Arrangements were made for civilian mails to be conveyed twice weekly on the Naples - Bari military passenger train, and arrangements will shortly be completed to convey civilian mails over other parts of the service. Five additional passenger services have been introduced to meet civilian needs in the Naples - Salerno area.

1276

Declassified E.O. 12356 Section 3.3/NND No. 785016

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36. The Coal Division has been placed under the Transportation Sub-Commission for the purpose of drawing up in conjunction with the Italian Government control organisation for handling and distribution of coal.

37. Road transportation problems have been considerably eased by the receipt of a quantity of tyres and tubes for trucks; more have been authorised and when received additional problems will be solved. The total number of trucks available to the end of the month for the transport of civilian supplies was 604. Re-allocations have had to be made to meet anticipated requirements consequent upon military operations.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

38. Shipping. The scheme for the control of auxiliary motor sailing vessels received the approval of all interested bodies and is now in operation. Further progress has been made in the registration of Italian schooners. Up to the present 489 vessels representing about 39,000 deadweight tons have been registered. Of these, 231 are each under 50 tons but over 20 tons deadweight. In addition, 55 motor vessels of 2250 deadweight tons in Sardinian ports are being registered. During the latter half of May, 99 schooner voyages were reported serving 35 ports and various Islands. The quantity of commercial cargo carried amounted to 7247 tons of which timber, 2227 tons, was the largest item, followed by 1312 tons of foodstuffs, fruit and fish. Wine cargoes are not included.

INTERIOR

39. The Royal Decree restoring Local Government in Italy is being made applicable to Military Government territory. Pools of Local Government officers of various grades are being constituted as a reserve for use where no suitable persons to replace the relieved officials can be found locally in recovered territory. Teams of officials have been sent forward to re-organise the devastated Frosinone and Littoria Provinces.

LEGAL

40. The seccessive passing of increased responsibility to Italian Courts is proceeding with the object of freeing officers for more forward areas.

41. The consolidations of proclamations and orders and the issue of the booklet of "Consolidated Instructions for Allied Military Courts" have proved valuable both as helps and as a simplification.

42. Fascists are being dealt with in two ways, under the Decree of Defascistization of 28 December and under the recent Decree of Epuration. The former is a purely purging decree and provides the machinery for removing Fascists from office. The machinery is not yet properly at work. The latter is a penal decree and provides the machinery for punishing those who have been guilty of "crimes" - this decree has only just been passed. No action under it has yet been possible. The progress of both classes is a matter of special care and interest.

43. In espionage cases seven death sentences were confirmed and one conviction, with death sentence, was squashed.

44. Some improvement has been shown as to the number of cases awaiting trial and in the prison situation but constant watchfulness is necessary if it is hoped to get Italian Courts to deal with cases with reasonable expedition.

PUBLIC SAFETY

45. The plans for moving Carabinieri into new territory as the Armies advance have worked smoothly. It has been reported on all sides that the Carabinieri have proved of the greatest assistance to Allied Forces in dealing with all civilian problems. It is interesting to note that the appearance of Carabinieri with the advancing troops has been enthusiastically welcomed by civilians.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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46. Much closer relationship has been established between Provost and Public Safety Officers, with the object of maintaining direct contact between Allied Military Police and the Italian Police. Courses of lectures by Public Safety Officers are being given at Military Police Training Centres. The system of joint patrols by Allied and Italian Police is being extended.

47. The most serious case of counterfeiting yet discovered was at Palermo, where forged L. 1,000 Allied Military notes were being circulated. The printing press, tools and materials have been seized, 39 persons arrested and L. 42,000,000 recovered.

266

1279

declassified E.O. 12356 Section 3.3/NND No. 785016

48. The problem of overcrowding in civil prisons has been energetically tackled and the crisis has passed. All concerned now have a lively appreciation of the problem. The new Director of Prisons at the Ministry of Justice is forming a competent staff and a body of Inspectors.

49. The Military Security Services have reported that the additional restrictions imposed on the movement of civilians, which have thrown a good deal of work on ACC officers in the field, have proved of great value in checking the activities of enemy agents.

PUBLIC HEALTH

50. Smallpox. No further cases have occurred in Taranto, the disease in Naples is of a mild form. At 31 May 161 cases had been reported. There are no deaths.

Venereal. The decline of the V.D. rate continues. 2,000 hospital beds for infected prostitutes have now been provided in Italian Government territory. The Italian Government doctors and officials are co-operating well.

Malaria. AAI has made a considerable amount of Paris Green available for Regions. DDT Powder which proved of such value in Typhus Control is now proving of value in anti-malarial work, mixed with oil it is an effective larvicide, and mixed with kerosene or talc it is an effective destroyer of adult mosquito.

Veterinary. 2,500 swine have been lost in Region V from Swine Fever/Hog Cholera. The production of vaccine for this disease and of other biologicals is proceeding satisfactorily.

EDUCATION

51. Defascistization of Educational personnel is not proceeding in Italian Government territory as rapidly as is desired, but some improvement has been manifest recently. There have been a number of student disturbances mainly of a more or less good humoured nature to obtain the benefit of successfully passing an examination without undergoing the burden of a test.

52. The text book printing is now complete. If text books are to be ready for next year a million will have to be printed during the next few months. The work is in preparation.

53. The development of various educational channels for infants, for recreation, for youths (including scouts), for adults, for extension classes, for the teaching of arts and crafts and science and for technical education are all proceeding.

PROPERTY CONTROL.

54. A decree has been passed revoking measures previously taken against the property of Allied - French Nationals. Local officials have accordingly been instructed by the Ministry of Finance to revoke orders for sequestration and to re-assign property to the owner or the Property Control Officer for the owner. Banks which had been acting as managers of sequestrated properties will continue to manage them for their owner. The Bank managership is proving very satisfactory.

1280

Declassified E.O. 12356 Section 3.3/NND No. 785016

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MONUMENTS & FINE ARTS

55. M.F.A. officers have been well forward and have entered captured positions with, or shortly after the capturing troops. The MAAF is granting every facility for co-operation to avoid inadvertant damage and to enable damage committed to be tabulated.

56. The following lists of protected monuments have been issued to forward troops :

Section 1 - Sardinia and Sicily.
" 2 - Apulia, Calabria, Campania and Lucania.
" 3 - Abbruzzi and Lazio.
" 4 - Le Marche, Tuscana and Umbria.

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57. A booklet on the preservation of Works of Art with a foreword by the C. in C. Mediterranean Theatre has been distributed to the troops.

COMMUNICATIONS

58. Telecommunications. No major changes have taken place in the Telecommunications system. Detailed development has been in steady progress; in particular, the capacity of the telegraph circuits to Naples has been made adequate for the traffic with that city. The telephone circuits available for the Italian Government to Naples are inadequate, and an increase in these facilities has been requested of the military authorities.

59. Posts. Detailed improvements have included the provision of four mail services a week from Naples to Bari (in place of two a week), and an airmail service with Tripoli. The sequence and circumstances in which the resumption of postal finance services, advance postal services for P.O.W. mail, and normal postal services in newly occupied areas has been agreed and instructions issued.

60. Censorship. A policy has been agreed and approved to turn over the operational control of internal mail and telegraph censorship to the Italian Government in Italian administered territory, and simultaneously to permit this control to be exercised by the Italian Supreme Command instead of by local Prefects acting under instructions of the Ministry of the Interior. This has the result of centralising the control, and of ensuring that civil censorship is made primarily an instrument of military security and not a source of political information. Policy control is retained and the normal direct executive control by Allied censors in areas forward of the Italian Government territory is not affected.

INTERNEES & DISPLACED PERSONS

61. General. The numbers of refugees this month from Yugo Slavia were small compared with preceding months; 2895 persons were received, of whom some 2488 were women and children.

62. During the month 571 Zionist Jews were embarked for Palestine. This emmigration, the first of its kind from Italy since the commencement of the War largely concerned Jewish refugees located in Ferramonti and Di Bagni Camps. Many problems had to be faced in this first emmigration to Palestine, and the lessons learnt will be put to good use when a similar movement of Jews has again to be dealt with.

63. With impending operations likely in mid-May it was decided to organise approximately 1/8th of the Sub-Commission to find an Advance HQ and three Forward Groups. The extra work thrown on to individuals has been dealt with with energy and cheerfulness by all concerned. The organisations by which camps are to the maximum extent run by refugees has made it possible to face greatly increased commitments.

64. Medical. Yugo Slav and Italian civilians are being used to replace military personnel in the Medical Branch and several members of the Friends Ambulance Unit are now numbered amongst the staffs. Maglie Hospital still maintains a creditable military standard of efficiency. Both Leuca and Maglie hospitals are working to capacity and their bed-strength is being increased. The first course for

Declassified E.O. 12356 Section 3.3/NND No. 785016

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265

65. Records Bureau. Approximately 31,500 persons have now been recorded. 1,050 enquiries have been booked out of which 375 definite answers have been received. Enquiries for Southern Italy are decreasing as certain results have been obtained and it has been stressed for some time now that the postal channels now available should be used. Enquiries are already coming in for areas nearer the old front line and it is estimated many more enquiries will come in shortly. The Foreign Relations Department of the British Red Cross have established a

1283

Declassified E.O. 12356 Section 3.3/NND No. 785016

system whereby they accept enquiries from the American Red Cross, Allied Red Crosses, numerous Jewish organisations, and so on, which is an invaluable help in work of this character. The past months have proved beyond doubt the importance and immense psychological value of this work of handling enquiries and communications of displaced persons and this bureau has been able to co-operate with M.E.R.R.A. and other outside organisations fairly effectively.

66. Statistics. As at May 31 (unless otherwise stated) :

Refugee population in Camps and Hospitals	-	4,843
Reception during May (by ship)	-	2,895 +
Reception by means other than ship	-	10
Shipped to Mideast (Jews to Palestine)	-	571
Gross total shipped to Mideast to date	-	20,391

+ of which 911 were women and 1577 were children under 16 years.

REFUGEES (ITALIANS)

67. The Italian military personnel working under the direction of the Refugee Branch for handling refugees from the forward areas has been increased steadily and by the end of the month was 111 officers and 1040 other ranks, an accession of strength of 26 officers and 659 other ranks.

68. Movement during the month :

From 5 Army (by road)	-	4589
From 8 Army (by road/rail)	-	8020
Total		12609

To dispersal areas southward :

To Region I (Sicily)	-	3971
To Region II (Bari Province)	-	1388
To Region III (Naples, Salerno & Avellino Provinces)	-	1440
To Region VII (Reggio & Catanzaro Provinces)	-	1651
Total		8450

In addition 1415 were dispersed to Local Homes and 878 handed over to the Italian Military authorities for possible military service.

69. As the Armies move forward the unrest amongst the refugees in the South increases. Refugees find it hard to live in the dispersal areas and are eager to return to their homes and property, whether it is intact or not.

PUBLIC RELATIONS

70. Early in the month an officer of the Commission's Public Relations Branch was attached to each of the Armies operating in the field, and these

1284

Declassified E.O. 12356 Section 3.3/NND No. 785016

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71. A number of items dealing with the work of ACC have been released to the press, the photographers attached to the Branch have covered stories of varied interest in the towns recently liberated, refugee camps and the forward areas generally.

72. The routine work was not neglected. Liaison with Sections, Branches, Boards and Regions was maintained, a particular feature being visits to Conferences and meetings held in the Regions. The weekly bulletin is proving increasingly useful and popular, especially in the southern Regions where authentic and up-to-date news percolates only slowly.

Thos. W. Stone

ELLERY W. STONE,
Captain, U.S.N.R.

1285

Declassified E.O. 12356 Section 3.3/NND No. 785016

Secy for HC

HEADQUARTERS,
ALLIED CONTROL COMMISSION,
APO 394.
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REPORT FOR APRIL 1944.

1. The major change in organisation has been the division of the stretch of Italian Government territory hitherto administered as Region II into two distinct Regions. Road, rail and telephone communications are poor and confronted with the difficult problems of supply and refugee disposal, Calabria, Apulia, and Lucania had become unwieldy. Region VII was therefore constituted by splitting off Calabria from Region II. The HQ of the new Region was established under Colonel KIRKWOOD at CATANZARO. The staff of the Provinces of Cosenza, Catanzaro continued at their posts.

2. Most of the initial difficulties of the change over from Government to control have now been surmounted. The more frequent visits of HQ officers to the Regions have proved welcome in the Regions and helpful to all parties. At the same time, visits of field officers to Headquarters have become more numerous to the benefit of all concerned.

3. The Regional Commissioners and Sub-Commissions conference occupied three days, 14th, 15th and 16th April. The full discussion of common problems of Regional Commissioners, SCAO's Army AMG and the Directors and members of the Sub-Commissions was the means of arriving at solutions in many cases and lines of future action in others. Particularly was this observed in the consideration given to the problem of the harvest and the effect which it will undoubtedly have on the future of the Italian people. More exact details of the results will appear later in this report.

4. Throughout the whole of liberated Italy there is more political activity, generally of an orderly and quiet kind directed towards organisation and definition of objectives. The political inexperience of people, who have been compulsorily inarticulate for so long has had some strange effect. It is hoped that the growth of local administrations now possible under the schemes for re-organising local government from communes to provinces may create a greater sense of civic responsibility and consequently an increase in political sense.

5. In general popular opinion expresses more confidence in the newly constructed Government of Marshal Badoglio. The tendency everywhere is towards moderation, though there are still many signs of apathy. The broken morale of the Italians is by no means restored but a hopeful sign is the reception given to schemes for municipal and communal cleanliness, anti-malarial measures and measures adopted for the control of diseases that might become epidemic.

6. There are incipient labour troubles in all Regions. Nearly all these are concerned with food; demands for increased wages relate to the cost of living. It is the policy of the Commission to relieve these local troubles by [illegible] increases in the wage rates or embarrassing increases

1286

declassified E.O. 12356 Section 3.3/NND No. 785016

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6. There are incipient labour troubles in all Regions. Nearly all these are concerned with food; demands for increased wages relate to the cost of living. It is the policy of the Commission to relieve these local troubles by methods that do not involve increases in the wage rates or embarrassing increases in the ration scales.

7. With the departure of Lieut.Colonel McCaffrey from Region II for another sphere, Colonel J.T. Zellars took command of the Region.

8. Two main topics occupy the minds of all officers of the Commission - the probable extension of Military Government activities as a result of military operations and the forthcoming harvest and collection of commodities.

POLITICAL.

9. The political crisis which began with the unanimous resolution of the 264 Communist Party on 1st April, and proceeded to the King's request on 17th April

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Declassified E.O. 12356 Section 3.3/NND No. 785016

to the Marshal to form a new Government, was finally resolved on 21st April when Badoglio succeeded in forming a Government in which all the six recognised opposition parties were represented. The new Government is as follows:-

Prime Minister and Minister of Foreign Affairs		- Badoglio
Ministers without Portfolio:		
	ACTION PARTY	- Sforza
	LIBERAL PARTY	- Croce
	COMMUNIST PARTY	- Togliatti
	SOCIALIST	- Mancini
	CHRISTIAN DEMOCRAT	- Rodino
Minister of the Interior	CHRISTIAN DEMOCRAT	- Aldisio
Under-Secretaries	SOCIALIST	- Salerno
	ACTION PARTY	- Caracciolo
Minister of Finance	NON-PARTY	- Quintieri
Under-Secretary	COMMUNIST	- Pesenti
Minister of Communications	LABOUR DEMOCRAT	- Cerabona
Under-Secretaries	NON-PARTY	- di Raimondi
	NON-PARTY	- Fano
Minister of Public Works	ACTION PARTY	- Tarchiani
Under-Secretary	LABOUR DEMOCRAT	- Cilento
Minister of Agriculture	COMMUNIST	- Gullo
Under-Secretary	LIBERAL	- Bergami
Minister of Justice	LIBERAL	- Arangio Ruiz
Under-Secretary	LABOUR DEMOCRAT	- Lombardo
Minister of Education	ACTION PARTY	- Omodeo
Under-Secretary	CHRISTIAN DEMOCRAT	- Jervolino
Minister of Industry	SOCIALIST	- di Napoli
Under-Secretary	CHRISTIAN DEMOCRAT	- Sansonetti
Minister of War	NON-PARTY	- Orlando
Under-Secretary	COMMUNIST	- Palermo
Minister of the Navy	NON-PARTY	- de Courteen
Under-Secretary	SOCIALIST	- Albergo
Air Minister	NON-PARTY	- Sandalli
Under-Secretary to the Presidency	LIBERAL	- Morelli

The Party division of the whole Government, including Under-Secretaries, gives the following picture:

Left (Action Party - 4

1288

Declassified E.O. 12356 Section 3.3/NND No. 785016

Minister of Finance	NON-PARTY	- Quintieri
Under-Secretary	COMMUNIST	- Pesenti
Minister of Communications	LABOUR DEMOCRAT	- Cerabona
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Left	Action Party	- 4
	Communists	- 4
	Socialists	- 4
Moderate	Labour Democrats	- 3
	Christian Democrats	- 4
	Liberals	- 4
Non-Party (including Badoglio)		- 7

1289

Declassified E.O. 12356 Section 3.3/NND No. 785016

10. The first formal meeting of the new Government took place on 27th April. The official declaration of policy made after the meeting may be summarised as follows:-

(a) The Government is formed from representatives of anti-fascist parties no longer opposed to one another, but united in the effort to solve the vital problems of the moment.

(b) Other problems, not of immediate urgency, will be set aside, including the institutional one, which can only be decided by a constituent assembly elected by universal suffrage.

(c) All the parties, according to their beliefs, are prepared for the fundamental reforms necessitated by two world-wars; but such reforms cannot be initiated or completed while Italy is cut in half and still at war.

(d) The renewal of democratic government provides a new spirit, lacking under Fascism, for the prosecution of the war at the side of the Allies, and for the heroic endeavours of patriots of every party now united in the defence of Italy and the conquest of Hitler's Germany.

(e) The necessity of war involves the severest measures against all traitors and the freedom of Italians from all those who, having served Fascism, still cling to its habits, hopes or aims.

(f) Such work must not be actuated by a spirit of revenge, but by a determination that Fascism shall never recur. The work has been put in hand and will be carried energetically to a swift conclusion.

(g) Government action will be based on the urgent necessity of improving conditions of life by increasing industrial and agricultural activity, fighting speculation, smoothing internal exchange of products, obtaining essential supplies from abroad, and hastening the construction of public buildings, roads and bridges. For such tasks the Government counts upon the co-operation of all professional organisations.

(h) Administration, despite difficulties of archives, accommodation and personnel, must be regularised and it is proposed to re-establish the State Accounting Office and the Accounting Court. It is proposed also, in co-operation with the Committees of Liberation, to establish a small Consultative Body, symbol of Parliament, to which periodic reports of progress will be made.

FINANCE.

11. It is still almost impossible to obtain any budget estimates even on a monthly basis from the Italian Government which prepared expenditure estimates only when it felt the need for additional supplies of currency. Such estimates are not expenditure estimates but solely estimates of cash disbursements. The failure of the former Minister of Finance to initiate the preparation of a budget for the remainder of the current year means that Regions I, II, VI and VII are now operating without any form of budgetary control.

12. A proposed procedure for exercising control over Government expenditures

1290

Declassified E.O. 12356 Section 3.3/NND No. 785016

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12. A proposed procedure for exercising control over Government expenditures submitted to the Italian Government during the month, is now being considered. The draft of a war profits tax decree to include farming profits and a memorandum detailing the long-term changes required in the Italian tax system have been prepared.

13. Since July 1943 the Italian Government and its agencies have disbursed about 28 billion lire of which only 4 billion was offset by gross revenues. In March the excess of Government expenditures over revenue was approximately 3 billion lire. During April the separate pools of currency reserves held at the various branches of the Banca d'Italia were brought under central control. 263 currency needs of deficit Regions are now met not by AMG but by transferring currency from Regions with surplus currency.

1291

Declassified E.O. 12356 Section 3.3/NND No. 785016

14. Though there has been an increase in the black market prices of bread, potatoes and meat during the month, the black market price of fish fell from 250 to 125 lire per kilo as a result of the ACC development of fish supplies and the establishment of a fish marketing programme. Olive oil also declined in price due to rations issued at the end of the months of March and April. Supplies of spring vegetables also helped to reduce the cost of living in Naples at the end of the month to a figure lower than at any time since February.

ECONOMICS, RESOURCES & SUPPLY.

15. Food. Over half a million tons of civilian supplies have now been received, 106,000 tons being handled this month. The proportion of grain to flour is increasing. The scale of distribution of bread and miscellaneous foodstuffs was maintained.

16. Olive oil is now being supplied in sufficient quantities to make a universal ration available. Considerable quantities of unrefined oil exist in Southern Italy and the arrangements in hand for supplies of caustic soda for refining should make it possible to keep up the present ration for several months.

17. The check on ration cards in Naples has been continued and extended to all Regions. The indications are that an appreciable measure of success in the proper distribution of food supplies will be attained.

18. Mining. Shipments of Sardinian coal during April were:-

To Southern Italy	-	10,170 metric tons.
To Sicily	-	14,500 metric tons.

By the end of the month the 10,000 tons of sulphur asked for by the Ministry of Supply was ready for shipment and loading was in progress.

19. Exports. Shipments:-

To United Kingdom:	Hemp	-	400 tons
	Rope	-	9½ tons
To United States:	Wine	-	278 barrels
	Lemon Oil	-	100,000 lbs.

20. Hemp. Production figures compare favourably with those of the previous month:-

Hemp and tow	-	1,418 tons	decrease 52 tons
Canvas	-	70,150 metres	increase 5239 metres
Sacks	-	140,225	increase 37905
Ropes	-	3,923 tons	decrease 452 tons
Binder Twine	-	1,960 quintals	increase 1880 quintals.

Considerable quantities of hemp products were supplied to the Services. The present heavy demands for canvas will be more adequately met when the several small factories that have been rehabilitated during the month come into production in May

21. The project for the repair of salvaged footwear is now in operation

Declassified E.O. 12356 Section 3.3/NND No. 785016

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21. The project for the repair of salvaged footwear is now in operation though only on a small scale pending the arrival of grinders and the increased production of leather. Output is now 500 pairs per day. This can be increased to 1000 pairs per day.

AGRICULTURE, FORESTS & FISHERIES.

22. Agreement was reached with the new Italian Government for a co-ordinated control of agriculture at all levels, Communal to Provincial, Compartmental and Ministerial. The necessary decrees for the collection of wheat and barley have been drawn up and details of the organisation of the committees that will give effect to the decrees have been published.

1293

Declassified E.O. 12356 Section 3.3/NND No. 785016

23. Retentions of grain for seed will again be permitted but on a reduced scale. Retentions on a production-worker basis have been drastically cut. Both these measures are designed to obtain as large a collection of these vital commodities as possible.

24. To divorce the old associations of AMASSI and FASCISM from the minds of people and farmers and to focus the attention of the Italian people on the efforts that they must make to satisfy their own needs for food, the term "Il granai del Popolo" (The people's grain) is being used instead of "amassi" in all harvest publicity and references to "amassing" will be avoided in favour of "contributing" and "collecting".

25. The price to be paid to the farmer for wheat has been the subject of much discussion. Recommendations varied from 640 lire per quintal to 1800 lire per quintal. The price has been fixed at 1000 lire per quintal for hard wheat, and 900 lire per quintal for soft.

26. Forestry. 500 tons of fuelwood have been provided for 5th Army. Other plans for the provision of timber are in hand in consultation with the Italian Royal Forest Corps.

27. Fisheries. Fish production continues to increase. Materials have been furnished to enable new nets to be made and old ones repaired. The industry can now make a useful contribution to the food supply. Fishermen have been moved from areas where night fishing is prohibited to unrestricted areas.

LABOUR.

28. Negotiations are started in connection with manpower mobilisation, pensions, establishment of Trade Unions, Labour Offices, and the governance of Labour Relations. It is hoped that the Italian Government will produce legislation covering these subjects.

29. The actual labour situation has been especially tense in Public Utilities. Many disputes proved to be complaints about food rather than wages. Wage studies have been instituted in Public Administrative Services, printing trades, sulphur mines, leather goods trade, as well as Public Utilities.

PUBLIC WORKS & UTILITIES.

30. Highways and Bridges. In Southern Italy about 330 miles of military priority highways are being resurfaced, or completely reconstructed. Numerous bridges are being rebuilt, generally involving wholly new designs. The armies are providing 200 trucks, on loan, until the 4000 tons of transport and other heavy engineering equipment arrive from U.S.A. Operatins in stone quarries and crushing plants are increasing.

31. Electrical Division. The Italian Decree rationing electricity came into force on 5th April. Public Works officers are enforcing observance in conjunction with various electrical supply companies. This rationing is of vital importance to conserve energy for Rome, and north thereof. Arrangements were completed for the reconstruction of a transmission line from north of the Garigliano River to Rome, involving probable employment of 300 to 400 civilian workmen. A very large hydro-electric turbine plant was planned for removal from Sicily to Southern Italy where it is urgently required; actual transfer will take place in May.

1294

Declassified E.O. 12356 Section 3.3/NND No. 785016

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32. Public Works. Very good progress has been made in clearing Messina and Cagliari. Arrangements here been made with Malarial Control Branch for execution of necessary engineering projects, e.g., pumping operations, etc. The eruption of Vesuvius necessitated remedial measures, including retaining walls on the mountain, which are expected to cost 370 million lire.

1295

Declassified E.O. 12356 Section 3.3/NND No. 785016

TRANSPORTATION.

33. No major difficulties were experienced in the first full month's operation of the Sicilian railways under ACC supervision. Some war-damaged lines have been re-opened, train services have been increased, some damaged locomotives are being repaired, and plans are in preparation for sending scrap to U.S.

34. Approximately 70,000 tons of civilian freight were carried on the mainland railways. 45% of this total was arranged through ACC officers in the field and the rest was accepted through the "bidding" system. Though the basic schedule of civilian freight trains has been reduced at military request, ACC are notified daily of available space for civilian freight on military trains. Movement has improved.

35. 512 military trucks with civilian drivers and 120 Italian Army trucks are now being used for the transport of civilian supplies. (An additional 104 military trucks will be in operation during May).

36. Shipping. A scheme for the closer control of all Italian schooners has been submitted to MEDBO with the request that this be issued as a AFHQ directive. Another 225 Italian schooners have been registered making a total of 375 vessels, with a deadweight tonnage of 30,000 tons, the employment of which is directed by MEDBO. Schooners are not now allowed to sail between Sardinia and the Italian mainland and Sicily.

INTERIOR.

37. A Royal Decree reconstituting Local Government has now been published. Its effect is to continue the arrangements in regard to local administration introduced in AMG areas before the restoration. Steps are being taken to secure uniformity by applying when practicable the provisions of the Decree to Military Government territory.

LEGAL.

38. The work of consolidating the original fifteen AMG proclamations into four, with new translations of each, was completed. The mechanisation of the implementation of Italian Government decrees in Allied Military Government territory has been in operation since the beginning of the month and is working satisfactorily.

39. Allied Military Courts continue to function satisfactorily. Arrears are being overcome in the Naples area; there was a reduction in the number of cases compared with the previous month.

40. A handbook "Consolidated Instructions for Allied Military Courts", containing in addition to the Instructions, specimen Legal Forms and Rules for Procedure together with Italian translations of the latter, has been prepared. This translation is for limited distribution amongst Italian authorities and Avvocati appearing in Allied Military Courts.

41. The figures for April in respect of espionage cases are as follows:- 7 death sentences were confirmed; 7 death sentences were commuted to terms of imprisonment; 6 cases were submitted for confirmation; 2 sentences each of 20

1296

Declassified E.O. 12356 Section 3.3/NND No. 785016

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41. The figures for April in respect of espionage cases are as follows:- 7 death sentences were confirmed; 7 death sentences were commuted to terms of imprisonment; 6 cases were submitted for confirmation; 2 sentences each of 20 years imprisonment were affirmed on review; 2 accused were acquitted. Proceedings were commenced against a Director and two Managers of the Manifatture Jobboniere Meridionali on charges relating to black market offences. The trial attracted much attention and publicity as the three accused were formerly influential Fascists. All three accused were convicted and each sentenced to 5 years imprisonment.

42. The first trial by an Allied Military Court in Unoccupied Territory took place during the month at Salerno. The two accused were charged in respect of a series of thefts from a British Army Post Office. They were both convicted and sentenced to 10 years imprisonment.

1297

declassified E.O. 12356 Section 3.3/NND No. 785016

PUBLIC SAFETY.

43. Police. Law and order has been well maintained with the exception of one serious incident between civilian and French troops which occurred in Trapani Province, Sicily. This is the subject of a full inquiry which is now proceeding. The situation is now quiet. The civil police have rendered excellent service in dealing with refugees, clearing military roads and controlling civilian movement.

44. Fire and Civil Defence. The Minister of the Interior has issued instructions for the civil defence organisation in Italian Government territory to be absorbed into the fire service. This will mean a large reduction in civil defence personnel.

45. Prisons. The overcrowding of civilian prisons has become more acute. The latest available figures show that throughout the Regions there are prisoners detained in prisons, the normal capacity of which is 19,963 and some prisons are filled to over twice their capacity. There are many contributory factors, the chief being the requisitioning of civilian prisons by Allied Forces (1860 places), the detention of Italian Military prisoners (1784 places) and war damage to jails (1891 places). A committee has been set up with instructions to find a solution to this problem and has already achieved results.

PUBLIC HEALTH.

46. A few cases of smallpox have been reported. Measures have been taken to prevent epidemic.

Venereal Disease. The setting up of hospitals for the treatment of infected women is retarded owing to the difficulty in obtaining beds and bed furniture. Statistics show a diminution in the number of cases amongst troops stationed in Naples.

Typhus. This is now so well under control that no reason remains for reporting the case incidence.

Veterinary. Four diseases have become marked in different parts of Italy, Rabies, Glanders, Epizootic Lymphangitis and Swine Fever. The Italian Minister of the Interior immediately issued instructions concerning the proper counter measures to be adopted in the territory under its control. Similar instructions have been issued for the Military Government area.

EDUCATION.

47. A number of the decrees issued by Allied Military Government providing for the decentralization of the control of schools have been confirmed by the Minister of Education, and will therefore continue to apply in the territory administered by the Italian Government. The defascistisation of schools is not yet completed, though a plan has been evolved which will authorise Superintendents to suspend undesirable officials.

The publication and distribution of the revised elementary school text books was continued. The new books have met with widespread approval and are to be re-printed by the M.E. Command for use in North Africa.

PROPERTY CONTROL.

48. The Minister of Finance prepared a decree revoking the application of the provisions contained in the War Law to the property of United Nations and French Nationals, and the Minister has sent out an instruction to all Prefects and Intendenti di Finanza detailing the procedure to be followed when the decree is published.

1298

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49. In Region I, most of the property of the Italian Government (including that of semi-statal institutions) taken into custody by AMG has been formally handed back. Fascist funds standing in the name of the CP have been or are being transferred to the Commissario Straordinario appointed by the Italian Government.

50. In Region III estates of 80 Allied and French owners and 35 commercial and industrial concerns have been taken into custody.

261

MONUMENTS, FINE ARTS AND ARCHIVES.

51. List of Protected Monuments No.3 (Lazio and Abruzzi-Molise) is in the press. Work on the preparation of the remaining lists continues.

1299

Declassified E.O. 12356 Section 3.3/NND No. 785016

COMMUNICATIONS.

Telecommunications.

52. Telegraph. The extension of the internal telegraph service has been authorised to include Avellino Province and Naples Province up to the R. Volturno. Service with Naples City has been inaugurated; by the end of the month about 850 messages a day have been passing through Naples post office. The internal telegraph service is now restored to about 65% of the communes in Italian Government Territory which previously had such service, and includes all provincial capitals and large towns.

53. Telephones. The civil telephone service, previously limited to urban calls, has been authorised for calls within provincial boundaries. Within Italian Government Territory about 12% of the communes now have telephone communications to their provincial capitals and a further 9% to the local large town not a provincial capital. The repair of the main Salerno - Reggio cable has been completed, making many additional long-distance telephone circuits available to the Italian Government. Direct telephone service for official use is now available from Salerno to all provincial capitals on the mainland in Italian Government territory, and to Palermo, Messina and Catania in Sicily.

Plans have been completed as far as practicable for the restoration of telecommunications in enemy occupied Italy. Available equipment in Southern Italy has been inspected and suitable items earmarked for future use; details of additional equipment needed have been forwarded to AFHQ for supply from US or UK.

54. Posts. Arrangements were completed for restoration within the postal zone of internal service for the following classes of mail:

Registered letters
Insured letters
Express letters
Newspaper post
Airmail (Italy - Sicily - Sardinia)

Maximum weight allowed was raised from 90 grams to 210 grams per letter.

Foreign Mail. The first inward foreign civil mails arrived during April, and included consignments from the US, USA, North Africa, Egypt, India and Australia. The first New York consignment to reach Naples arrived on 21 April and comprised some 200,000 items.

55. Censorship. The Civil Censorship Group, Italy, formerly operating under INC, AFHQ, was transferred to ACC towards the end of April. The Headquarters personnel was moved from Palermo to Salerno and the group now forms part of the Sub-Commission, the title of which has been changed to the more inclusive one of the Communications Sub-Commission.

INTERNEES & DISPLACED PERSONS.

56. General. Refugees this month from Yugoslavia were as in March, composed of children, women encumbered with large families, old men and old women. The orphans' homes at Di LEUCA and Di BAGNI are doing good work and have had a very satisfactory begi..ing. That at Di Leuca is now in full running order. The school, gardening and games are organised and a large quantity of toys have been made by the RED CROSS representative at No.1 Camp, BARI and distributed to the children. A large number

1300
Declassified E.O. 12356 Section 3.3/NND No. 785016

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57. Medical. A general all round improvement may be recorded for April. One sign of progress was evident when nearly 2,000 refugees were received on one day and were all disinfested, vaccinated and inoculated before passage to Holding Camps. The entire British Staff at Di LEUCA Refugee Hospital was withdrawn on 24 April and the hospital is now staffed by Yugoslavs who are working as well as can be expected, bearing in mind their lack of experience. One case of typhus occurred during the month. Seven members of a Hospital Unit of the Society of Friends are working at two hospitals of this Sub-Commission and giving invaluable service. Red Cross personnel at Hospitals and Camps have contributed very largely in assuring the welfare of the inmates.

1301

Declassified E.O. 12356 Section 3.3/NND No. 785016

58. Records Bureau. To the 30 April, 24,400 persons have been recorded, of whom 13,950 have been evacuated, 3,000 present whereabouts unknown, the remainder in camps or residents at known addresses (own or employers), 300 in hospital, 42 dead. 31 nationalities are involved. About 600 RED CROSS messages have been sent out, but as the International Red Cross are now established and have made their services available through Italian post offices in Southern Italy, it has been advocated that this service should be used wherever possible. If it is impossible for the individual to use this service, messages can be sent through the Records Bureau.

59. Repatriation. Work on the selection of Jewish principals to send to PALESTINE within the limits of certificates authorised has been dealt with and it is expected that some 600 immigrants will leave for PALESTINE at the end of May.

60. Statistics. As at 1st May (unless otherwise stated):-

Refugee population in Camps and Hospitals	-	7458 +
Reception during April (by ship)	-	7708 =
Reception by means other than ship	-	12
Shipped to Middle East	-	357[illegible]

\+ includes 676 Partisan trainees
= of which 2601 were women, 3796 were children under 16 years.

Gross total shipped to Mideast to date - 19820

REFUGEES (ITALIAN).

61. The Italian military personnel working under the direction of the Refugee Branch for handling refugees from the forward areas has been increased from 58 to 85 officers and from 381 to 767 Other Ranks.

Movement during the month:-

From ANZIO by sea	-	8539
From 5 Army by road/rail	-	1403
From 8 Army by rail	-	656

To dispersal areas southwards:

To Region I (Sicily)	-	5496
To Region II (Bari Province)	-	628
To Region III (Avellino Prov)	-	1536
(Naples Province)	-	2411
(Salerno Province)	-	1469

62. Whilst there is some improvement in the settlement of refugees by the Italian authorities there is still not enough. Efforts to stimulate the local authorities continue to be made by ACC assisted by officers of the Red Cross Organisation. Establishment of feeding points en route has greatly ameliorated the rigours of the train journeys.

63. An additional camp was opened at CAPUA and is operating successfully. A camp is in course of preparation in the FOGGIA area and should be ready to receive refugees by mid-May. (This camp is now operating and will be used in

1302

Declassified E.O. 12356 Section 3.3/NND No. 785016

Refugee population in Camps and Hospitals	-	7458 +
Reception during April (by ship)	-	7708 =
Reception by means other than ship	-	12
Shipped to Middle East	-	3571

\+ includes 676 Partisan trainees
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PUBLIC RELATIONS.

64. The relationship between PRB, HQ and the Regions was more clearly defined and a weekly bulletin was started.

260

65. Assistance of various kinds was offered to newsmen; precis and trends of copy concerning ACC affairs were prepared, press conferences were arranged - notably one for Mr. Murphy and Mr. MacMillan, which was attended by 28 correspondents - and facilities of transport and liaison offered to reporters covering the change in

1303

Declassified E.O. 12356 Section 3.3/NND No. 785016

Italian Government and Cabinet meetings. PRB also assisted in organising Italian Ufficio Stampa in Salerno, with a branch in Naples. Photographs were taken of activities of interest: delivery of bread in Naples, work of Education and Fine Arts Sub-Commissions, and personalities of Italian Government.

66. With PWB arrangements were made for publication of a soldier's guide to Rome; this has been printed with a foreword by General Sir H. Alexander. Work was continued with Central and Local Allied Publications Boards. Pre-censorship has been abolished but a reminder on the procedure for military censorship was sent to Italian Government. A scheme for a new Press decree has been discussed with Chief Legal Officer and is in preparation.

NOEL MASON MACFARLANE,
Lieutenant General,
Chief Commissioner.

1304

Declassified E.O. 12356 Section 3.3/NND No. 785016

Political Sect
file
Hrz
Hrz

M.O.S. SECRET

TO : Headquarters, A.C.C.
FROM : Allied Control Commission, Region 6.
SUBJECT : Monthly Report.
REFERENCE : COMM/1/64/Reg 6.
DATE : 18 Feb, 44.

1. POLITICAL.

The political situation is satisfactory. The two most important developments of the past month have been the appointment of a High Commissioner for Sardinia and the holding of a meeting of the Concentrazione Anti-Fascista on 13 February 1944.

Generale Di Squadra Aerea, Pietro PINNA, himself a Sard, arrived in the Island on Friday 11 Feb. to take up the office of Alto Commissario. He has now completed a preliminary tour of the Island, has established his headquarters in Cagliari and is gathering the necessary staff. We are in daily and cordial contact with his office.

The Concentrazione Anti-Fascista of Sardinia met at Oristano on Sunday 13 Feb. The meeting was, in some respects, an aftermath of the Bari conference. After considerable debate, an Order of the Day was adopted (by 11 votes to 2 with one abstention) agreeing to collaboration with the High Commissioner. On the whole the tone of the conference was realist and the politics of the Island are easier for the two above quoted events.

2. FOOD.

The food situation should show marked improvement. Unfortunately, delays in arrival of food ships cause continuing anxiety. It was hoped that, by this time, the large number of Italian soldiers on the island would be subsisted on the "Chief of Staff's" ration through U.S. Military Authorities. The necessary food has not yet arrived and the Italian Army is still being fed on A.C.C. wheat and flour. The position at the time of writing this report is that Sassari and Nuoro Provinces have enough flour till the end of the month, and that supplies for Cagliari Province and the Italian Army (150 tons per day) will be exhausted on the 21st. The S.S. Andrew Moore and the James Y. Riley, with adequate supplies for both A.C.C. and U.S. Quartermaster, have arrived at Cagliari today, having lain at Bizerta for some days.

It will be realised that such a hand to mouth existence is not satisfactory. As soon as adequate supplies are in hand and the responsibility for feeding the Italian Army is removed, we hope to raise the basic food ration from 150 to 200 grams.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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There is still a serious shortage of olive oil and Sugar.

3. INDUSTRY AND COMMERCE.

As from 14 Feb, the former Civil Supply Division was separated into (1) FOOD (2) INDUSTRY AND COMMERCE. This new Division, concerned with export trade, has been busy, and a number of shipments of Island Produce are now in hand to both the mainland and U.S.

259

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Declassified E.O. 12356 Section 3.3/NND No. 785016

The Mining Division continues to be engaged in the export of coal and has not undertaken the export of Pig Lead and Cadmium.

A comprehensive conference of Allied and Italian Authorities concerned was held on 16 Feb under Chairmanship of the Regional Commissioner to decide upon measures to be taken in connection with the re-opening of Commercial Traffic between Sardinia and Sicily and the Mainland.

4. CRIME.

The situation is satisfactory. The definite acceleration in the movement of Italian Military Units to Corsica and the Continent, as well as of Soldiers for discharge to Sicily, has had a good effect on local morale.

5. HEALTH.

The present position is satisfactory. A U.S. Anti-Malarial Unit has arrived in the Island. The Commanding Officer of the Unit is now in Algiers discussing the supplies needed for his Unit. It has therefore been considered desirable to postpone till the 20th February the proposed co-ordinating conference on Anti-Malarial Program for the Island.

Lt. Cols. Dobos and Shields from Headquarters A.C.C have visited the Island.

Medical Supplies have arrived but their type and proportions are not exactly what are needed here. It is hoped that an early visit by Colonel Griffin will clear up certain outstanding points in connection with Medical Supplies.

6. PERSONNEL.

Two further British officers have left for the mainland and three U.S. officers are standing by to go to TROUS.

A welcome reinforcement of three Jeeps, one 15 cwt. Truck and one three ton lorry arrived yesterday.

7. REFUGEES.

It is hoped to despatch today, to Naples, 201 ex Prisoners of War etc. One man has been left behind dangerously ill.

8. PRICE TENDENCIES.

Prices for Consumer Goods are rising. Sardinia is, however, predominantly agricultural and, in the interior of the Island, commodities change hands by a system of barter.

9. GENERAL COMMENTS.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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9. GENERAL COMMENTS.

(1) Rehabilitation of the City of Cagliari continues to make good progress. One local tramway line has been opened.

(2) Detailed arrangements for the opening of Foreign Postal Services are held up pending the arrival of Lieut Allen, advised in your telegram of 18 Feb.

J. M. DUNLOP.
Brigadier.
[illegible] Commissioner.

JMD/tbp.

Declassified E.O. 12356 Section 3.3/NND No. 785016

1309