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CHIEF COMMISS
FEB. – AUG. 194

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CHIEF COMMISSIONER'S MONTHLY CONFERENCES, MINUTES
FEB. – AUG. 1944

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Office of the
Chief Commissioner

ALLIED COMMISSION

LIST OF PAPERS

File under No. 555 CHIEF COMMISSIONER'S MONTHLY CONFERENCES MINUTES

SECRET

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
1		3 Mar 44		
2	Ltr SG 321 Doe	27 Mar 44	MGS AFHQ	Copies will be forwarded
3		14 Apr 44		
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5		30 May 44		
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R E S T R I C T E D

HEADQUARTERS ALLIED CONTROL COMMISSION
APO 394

MINUTES OF CONFERENCE

Tuesday, 22 August 1944

Presiding: Captain Ellery W. Stone, USNR

The Conference was opened at 0930 by the Acting Chief Commissioner, Captain Ellery W. Stone, USNR.

I — OPENING REMARKS BY ACTING CHIEF COMMISSIONER

1. Almost three months have passed since our last meeting at the end of May in Naples. I know that I express your feelings as well as my own when I say how deeply we regret that General Mason MacFarlane is not in the chair to-day. He has, I am afraid, been very seriously ill and been in great pain after the long operation which he had in July. After a series of relapses, I am happy to say that our latest news is that he is now out of danger and we shall all, I know, wish to send him good wishes for speedy recovery.

2. The reasons why it has not been possible to hold such a meeting before now have, of course, been connected with the rapidity of our advance in May and with the consequent move of the headquarters of the Commission to Rome. Nevertheless several meetings have been held in the field with the Northern Regional Commissioners and Senior Civil Affairs Officers of 5th and 8th Army, as well as with the Southern Commissioners in Naples. I do not, therefore, propose to make any long survey of events.

3. At the same time I think even a brief summary of what has happened since the first arrival of an Allied Military Mission in Brindisi in September of last year may help to fit our work in its true proportions. When we arrived at Brindisi there was virtually no Italian Government and no administrative machine. There was the Italian Prime Minister, Marshal Badoglio, with two service ministers but without any other colleagues or any of the officials, archives, or even typewriters that are the apparatus by which administration can be carried on. It is no secret that all our original communications from the Italian Government in Brindisi came in the form of letters written by the hand of the Prime Minister himself. Things have moved far since then.

4. The first phase of our work was what may be called the constructional period. In October at Moscow our objective was laid down for us by the Allied Governments in a declaration on Italy. Point One of this declaration read as follows: "It is essential that the Italian Government should be made more democratic by inclusion of the representatives of those sections of the Italian people who have always opposed Fascism." It was therefore up to us to do what we could to further the establishment of such an Italian government. Despite the efforts of the Italian Prime Minister and our encouragement, it was at first only possible for the Marshal to gather around him a government which he described as a 'government of technicians'. The reasons for this are well-known to you and I need not dwell on them. But I would say that the period while this state of affairs lasted was by no means time wasted. As I have said apart from the political aspect, the Italians were faced with the necessity of creating an administrative machine out of whatever material

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5. In April the Italian Prime Minister was able to transform his Government into a political government to include representatives of all the six parties who formed part of the Committees of Liberation in South Italy. This was a great step forward to achieve the goal that had been set for us in the Moscow Declaration. But it was always realized that a further change would be necessary when Rome had been liberated and when many of the national political leaders of the parties might become available. Expectations were not belied and in June, soon after the Allied

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entry into Rome, a new government was formed under Signor Bonomi combining those natural leaders of the parties in Rome and the leaders from the South in a single national administration.

6. I need not remind you that this Italian Government was approved by the Allied Governments and we in Allied Control Commission are committed to do all that we can to support it in carrying out the hard tasks that lie before it. This, to my mind, is the dominant aspect of this second phase into which we have now entered. For this purpose we recommended and the Allied Governments approved that the present Italian Government should be transferred to Rome. It has thus had not only additional prestige but a greater measure of those tools of government of which I spoke before, officials, archives, facilities, etc. As a further measure of Allied confidence in the present Italian Government, we have had authority to transfer large provinces to Italian administration and recently, on 15 August, Rome itself was handed over to the jurisdiction of the Italian Government.

7. But the task of the Italian Government is a hard one. War has passed over all the territories under their administration and in this war the Germans have gone out of their way to attempt to destroy Italy. It is our job to help the Italian Government to overcome these difficulties. It is not inconsistent for this Control Commission to have a policy of support and assistance because this is in line with the principles enshrined in the Four Freedoms. These are not mere idealism. They are practical essentials to the conduct of the war in Italy. During today's discussions we will no doubt hear much of our problems and of the Italians' problems, and how they are to be met. But in these discussions we should not lose sight of the scope and the proportion of our work. The background which I have sketched is one of many months of strenuous endeavor, not without some success, in aiding our war effort in Italy and in achieving the aims of the Allied Governments. The future months will be no less arduous; let us now therefore take stock in detail of where we stand.

II -- REPORTS BY REGIONAL CONTROL AND MILITARY GOVERNMENT SECTION.

Region I, Colonel A. W. Hancock

1. During the past 2½ months the Sicilian scene has continued to be as complex as ever.

2. Sicily has one major problem at present--the collection of its own grain harvest. One of the two recognized deficiency provinces has collected 60% of its quota. Palermo has collected less than 6%. In spite of vigorous action of prefects, ACC officers, etc., satisfactory results are not yet being obtained. The new High Commissioner, Aldisio, did not think it possible to collect more than two-thirds of the quota. He believes there is organized resistance in some provinces and that a social security problem is looming ahead. In practice the policy of laying down quotas is not working out.

3. The police forces have been strengthened in order to help collect the wheat. The credit for their work goes largely to the General in command of the Carabinieri. Up to 17 August, 8,849 arrests were made. Courts have dealt with 500 cases and maximum sentences were inflicted. There have been 1000 arrests per week during the past fortnight, and the courts cannot cope with the situation. The prisons are already overcrowded, and it is doubtful if adjacent islands and re-opening of other prisons will be sufficient to cope with anticipated number of prisoners.

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4. PWB and PRB have been very cooperative and untiring in their efforts. The press is giving front page prominence to the sentences and fines being imposed.

5. The political situation continues nebulous and confused. It will be further complicated by the food problem. The provincial committees of liberation are not well organized. This political uncertainty allows the separatist movement to grow. The government has not shown its hand so far, but there are signs that an attempt will be made to stem separatist activities.

6. The labor position is generally satisfactory.

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7. Some of the achievements during the past year have been: imports valued at 850 million lire, sales of 680 million lire, 20 commodities exported, only ¼ of 1% loss on wheat collection. Great efforts are being made to export 1½ million cases of citrus fruits, but packing cases will be needed from Calabria. The amount spent on public works has been 733 million lire, one half of which was spent on bridges, road re-surfacing and maintenance. By the end of this month the entire railway system will be in working condition again, which will bring relief to Messina which has suffered more than any other town in its semi-isolation.

9. The only real anxiety in Sicily is the wheat problem. In all other fields there are signs of revival.

Region II, Lt. Colonel F. M. McCleary

The report I am making for Region II was prepared by Colonel Zellars before his departure.

1. Political reaction and popular opinion. The Communist Party has continued its ascendency to the point where it now is provocative. This is most marked in Potenza and Brindisi Provinces. Previous uneasiness has grown to fear among intelligent Italians that some violence will occur when the Allies withdraw.

2. Local Government - Provincial

a. Provincial governments are not yet fully organized. Bari Province has improved recently in this respect. They still lack teamwork and initiative as they do not seem to feel the backing of the Italian Government.

b. On the communal level not much improvement is shown in the functioning of these local bodies, largely due to reasons stated above and the fact that "jockeying" for political positions is very evident in most communities.

3. Economic resources and supply, with special reference to food.

a. The grain campaign is proceeding satisfactorily. Based upon revised estimates of production, and collection goals of wheat and barley as of August 15, the collection in percentage is as follows:

Average for Region - (Wheat) 39% (Barley) 37%

This is well ahead of normal and well ahead of schedule, in the face of difficult transportation problems.

b. The transportation problem, rail and motor, with continued shortage of gasoline, tires, and spare parts, has become more acute than before, since during the month, heavy movements of Allied troops and supplies have curtailed the already meager amount of rail transport for movement of civilian supplies. 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 motor transport can be made available. We are now on a "hand to mouth" basis, since no reserve has been accumulated in deficient consumer areas.

c. The threshing of the grain is somewhat slow, mostly done by hand. Com-

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c. The threshing of the grain is somewhat slow, mostly done by hand. Comparatively few threshing machines are in operation for lack of belting and there is desire of many producers to save threshing costs by using household labor for this task.

d. Apart from this grain distribution factor, the food situation in the Region remains satisfactory.

e. The wine surplus in Apulian provinces remains unchanged or in a worse position. Producers are now beginning to empty vats to make room for this new vintage. There is still an excess of 300,000 tons remaining in Region II.

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4. Agriculture

a. Food crops continue to be better than usual.

b. The new crops of grapes, almonds and tobacco are up to normal. Preparations of soil has dropped behind, since many farmers are using animal and manpower for threshing grain and transporting it to the granaries.

5. Labor

a. The labor situation remains unchanged. The proposed decree dissolving the Fascist Labor Syndicates in Apulian Provinces has not been put into effect by the Italian Government.

b. The Allies still employ many thousands of Italian civilians on labor projects. A serious problem in employment will appear as Allies' supplies in vicinity of ports are moved forward.

c. The usual labor unrest prevails in Taranto province. Otherwise, no serious disputes have occurred.

6. Public works and utilities.

a. During the latter part of the month, Foggia Province passed to Region II, as regards public works and utility matters.

b. The Allies released some quarries during the month. There is still a lack of road construction machinery and tools, although some material of this nature was made available by the Allies recently.

c. Maintenance patching on all military highways continues to progress satisfactorily.

d. Permanent bridge repair continues slowly. This work will be speeded up as, and when, cement is released for this purpose.

e. Plans for reduction in electric power users are complete. Sufficient electric power for immediate needs has been available to date.

7. Public Safety

a. The Carabinieri and Questura have proved fairly effective in providing vigilance 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.

b. During the latter part of July and the first week in August several small, serious fracases occurred in Brindisi and Taranto Provinces chiefly between Italian soldiers and French Colonial troops. A few casualties occurred. But for prompt action by Allied Military and ACC personnel these disturbances would have been more serious. These encounters have subsided during the past two weeks.

c. The civilian population as a whole remains orderly.

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c. The civilian population as a whole remains orderly.

d. Allied courts: Three murder cases were tried during the month. Sentences of death in one case and thirteen years and twenty-eight years imprisonment in the others were imposed. One sabotage case was tried and a sentence given of twenty years.

Civilian courts: Civilian courts continue to move in a very slow manner. Procedure in most grain cases is in motion. As a result of habit, it is difficult to impress legal bodies of the importance of their duty in imposing heavy penalties on small grain violators, since these constitute a great majority of black market sources. Some heavy penalties in grain violations have been imposed.

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8. Education

Conditions remain as satisfactory as can be expected under present conditions, except in Bari and Taranto provinces. During the month practically all school buildings in Matera and Potenza provinces were released by the Allied Military. Approximately six each in Brindisi and Lecce were de-requisitioned.

9. Refugees and Displaced Italians

a. The Italian provincial committees now handle practically all the Italian refugee problems in this Region. A large number of Italian families have been surging in, especially into Bari and Barletta, trying to return to their homes in other parts of Italy.

b. 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.

Region III, Colonel J. S. Chapman

1. The Region generally is in very good condition. There have been no serious disturbances, political or otherwise, and no labor trouble since late in June. The food condition in Region III has been in good shape since the first of July. A regular ration of pasta began at that time and still continues. The potato harvest was good, and through the medium of these two items black market in food was substantially broken. Price control service for the month of July shows that at the present time more food is being purchased on open market than from black market. Practically all necessities may be purchased at substantially reduced prices.

2. We still are faced with a condition in regard to the potatoes which came about from the uncontrolled movement of civilian transport after the crop was harvested. Potatoes were being purchased from the producers rather than the Consorzii and sold at higher prices. Potatoes therefore have escaped out of the Consorzii. It is extremely difficult to urge the farmer to bring his potatoes into the Consorzii.

3. The grain collecting situation is not so bad. The target for Region III was 17 thousand tons of wheat and 1,000 tons of barley. The latest report shows that we have collected 5,603 tons of wheat and 97 tons of barley. These reports are still not complete, because of the inadequacy of communications. Undoubtedly much more grain has been collected in the back country on which we do not have reports. Also the harvest in Avellino and the mountain regions is late. It is now getting under way. While there is a doubt in my mind that we will hit the target, I feel sure that Region III will approach it on the collection of wheat. The situation on barley is not quite so good.

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4. The transportation situation continues to be bad. Requisitioned vehicles through lack of replacements are rapidly becoming unroadworthy. When a tire blows out, it means the loss of a vehicle. If we could have some means of replacing tires for these vehicles, the transportation situation would improve considerably.

5. Another problem has recently arisen. First the Armies came and purchased the horses and mules; now they are requisitioning and purchasing draft oxen, which are being obtained for the purpose of slaughter.

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b. 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 90,000.

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6. The labor situation is reasonably good. There is very little unemployment in Region III. Even with the moving out of many of the Army units we still are able to find employment for the larger part of our population.

7. As in Region II, we are confronted with the refugee problem. Unless a plan is developed quickly to cope with this situation it can become quite serious. Region III was turned over to the Italian Government on the 20th of July and with that turnover started the reduction of personnel in the Region. Fortunately the Region had been together long enough so that the reduction did not cause any serious difficulty in administration. We have been able to carry on in every division and every province. We

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have now withdrawn all personnel in Avellino Province, which is now being opened en-
tirely by Italian officials. Evidently everything is operating satisfactorily, and
we expect very shortly to do the same in Benevento and let the Italian officials ope-
rate their own Government.

8. We have had in this administration practically no difficulty in securing aid from this headquarters. The sub-Commissions have been extremely helpful in almost every problem that has been presented. There has been a little difficulty sometimes to se-
cure quick action.

9. The health situation generally is good.

Comments by Acting Chief Commissioner: Captain Stone inquired as to how recent was the last case of requisitioning of cattle. Col. Chapman stated that he did not have that information. Captain Stone stated that he understood that it was reported that these were for units that have been transferred. This matter will be taken up in the meeting tomorrow.

Region IV, Colonel Charles Poletti

1. Before my arrival in Rome, the Region was administered by General Hume and by Colonel Norman Fiske, and naturally I profited from the effective work they had done. In addition we have had the great assistance of Rome Allied Area Command.

2. During the past two months, the Regional Commissioner has enjoyed the whole-
hearted intelligent and loyal team work of the Allied officers and enlisted men of Rome Region, and they have achieved magnificent results in the face of many harassing diffi-
culties.

3. Rome Region has been much aided by the Headquarters of Allied Control Commis-
sion. We have not always agreed. Good old pasta jolted the usual good humor of some of us, but our relations have been happy and we are most grateful to ACC HQ for its as-
sistance.

4. On August 1st Rome Region and Region IV were merged, thereby bringing under the single Headquarters of Rome Region the provincial administrations of Frosinone, Littoria, Rome, Viterbo, Rieti, and Terni and we stand ready to receive Perugia when-
ever Group-Captain Bengen, who has been ever cooperative, sees fit to turn the province over to us.

5. First, concerning Rome City and the area forming the ex-governatorato di Roma. The basic policy of our AMG administration was to do the job in the most rapid manner, inasmuch as we agreed that Rome should be turned over to the Italian Government at the earliest possible moment and this was done on August 15th. What has AMG accomplished?

6. The new structure of local government was instituted. It has been functioning with initiative and steadfast adherence to democratic principles. The mayor has per-
formed valiantly.

7. New able, anti-Fascist heads of governmental agencies and services were ap-
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7. New able, anti-Fascist heads of governmental agencies and services were appointed and with our assistance established into their jobs. We insisted on new faces in the public business.

8. An epuration commission was organized in cooperation with the National Committee of Liberation. This hard hitting epuration commission did a good job. AMG officers have likewise executed a vigorous epuration. Thousands of leading Fascists were turned out of office; hundreds arrested and interned. Epuration in Rome is now in the hands of the Italian Government. Without a thorough and rugged clearance of leading Fascists from positions of public trust and influence, a new Italy of liberty can never arise.

9. The people of Rome suffered greatly during the period of German occupation. Nor was it because they received a mere 100 grams of bread. Men, women, and children were afraid to leave their homes. The Gestapo was constantly on the scent of thousands

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of good citizens and to hide these citizens thousands more had to risk their lives. The City was in a state of dread. The Allies have given Rome freedom from fear.

10. In this Eternal City newspapers of all political shades, magazines and periodicals are being published and read. No censorship other than military exists. There has never even been an intimation that newspapers should be reluctant to criticize Allied Military Government. Quite the contrary, the Regional Commissioner, in his weekly radio broadcasts, has urged the Italians to present constructive criticism. The Romans, stifled by 22 years of Fascism, have resumed their ancient liberty of expression. In fact, the satirical paper the Can a Chiaro had a wonderful cartoon the other day. It showed a bachelor at the table ready for dinner. Entering is a most attractive maid. The man asks, "What do we have for dinner tonight?" The maid, who is carrying a cute portable radio, on a lovely silver tray, answers, "Poletti on the radio". The Allies have given Rome freedom of the press, freedom of speech.

11. One of the most thrilling and satisfying experiences of the Regional Commissioner in Rome has been his work with the Chief Rabbi of Rome. The Rabbi was harbored by a Catholic anti-Fascist from the bloody clutches of the SS. Both the Rabbi and his Catholic protector were invited to our office. The Chief Rabbi was told that he could resume religious services at the synagogue. The Regional Commissioner and other AMG officers attended the first service. The Allies have given Rome freedom of religion.

12. Months before Rome was liberated, its people had heard the promises of the Allies to feed and clothe. Therefore Rome, like every other city which we have administered, had high hopes--too high to be met in the face of the primary exigencies of military operations in Italy and elsewhere in the Mediterranean. AMG is sensitive to the needs, but it cannot ask the Army to stop the battles near Florence or postpone the landings at Anzio or Toulon. The Romans, like the people of other cities, require time to absorb the simple fact that the war continues and that sacrifices for an Allied victory must continue. Rome now appreciates the fact. Romans have been orderly and cooperative. Law and order have been fully respected. The Romans are anxious to make a contribution to the victory of the United Nations.

13. Rome has not had the food that other liberated cities have had. There have been shortages of olive oil, pasta, salt, sugar, eggs, potatoes, other vegetables and fresh fruit, and of course, meat has not existed.

14. AMG in this Region has worked closely with Italian officials. The Food Administration was reorganized and revitalized by Italians. Food has been controlled at every entrance into the City so as to divert it from the black market into the City's general market where it can be sold at official prices. The Italian police, including those of our special black market squad, have been vigilant. Civilian trucks which had been hidden from the Germans have been brought out and organized into three large pools. Rome, of course, survives on the use of civilian trucks. Rome has no rich country nearby and these trucks have had to travel long distances.

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15. The cooking of food in Rome has been difficult. Electricity coming from Terni and Tivoli, thoroughly mined by the Germans, is scarce. The gas plant has not been functioning because of the inability to transport coal to Rome. In close cooperation with the Italians we have organized a charcoal market and succeeded in making a first distribution of charcoal at non-black market prices.

16. The groundwork has been laid under AMG. The benefits will accrue in ever increasing measure. In the coming weeks Rome should get more food. Up to the present,

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16. The groundwork has been laid under AMG. The benefits will accrue in ever increasing amounts. In the coming weeks Rome should get more food. Up to the present, the Allies have not given Rome freedom from want.

17. AMG in Rome and the Vatican have worked very closely. AMG has been greatly aided in many problems by the Vatican. Not only has the Vatican been of tremendous assistance in the handling of refugees and refugee camps, transport, hospitals and other institutions, but also the Vatican has borne the heavy burden of operating scores of soup kitchens which serve 300,000 hot meals each day.

18. The provinces of Littoria, Frosinone, Rome, Terni, Rieti and Viterbo, transferred to our Headquarters on August 1st have been running along in a fairly satisfac-

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tory manner. The headaches are the clearance of many mine fields, more food, materials to rebuild bridges and houses, and to carry on other public works to reduce unemployment. We are grateful to Brigadier Dunlop for the splendid job he did in these provinces. We await from Group Captain Benson the transfer of Perugia and knowing his great ability we are confident Perugia will present little difficulty when transferred to our Region.

19. The Italians have demonstrated ability to carry on, to administer and to help solve the many difficult problems of this country. In the administration of our Region, we lean heavily on the Italians and plan to continue to increase and expand their authority daily.

Region V, Colonel R. P. Marshall

1. Part of this Region is under ACC control, part under Regional AMG, part under Army AMG and part is still under the Germans. Overall the situation is generally quiet and well in hand.

2. The political situation has involved seven embryonic movements; none very serious, none closely related. The partisan situation is in hand by the Italians. The only difficulties are presented by the pseudo-partisans. They are being handled by the Carabinieri and the population.

3. Agriculture is progressing well. Lack of fertilizer and insecticides has become overcome by nature's bountifulness.

4. There are no serious problems in labour. There is a slight shortage in Ancona and a slight surplus in Aquila; adjustments are at hand.

5. Public Health is exceptionally good. Medical supplies were short for a while, but are now in hand.

6. Communications difficulties. Main arteries have been restored. Telecommunications are still a problem. Our communications officers had gathered 40 expert linesmen and managed to get between 100 - 150 Km of communications. These men were loaned to the Army, who used up our wire also.

7. Finance. Tax collections are coming in quite well. Cash is gaining in all provinces. A meeting of prefects was held, problems were discussed, their full cooperation was asked for, and each gave his pledge. We have every faith in their promises and every confidence in their performance.

Foggia Province, Colonel C. E. Temperley

1. We have been able to concentrate during the last few months on the harvest. Credit is due to the Carabinieri and Guardia di Finanza for the part they have played. They have done their duty irrespective of persons. They have created the idea in Foggia that amassing is the right thing to do. Also the producers themselves must be given credit, as they have awoken to their responsibilities and are doing their part willingly and freely. We have another 1/2 million quintals to go in the amassing. I am confident that we can get them in.

2. The black market has been active. We are on the wholesale selling end. The

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2. The black market has been active. We are on the wholesale selling end. The black market has changed over from grain to olive oil. Road posts have been very active. It is found that the black market dealers are afraid to hold illegal grain, and will usually pay high prices only if it can be purchased for future delivery.

Region VI, Brigadier M. Carr

1. I am no longer the Regional Commissioner, having handed over duties to Colonel Pennycuick on August 12 to proceed to Sicily. During the three months which have elapsed and during my five months in Sardinia I think I can say that there has been improvement and progress, but I must also say that this in my opinion has been largely

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due to ACC initiative.

2. The opening of Sardinian prisons and courts of justice has taken place.

3. The question of food and food prices has been a problem. The method of introducing the increased bread ration did not help matters. The population can never be wholly content when olive oil is unobtainable. The olive oil situation should be remedied when the next harvest comes.

4. Serious damage was done to the grapes due to the late arrival of sulphur. This will affect adversely the wine supply.

5. The food situation is generally satisfactory, except for the crowded cities. The statement that the children of Sardinia are starving is absolutely false.

6. The chief bars to progress are corruption and short working hours of Italian offices. It is difficult to see how corruption can be eliminated. There seems to be some evidence of mental sit down strike on the basis that the Island was little concerned with the war. Regarding the actual working hours of Italian offices, it seems that the motto is "Let sleeping dogs lie lest once roused they disturb our afternoon siesta."

7. There has been some increase in political activity. The Communist party remains active, particularly in the mining area of Carbonia. Some strikes occurred during the time when there was confusion about the increased bread ration.

8. Important changes including three new Prefects are taking place in local government. I understand that the new Prefect in Nuoro Province has already arrived. The High Commissioner is losing a number of key staff on withdrawal to service of armed forces personnel. New local government bodies have been constituted and are functioning, but it is too early to determine whether they will be really effective.

9. The Grandi del Popolo campaign was fairly successful. About 17 thousand tons have been collected, which is about 30% of the amount available. The target is 40,000 to 45,000 tons, which will last the Island to sometime in November. Imports of flour or wheat will be necessary to see the Islanders through to the next harvest. Prospects for the olive harvest are good.

10. There is a shortage of water in several places. Restrictive measures have been taken, and it appears that reserves can be built up to overcome any crises.

11. Public order continues satisfactory, though the percentage of undetected crimes is high. The lack of mobility of the Carabinieri and police agencies was blamed. Courts are catching up or holding their own. A case is pending concerning the theft of large quantity of Allied food from an ACC warehouse. It is hoped that all goods will be recovered. During the month of July 3 enemy agents were dropped by plane over the Island, all were rounded up.

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12. Public health remains extremely good; malaria is low and VD is under control.

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Captain Stone introduced the Supreme Allied Commander.

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General Sir Henry Maitland Wilson, GCB, GBE, DSO, Supreme Allied Commander, Mediterranean Theater

1. I have heard a great deal of your work since the Sicily Invasion. I am fully appreciative of what you have done from that day. There have been many difficulties to overcome and you have handled them in a workmanlike manner. The advance of the Armies doesn't ease matters when you are trying to build up a civil administration behind. Naturally you have been hampered by the destruction the enemy has caused to installations, etc. So far we have only made contact with about half of Italy's population. What lies ahead may prove the most troublesome and difficult to deal with.

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It will call upon all your resources, abilities, and valor.

2. It seems there are two major problems that face ACC at the moment. One is food and the other is unemployment, and on those two I think very much the re-establishment of the country depends, and I am certain beyond any deliberations where to pay a great deal of attention to produce the solution. There are people who are not up to the subsistence level. I have had information to that effect. It is probably due to the faulty distribution. I am sure that schemes could be produced to rectify, where there is something not quite right.

3. The administration of the country must be regarded in all reports, and I would ask you to keep your eye tallied on the administration book and not led off behind the play of politics. The prestige of the two great English speaking nations is bound up in your work. And it is not only the prestige that is involved, but look in the future; there are many eyes on you and how you are doing your job. That will give guidance as to how we will manage the occupation of Germany when it comes. Please remember that your responsibilities are very great, and I am certain that we will all face them in a true Anglo-Saxon manner.

4. I feel that as Regional Commissioners you must keep in close touch with all your subordinates. No individual must be allowed to bring discredit on the organisation. The work, even down to the smallest organizations, must be of a high standard. If a high standard cannot be reached by any individual, then he must be eliminated. The key words for your subordinates should be initiative, impartiality, and integrity. I hope these key words are thoroughly understood by everyone.

5. There is a question of whether it is advisable to keep subordinates too long in one location. I am certain that your discussions here will produce solutions to many points in furthering your efforts with ACC. I hope that at the next meeting I may be able to congratulate you personally on the results obtained since this meeting here.

Region VII, Lt. Colonel G. G. Feasey

1. There is very little to report on the political side. With the extra bread/flour/pasta ration now being issued in practically all communes, the noisy element of the Communist Party has not been so much in evidence.

2. Progress with the formation of the Giunta Comunale is slowly gaining ground, but the general reaction is unfavorable, with the selection of members coming in for much criticism. The chief complaint is that they are appointed by the Prefect, who consults with the local CC.RR as to their general suitability and whether there are legal impediments, and this virtually makes the CC.RR the political boss for the area concerned. Elections, of course, may not be held.

3. There have been a number of rumors that all ACC officials were being withdrawn. The Prefect of Catanzaro, a career official, was greatly relieved to hear that ACC is not leaving Calabria altogether, because he considers that help will be needed for a very long time. This gave us an opening to impress once again on him and his officials the urgent necessity for them to bestir themselves and improve their administration. Local Government throughout Calabria is full of shortcomings.

4. The new Prefect of Cosenza has arrived.

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5. Economic Resources and Supply. As far as the Economic & Supply side is concerned the collection, warehousing and movement of grain has proceeded satisfactorily. There were some anxious moments in respect of movement from Consorzio warehouses to millers on account of shortage of rail wagons. It was, however, always possible to improvise, and the bread supply never broke down. Past statistics indicate that the peak of deliveries to Consorzio was never reached before 15 August. If imports from Regions II and V continue at present rate supplies will be maintained until the end of September without difficulty by this extra local production.

6. Molasses. 140 tons of molasses have now been shipped from the sugar

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refinery at S.Eufemia to Barletta. This is residue of former years production, now being used for making yeast partly for Army bakeries. The refinery is not in operation now, because no sugar beet is being grown by local farmers owing to the uneconomic price.

7. Olive Oil. 2,360 tons were shipped to Naples from Catanzaro and Reggio. The olive oil drive in Cosenza is by the Italian Army for the Italian Army.

8. With regard to Ration Cards, some 200,000 have already been withdrawn. As cards improperly held were surrendered in the various communes, the increased bread/pasta ration came into force and this system worked very well. Bad communes are still on 350 pasta: good ones on full ration, this was done at request of the Italian authorities.

9. With regard to Grain Collection, 12,540 tons have been amassed toward a target of 29,000 tons. In connection with the harvest, it is encouraging to note that on 14 August Minister Gullo rang up the Procuratore Generale at Catanzaro to ask why such light sentences had been given by the courts for grain offenses, and requested to be given the names of the judges responsible.

10. Provincial and Communal Agricultural Committees have shown improvement; but there is room for more.

11. Labor. No troubles at the moment, though it was unfortunate that the Regional Labor Officer had to leave before the Silla question was settled. There is not much unemployment.

12. Public Works & Utilities. No changes of program to report on military highways; normal maintenance and reconstruction going on. Anti-malaria campaign has yielded good results, supplies of Paris Green and gas/oil are adequate for next month. Streams have been stocked with larvae-eating minnows. I should have thought that this was a Public Health matter; but our excellent Regional Engineer, Major Chamberlain, always seems to deal with it most competently.

13. Electricity. Drastic cuts have been made all around.

14. Public Safety and Italian Courts. Crime position satisfactory and a generally quiet month. The deserter question is still to be cleared up. There are far too many Allied deserters in this Region. Action is taken promptly by 70 Garrison, Messina, through Town Major Reggio when cases are reported there.

15. Courts are in a fairly satisfactory state and the R.L.O. visited all chief centers before leaving.

16. Public Health. No more cases of smallpox reported and health is good, though there have been 120 cases of dysentery at Cosenza with 6 deaths.

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17. Heavy Workers Rations. This scheme has been a failure. A few people have benefited and a large number of others made most discontented. The amount of work involved is quite out of proportion to the results achieved.

Region VIII, Colonel R. G. Kirkwood.

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Region VIII, Colonel R. G. Kirkwood.

1. Since early in June when the Allied Advance in Tuscany started, provincial personnel of Region VIII have been attached to AMG of Fifth and Eighth Armies and have worked under them. Specialist divisions of the Region have been available and have been used by the Army AMG also. When the Region became active, its headquarters was at first divided between an advanced headquarters south of Grosseto Province and a main headquarters at Naples; later it was concentrated at Orvieto and is now at Siena. Grosseto Province has been under Region control since the 9th August. It has been announced that Florence Province has been under Region control since 18 August. The greater part of Region VIII is still under Army AMG or under German control.

2. All the immediate problems incident to the occupation of newly liberated territory are Army AMG responsibilities, and are covered in the reports of the

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respective SCAOs. Long term projects pertaining to specialist divisions have been handled by specialists of Fifth Army and to a lesser extent by the Eighth Army. The most active divisions have been Public Health, which has re-opened hospitals, distributed medical supplies, and done extensive welfare work and surveys; Public Works, which has repaired water supply systems, electric light and power plants and transmission lines, removed debris and rebuilt or repaired highways and bridges; Property Control; and Monuments and Fine Arts. All these divisions have reported to Army SCAOs when working in Army territory. The Monuments and Fine Arts Officer, Lieut. Hartt, deserves special mention for his energy, zeal and accomplishments in locating on the ground and securing protection for the Florence Art Collections which have been scattered about the countryside. He and his associates have worked and lived under fire for the preservation of Italian Art; and their work has been most effective.

3. All the other Region specialist divisions, in varying degrees, are functioning, in their own fields with the approval and under the control of Armies in Army territories.

4. Public Health has, in general, been good. There have been epidemics of typhoid in restricted areas.

5. Crime, in general, has been negligible. A small band of renegade Fascists are reported to be hiding in a mountainous district of Grosseto Province and making occasional forays to terrify Anti-Fascists. These are being dealt with.

6. The Grain is coming in. It is being paid for except in Arezzo and Florence provinces, where the banks are not yet functioning. The program is meeting with success in proportion to the territory actually liberated and that which is free of mines.

7. In Grosseto food has not been a serious problem. The registration and organization of transport in Grosseto is proceeding satisfactorily. Fuel has been the bottleneck; but there is promise of improvement. There have been no labor troubles. A labor problem is anticipated in Livorno when that port opens for full scale operations, due primarily to the "black zone" restrictions in part of the city.

8. In general, there is a great feeling of relief in the liberated areas on being freed from German domination. The people of Tuscany do a great deal to help themselves. They are realistic, generally honest, and industrious. However, instances have been noted of where they have not been cooperating wholeheartedly, not so much from hostility toward the Allies as from a latent fear of German and Fascist reprisals.

9. Politically, the Communists are the most vociferous and demonstrative. Their actual strength cannot be readily determined.

10. Local government, including courts of justice, are functioning in Grosseto. The fact that the Prefect is of a political party different from the majority of his people does not make for local harmony.

11. Many refugees are being taken care of locally.

12. The news from the City of Florence as of yesterday is as follows: The food situation is good. 200 grams of bread are being distributed to each person daily in that part of the city under Allied control. The British Institute is [illegible] there. 120,000

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5. Crime, in general, has been negligible. A small band of renegade Fascists are reported to be hiding in a mountainous district of Grosseto Province and making occasional forays to terrify Anti-Fascists. These are being dealt with.

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7. In Grosseto food has not been a serious problem. The registration and organization of transport in Grosseto is proceeding satisfactorily. Fuel has been the bottleneck; but there is promise of improvement. There have been no labor troubles. A labor problem is anticipated in Livorno when that port opens for full scale operations, due primarily to the "black zone" restrictions in part of the city.

8. In general, there is a great feeling of relief in the liberated areas on being freed from German domination. The people of Tuscany do a great deal to help themselves. They are realistic, generally honest, and industrious. However, instances have been noted of where they have not been cooperating wholeheartedly, not so much from hostility toward the Allies as from a latent fear of German and Fascist reprisals.

9. Politically, the Communists are the most vociferous and demonstrative. Their actual strength cannot be readily determined.

10. Local government, including courts of justice, are functioning in Grosseto. The fact that the Prefect is of a political party different from the majority of his people does not make for local harmony.

11. Many refugees are being taken care of locally.

12. The news from the City of Florence as of yesterday is as follows: The food situation is good. 200 grams of bread are being distributed to each person daily in that part of the city under Allied control. The British Institute is intact with its furnishing and library. A pre-war secretary is there. 120,000 civilians in no man's land and in that part of Florence under German control are being fed by AMG. The Army permits them to come to fixed distributing points and then go back to their homes. Medical treatment is available to those who need it. Medical supplies are being found or furnished. First aid stations and ambulances for dealing with wounded civilians are available and are able to cope with the problem. The Florentine Medical Association, a very old organization, reorganized on non-Fascist lines has held its first meeting. Water supply is sufficient. Street cleaning has been instituted. The dead, of which there were approximately 200 in one locality, have all been buried. The city, both north and south of the Arno River, has been subject to shelling by German artillery of light caliber. The damage has not been great at any one time.

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13. At the moment, matters are somewhat confused in Region VIII, due in part to a situation beyond ACC control and in part to various artificially imposed conditions. The Region staff is working hard rendering as much assistance as possible to Fifth and Eighth Armies AMG; administering the small part of the Region under Region control, and endeavoring to see that the confusion does not spread.

Eighth Army AMG, Lt. Col. G.W.I. Shipp (reporting in the absence of Group-Captain C. E. Benson)

1. The last two months has been marked by the steady advance to the Gothic Line and the unique problem of Florence. Here in face of great difficulty we have succeeded in putting supplies over the river and bringing a semblance of control to the city.

2. The story of the forty tons of supplies daily manhandled across the Ponte Vecchio and their subsequent distribution constitute an epic in AMG history. Aided by the Patriots we saw to it that no one lacked, only those who had not the temerity to come and fetch it. By way of diversion a German armored vehicle would reconnoiter while sniping and mortar fire continued at intervals.

3. To turn to the general position affairs continue satisfactorily. The Adriatic sector with its slower advance and less congested railways was less of a problem while the center was more difficult owing to heavily mined roads and blown bridges. There, however, as in the east, present food problems do not exist.

4. With the opening of the western ports the supply situation eased and stock-piles are now being built in preparation of further advance.

5. Refugees do not constitute a major problem for the moment. The rapid advance left many people unaware that the war had passed them and only on those positions where delaying actions were fought was any movement occasioned. Camps are now being moved forward.

6. Perhaps a warning for the future is the labor situation at Terni. This town possesses a steelworks employing 7000 inhabitants, which is badly damaged. Immediate re-employment is possible for half that number and the directors are unable to say when the balance can be absorbed. This applied to the larger enterprises of Turin and Milan presents a problem which will be a great strain on our administration as well as causing great distress to the people.

7. It was fortunate that Siena was spared intact. The local administration was soon functioning and banks and post offices opened. A hopeful sign was a net inflow of cash into the banks and savings institutions. While mentioning finance, I would add that it is found that owing to the shortage of livestock and machinery the cash disbursements on Ammassi collection is relatively small compared with previous years.

8. A new problem of recent months is that of the Patriots. They have done very useful work in the prevention of wrecking, general intelligence and reorganization of local administration. Their welfare, I am glad to say, is handled by Patriots Branch.

9. General health continues to be satisfactory, only a few cases of typhoid being reported, while malaria, though nearing its peak season, is causing no concern to the authorities thanks to the efforts made by the malariologists. The hospital situation is fairly satisfactory but that of ambulances and drugs continues to deteriorate.

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10. There has been one trouble mentioned at recent conferences and that is the unauthorized movement of civilians to Army areas. This has caused concern and without exception all are turned back. I hope after recent conferences the matter is fully understood that it is for the Armies to give permission for movement in their Area.

11. It has been two months of almost continuous advance. I must thank those regions who were always on our heels and ready to relieve us of responsibilities when we wished to be rid of them.

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R E S T R I C T E D

Fifth Army AMG, Brigadier General E. E. Hume

1. I would like to stress that there is a great difference between the work of the Regions and the AMG's of the Armies in the field. We are an essential part of that Army and do the things that the Army Commander wants done. When the military situation permits, then we do what we want to as AMG officers. Time is the important element. The important time may be the first hour. The work of the officers is hazardous. It is important that themen go in with the first troops. Our men have been killed, wounded, and captured. Two officers were wounded yesterday.

2. We planned for many months the setting up of the government in Rome after our experience in Naples. A report has been written and a few copies are still on hand. The courts and banks were opened within one week.

3. At present in the Fifth Army area are the two provinces, Livorno and Pisa. Livorno is now in fairly good shape, with water, drains and electricity restored, but much of the town is evacuated and it is impossible for the life of the town to return to normal while it is still under German observation. A Prefect has been recently appointed and he is now working on the reorganization of the Provincial Administration.

4. The patriots at Leghorn were found to be cooperative. They aided us greatly in furnishing a map of mined areas. In many places they replaced the warning signs at mined areas after the Germans had torn them down on their retreat. Normally there are 145,000 people, but today there are only about 30,000.

5. We do have one great difficulty. The military and naval commanders want the people evacuated. At the same time they want laborers. This matter is being ironed out, and will help us in taking care of some future cities.

6. Several distinguished visitors, including the British Prime Minister, the American Secretary of the Navy, Under Secretary of War, and Commanding General Army Service Forces have been shown the work of AMG in Livorno.

7. The town of Pisa is half occupied; we have the south side, the enemy has the north side. Not much attempt is being made to take it by force. The Provincial Commissioner is operating from Volterra without a Prefect.

8. We have moved 15,000 refugees from our area recently. The refugee section here is of great assistance.

9. We do not have to transport supplies as far as we used to. We are very much in need of transportation - transport units. We cannot just take a certain number of trucks and a certain number of drivers and put them together. We must have self-contained units. Drivers who do not speak English have great difficulty with our MPs.

10. I would ask one favor. The Army Commander insists that everyone who enters the area come with a proper permit. Within the past fortnight two gentlemen from ACC came to Livorno without proper permits and were turned back. However we do want you to come and see what has been done.

11. We try to do things in a way to make a smooth changeover in administration.

Refugee Branch (Italians), Colonel L. R. Hulls

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Refugee Branch (Italians), Colonel L. R. Mills

1. There is the question of battle area refugees. We attempt not to create refugees and to help people to hang on and stay where they are if they keep out of the way of battle. Fifth and Eighth Army AMGs have been most successful in pursuing this policy and have taken out of the area of operations 40,000 people and assisted them locally until the battle moved further forward, then these people were able to reestablish themselves. It was necessary to move back to main transit camps during the same period another 40,000. 80,000 odd people have been taken out of the way of battle which assisted commanders in clearing their lines of communication.

2. The Germans had one main camp in Rome Region. At the time we took over the

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hygienic conditions of this camp were unspeakable. Deaths numbered about 15 a day. The first thing to be done was to send 100 Italian soldiers to clean up the place.

3. We are now faced with another problem - one which is common throughout Europe. There are 1/4 million people in Italy who wish to return to their homes. I understand this will be done by UNRRA immediately after the war. The Italians would like to get their part of the job started. Most of the people are agriculturists, and since there are at present many areas which are not being cultivated, there is an Allied interest in the matter. It is beginning to cause Regional Commissioners a major problem with people crowding the railways attempting to return home. We are trying to postpone this now until it can be better organised. Regional Commissioners are asked to do all they can to stop the movement and the Italian Government is being pressed to do the same. It is a matter of Allied interest to get agriculturists back to the land. This will mean a reduction of food imports by ourselves, and consequent saving in shipping. One main difficulty is personnel. The Italian Government nightly, in my opinion, ask for 1000 Italian military for transit points throughout the country. Our military authorities have not so far agreed. Since the object is to increase production of food in the country, and economise Allied shipping I consider that agreement in the matter of Italian military personnel should be given.

Displaced Persons Sub-Commission, Colonel C. B. Findlay

1. Our job is to assist and help Allied nationals who are internees in this country or those countries not yet liberated.

2. During July about 1,000 children, ages ranging from a few months to 14 years, arrived by air at Bari from Yugoslavia. These "flying orphans" were organised into groups of 20 under trained teachers. All were housed at the sea side camp of Santa Cesarea. Records of weights and heights were taken so that progress may be observed.

3. After an invitation by the President to send 1,000 refugees to America, about this number, mostly Jewish, sailed for the United States on 17 July. They are there for the duration of the war only. The problem of repatriation will face us after the war.

4. We are increasing our responsibilities as the Armies go north. We are dealing with UNRRA to take over the southern camps. Unless we can get rid of southern camps, we cannot deal with those in Northern Italy.

5. Since the last meeting we have had a member of the Inter-Governmental Committee on Refugees, Sir Clifford Heathcote-Smith, to work with.

6. Maltese British citizens to the number of 600 or 700 have been sent back to Tripoli. They are a part of the total of 1700 in Italy, the remainder being in enemy occupied territory.

907 7. We have had personal requests from many Yugoslavs, including Marshal Tito, that orphans be kept in Italy for the duration of the war and that no more be sent to Egypt.

8. There are two new camps, one at Aversa and one at Cinecittà.

9. Control of movement by civilians. One attempt was made to send 28 refugees

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pressed to do the same. It is a matter of common interest to get agriculture back to the land. This will mean a reduction of food imports by ourselves, and consequent saving in shipping. One main difficulty is personnel. The Italian Government rightly, in my opinion, ask for 1000 Italian military for transit points throughout the country. Our military authorities have not so far agreed. Since the object is to increase production of food in the country, and economise Allied shipping I consider that agreement in the matter of Italian military personnel should be given.

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8. There are two new camps, one at Averse and one at Cine Citta'.

9. Control of movement by civilians. One attempt was made to send 28 refugees direct to refugee camp without passing through Transit Camp, Bari; after being duly sent back one lady was detained as suspected person.

10. The present Controller in the Records Bureau is returning to U.K. where the experience he has gained in Italy will be utilised for further similar projects.

11. I came in from Florence at two o'clock this morning. There are very crucial problems there. We are able to give our displaced persons a certain amount of extra food. About 1500 British and American are left in Florence. AMG is treating them most generously. AMG is doing a mighty fine piece of work there.

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Patriots Branch. Colonel C. D. McCarthy

1. Patriot Bands, many of which are large and highly organised bodies, have been created in various centers 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 fighting is over and in this connection it has been laid down by A.A.I. Headquarters that bands must not accompany the Armies forward out of their own areas.

2. The Patriots Branch of A.C.C. was formed early in July as a result of an instruction from A.A.I. and is responsible for all dealings with Resistance Groups as soon as the territory in which they have been operating is liberated.

3. Great care is taken to distinguish between bogus Patriots and genuine patriots who 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. It must be remembered that these genuine patriots have in very many cases lived extremely precarious lives, suffered considerable casualties, and been a very great nuisance to the enemy (one band in Florence suffered 40% casualties). Let us not forget that they have been living under the black cloud of torture and death not only for themselves but also for their families. There is no doubt that many patriots have acted with extreme bravery and courage and a note of their activities has been prepared and is available to those who would like to read it.

4. Many questions have been asked of the political tendencies of patriot bands. After speaking to a large number of patriots in various corners of the country I personally feel that in the great majority of cases these men have been fighting first to defeat the Germans, second to destroy Fascism and third, in the case of some of them, to build up a new Italy. Most of them have at this stage of the war very little idea of the aims and ambitions of the six political parties in Italy but they are keenly alive to the fact that something drastic must be done about politics in the very near future and, being mostly young and active men, they are keenly susceptible to influence and require a lead from the Italian Government. Some of them will undoubtedly be of importance in the new Italy and they are a great responsibility for us all.

5. Plans have been drawn up for dealing with patriots. A message in poster form signed by General Alexander has been distributed in forward areas, a form of certificate of merit has been approved and certificates have been sent to Regions and to the Fifth and Eighth Armies for distribution and have been distributed. Although many patriots are used for a short while by the Army in their own area as guides and 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 occupations 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. Command committees are being set up to assist Provincial Commissioners in this work, and to help weed out bogus applicants, of which there are an increasing number among the genuine patriots. The problem of collecting and disposing of the patriots' arms is in hand.

6. 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. Information is being collected about conditions in enemy occupied territory in order that suitable plans can be made for handling problems in that territory when it is liberated.

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7. Liaison is maintained with the Italian Ministry of War through an Italian senior officer who is responsible for co-ordinating the work of the two groups which are recognized - the C.L.N. Group and the Military Center Group.

8. Directives have been issued as required in agreement with A.M.I. and other authorities. It is fair to say that the task of ensuring that these directives are

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acted upon by Allied officers concerned and by the leaders of the patriot bands is well in hand. The broad political aspect of the patriot problem 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.

9. The patriot question is very much in the news at present and I am bombarded with questions about what we are likely to find on the other side of the line. We have a fairly good idea and I am endeavoring to furnish this information when it is essential to do so, also I am endeavoring to see that those on the other side of the line are properly informed about what is going on on this side of the line. I would like in conclusion to take this opportunity to thank the press, P.R.O. and P.W.B. for the active cooperation given in recent weeks and for the manner in which publicity has been treated. The power of the press is tremendous in this present era of the patriot movement; and we must remember that the Germans are spreading propaganda against us as energetically as they can so that it is necessary for us to encourage our patriots as much as we can. I am trying to help in this firstly by ensuring that proper arrangements are made for their welcome on this side of the line and by then taking care that they shall be informed exactly what that welcome will be.

Inter-Governmental Committee on Refugees, Sir Clifford Heathcote-Smith

1. My object is to try to make you see what the IGCR stands for, because our work is such that we have to try to dovetail in with certain organizations, and unless we have their sympathy, our work is difficult.

2. The exact functions and import of the IGCR. It began in 1938 when President Roosevelt thought that something should be done for the victims of Germans in Germany. This Committee met at Evian, France, in 1938 and some 24 governments joined. Subsequently the war went bad for us and during those years anything to help refugees had to suffer. In 1942 the enemy had their back to the wall and we had more time to think of civilians. We are now holding a session in London. Among the 40 to 50 governments of the world are notably Switzerland and Sweden. The organization is extremely comprehensive. It takes over all refugees, then stands aside where other organizations are willing to take over certain aspects.

a. Rescue of the victims of the Axis countries inside those countries themselves. Actually little assistance has been given in this line, but some relief has been given.

b. Relief of victims after they come out of the territory.

c. Relief, and where possible rehabilitation, or where a person is stateless, finding a home for him.

3. We have nothing to do with refugees that have not come across a frontier. We have nothing to do with Italian refugees.

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4. There are between 20 to 25 million people who have been torn from their homes by the Germans for labor. Of those it is believed that something like 5% or upwards will prove to be stateless, either in law or in fact, or in both. It will be a question of two million odd ones. The Germans have been carrying out ruthless deportations and mass massacres of individuals. There is no doubt that this has been happening for years. From Rome itself sealed railroad vans have gone north

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5. In the case of Italy you have the Allied authorities who are extremely active in the Internees and Displaced Persons. Soon UNRRA may be working here. The War Refugee Board, an American organization, has already operated in Italy. Its main function is rescue. IGCR will fit in wherever necessary while the others are still doing their work. The staff is small here. Some are from the Quaker organizations, Jewish organizations, Friends Ambulance Unit (a British organization). Our work has been to get records of what it is like on the other side of the line.

6. The Jews in particular are finding themselves stateless, and we must do

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something about that.' The Italian Government has made a generous gesture and is willing to grant its citizenship to stateless refugees in this country. It is hoped it will form an example for others to do something along the same lines.

7. Case work. We have also been engaged in examining individual problems.

8. Regarding the settlement of stateless refugees in other countries, there has been one shipment to Palestine. They can take only a few more there, as Central Europe is expected to send many.

9. This Committee is willing to take on the residual responsibilities.

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The morning session of the Conference closed at 1245 and the Conference reopened at 1430.

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Brigadier M. S. Lush, Executive Commissioner

1. We have heard this morning the reports of the Regional Commissioners from the field in the organizations who deal and work in the field. We have heard how the Army AMG follows up the Armies, bringing about a certain standard of normality commensurate with military operations. The experience since our last meeting has shown us that the program of regional commissioners with their staffs coming behind the Armies has been successful and this policy will be continued in the future. At the present moment, Region IX is waiting to take over their region when General Alexander's forces get there. If the Armies go forward, the AMG will also go. Other regions will be formed and we shall take up the work in the north. Those Regions will be set up and will have to work in the field with the AMG of the Armies.

2. You heard at the beginning the reports from the Regional Commissioners who have taken on the advisory role of the ACC in the field. It has been learned that it is easier to govern than it is to advise other people to govern.

3. I would like to stress two points in the work of all Regional Commissioners because it starts from the front line all the way back:

a. The Allied military interests must come first. I think that is sometimes forgotten by the people of this country, particularly those whom the war has passed over many months ago. If we can get them, by our contacts or publicity agents, to realize that the battle is still being carried on in their country, I think we shall make the task of this Commission and the task of the Italian Government very much easier. It is a matter that has to be constantly brought to the mind of the population of this country.

b. From the very beginning, we do and must work through the Italian authorities. Direct rule is sometimes absolutely necessary in front, but very soon it becomes possible to make it indirect. The staffs of AMG must use the local governments and also must keep on using them. The policy of the United Nations is to place upon the Italian Government the fullest responsibility for administration at [illegible] possible moment. Local governments will and must be used to the hilt.

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The morning session of the Conference closed at 1245 and the Conference reopened at 1430.

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b. From the very beginning, we do and must work through the Italian authorities. Direct rule is sometimes absolutely necessary in front, but very soon it becomes possible to make it indirect. The staffs of AMG must use the local governments and also must keep on using them. The policy of the United Nations is to place upon the Italian Government the fullest responsibility for administration at the earliest possible moment. Local governments will and must be used to the hilt. The full value of this use of Italian Government officials is seen by the ease of the handover of territory to the Italians. As a result, past transfers of territory have been practically unnoticed.

4. We are in the process of following up the reduction of Allied staffs in the territory handed over to the Italians. The Southern Regions of Calabria, Apulia, Campania and Foggia, Campobasso and Lucania have now been amalgamated from the ACC point of view into one Region. The Allied officers administering those Regions in the initial steps were something like 300. It has now been cut from 175 last month to 100 and reductions will go on progressively as the progress of the Southern

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Region is shown. That amalgamation should take place on August 28th. It is a very large area which will be under the control of one Regional Commissioner and five provincial teams which will keep up the supplies and transportation and other machinery of that part of the territory.

5. You have heard from Colonels Hulls and Findlay about the unhappy people displaced by war. I would like to stress what Colonel Hulls said about this vast migration from the temporary homes back to where they want to go. If confusion is to be avoided, it has to be done in a regular manner. I appeal to all officers to do their utmost to prevent that uneasy but vast migration from the south to their homes in the north and also from the north.

6. Finally, again I must warn the meeting that we have to find more men for the northern regions. The Establishments Branch has got one of the most difficult jobs and we have to find enough Allied officers to fulfill what the Supreme Allied Commander told us is our most difficult task. We may get new officers and we shall call on every Region, every Sub-Commission, for experienced officers to govern the new areas that come under us for administration. There is no doubt that there will have to be reductions and in order that we can fill these places in the North, I ask the officers to meet these demands with equanimity.

Comments by Acting Chief Commissioner: We will all agree that the governing of the population in the North will be difficult. I should also like to repeat what I said before - the policy of this Commission is to support its Government. This Commission is behind the Bonn Government.

I should like to point out the good work that the Manpower and Reorganization Committee is doing. Its purpose is to make a study to overhaul the functions at headquarters so that a maximum number of officers can be sent into the field. Nothing will equal to what we face in the North. The Committee is working hard, and consequently, I expect I shall be able to approve most heartily its recommendations.

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R E S T R I C T E D

III - REPORTS BY ADMINISTRATIVE SECTION.

Interior Sub-Commission, Colonel R.G.B. Spicer

1. Since the move of the Interior Sub-Commission and the almost simultaneous change of Government, the work and operations of the Sub-Commission have increased considerably.

2. The departmental changes within the Ministry of Interior itself, which have now, I hope, been finally settled have not made our tasks easier. We have established co-operative working with the Minister of Interior, who incidentally is the Prime Minister, and also with his staff.

3. Since the regional Commissioners last met, we have completed our Surveys of Southern Italy, which includes the whole of Region III, Campobasso, Foggia, Frosinone, Littoria, Viterbo, and Rieti, and we are now working north as far as our staff permits. We have found that the visits of our officers have been appreciated. The Prefects themselves, particularly those who have been newly appointed and out of office for a considerable period, value the advice of our officers in regard to the operation of R.D.L. No. 111. This legislation is new and many Prefects have no experience of its operational effect since they have been out of office for a considerable period.

4. Great trouble has been taken in selecting Prefects and teams for newly liberated provinces. A team, it may be mentioned, consists of a Prefect, a Vice-Prefect, a Primo Segretario, a Consigliere, and a Capo Regioniere. We have given a great deal of work to the Security Branch in the screening of these individuals.

5. Further, we have arranged for the appointment of a Secretary General to the High Commissioner of Sardinia, the Members of the Giunta Consultive for Sardinia, three Directors-General in the Ministry of Interior, and nine Prefects in all for Provinces of Italian Government Territory.

6. Two teams are standing by for forward provinces to be called forward as they are required. Our great difficulty is transport to move these officials if and when they are asked for. I submit that adequate transport is an essential for the moving forward of these high-ranking officials. They have to move from their homes and houses sometimes with their wives or children whom they cannot leave behind, and I consider that they should be entitled, both from a financial and an efficiency point of view, to take with them adequate luggage. We have supplied, in co-operation with the Italian Government, Prefects for the liberated provinces of Littoria, Frosinone, Viterbo Rieti, Livorno, Aquila, Macerata, and Grosseto - while it has also been found possible to send forward other officials as have been called for. In regards to these projects, the Italian Officials should be completely backed up by Allied Officers, if they are to gain the respect of the population.

7. In my judgment, although we have no personal knowledge, of course, we must anticipate a rapid advance north, and we are most anxious not to be caught unprepared in regard to the Regions 9, 10, 11 and 12. The supply of Prefects is now perilously low, and wherever possible officials who satisfy Security and are capable can be found, then it is suggested that the larger proportion of these officials, paticularly in regard to Sindaci, should be locally chosen.

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8. The Italian Government itself seems to be undecided as to whether a Prefect should or should not be a non-career official; but they regard the Prefect, as has been stated in Memorandum No. 39, as the highest Government Official in the Province, and he is directly responsible under their Government of Interior. They feel, therefore, if a career official can be found who is au fait with all the detail of administration, then he should be chosen instead of the local man with no governmental, administrative knowledge to fill the particular positions of Prefect and Vice-Prefect. The Prime Minister is of the opinion that the Prefect should be a career official. I am trying to get the P.M. and his staff to come to some kind of a decision.

9. Our interviews on this subject are many.

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10. The Minister has been sympathetic and helpful in every way, and where ACC/AMG reports in Royal Italy show that a Prefect or a Vice-Prefect is inert and useless I am able to report categorically that the Minister has never yet failed to meet us in this respect, and that official has found himself relegated "alla disposizione" or to his olive trees.

11. With the concurrence of RC, I would like to send a specialized officer to deal with the detail of local government set-up from Chieti to Ancona, in the immediate future.

12. We have received a hearty welcome from the 5th Army AMG and Region VIII, and everything we can do to help to solve the problems of efficient local government in Italy, which I am bound to reiterate the backbone of a reconstitued Italy on democratic lines, will be always our first and foremost endeavour.

Comments by Acting Chief Commissioner : Are these teams checked and approved by the Italian Government?

Colonel Spicer : Yes.

Acting Chief Commissioner : The other point I would like to assure is that I can say almost certainly that these important officials will be provided with transportation.

Public Safety Sub-Commission, Colonel P.C.Kirk:

1. The reports of the regional Commissioners and the Army SCAO's have indicated the general state of public order and hence detailed comment by me would be repetitious. I shall therefore treat with matters of organitation.

2. Carabinieri ;

a. Command - On July 21st, the Command of the Carabinieri by act of the Council of Ministers passed from Gen. Pische, who had rendered conspicuous service during the previous nine months, to General Orlando, former Minister of War in the Badoglio Government.

b. Strength - The maximum strength of the Carabinieri for all of Italy has been fixed by higher headquarters at a figure which we believe to be inadequate if they are to perform the duties which the uncertain state of public order, the disbandment of other police agencies, and the needs of the Allies require. Full presentation of our views has been made to competent authorities, but as yet there is no indication that the figure will be revised.

c. Uniforms and equipment - This Headquarters fully appreciates the urgent need of clothing and boots, and motor transport and other equipment, if the Carabinieri are to perform the duties entrusted to them and if they are to have a reasonable degree of pride in their service. Inasmuch as the Carabinieri is a component of the Italian Army, the source to which it must look for such supplies is the Italian Army. Everything within the power of this Sub-Commission and of the Carabinieri has already been done to

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d. Replacements - Despite difficulties in obtaining transport and serviceable uniforms, we have thus far been able to meet the demands of the Armies and the forward regions for additional Caribinieri. If however, there should be a general withdrawal of the enemy from Italy, the limitations of manpower and supply stocks will not permit us to meet the personnel requisitions which may be expected to follow. Reliance initially must therefore be placed mainly upon the local police forces as they may be found to exist in the industrial north.

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3. Guardia di Finanza.

a. The Guardia di Finanza continue under the command of Gen. Moricca. The decision which fixed the ceiling of the Carabinieri likewise prescribed the number of military retions which would be available to police agencies. The inevitable consequence of this decision was that the Guardia di Finanza, which hitherto had received military rations, had to revert on July 31 to the special civilian ration prescribed for Public Safety agencies.

b. Some of the boats which had been used by the Italian Navy have been restored to the Guardia di Finanza for coastal patrol purposes. The training school for GG.FF. is now in operation.

4. Agents of Public Security - Dr. Luigi Ferrari has been appointed Director General of Public Security. A small pool of senior officials has been screened, and are available for appointment as Questori in forward areas when required. Some dyed uniforms were allotted for distribution during the month of July, but the situation generally so far as uniforms and boots are concerned is far from satisfactory.

5. Prisons. - With the exception of Sicily where arrests in connection with the grain harvest have caused some overcrowding, general and steady improvement in the prison situation can be reported. AAI has released many requisitioned prisons; a more restrained requisitioning policy has been observed; reconstruction and repair work to damaged prisons has been undertaken by the Economic Section, the trial and disposition of cases has been accelerated somewhat; transfers to less crowded institutions have been effected. The jurisdictional question arising from the presence of Italian military prisoners is being studied.

6. General.

a. The screening of all Public Safety personnel continues.

b. Misconduct on the part of Allied troops, especially crimes committed by the French Morroccans, has been the subject of special reports.

c. Once again, I wish to emphasize that the status of cobelligerency imposes upon the Italian police many duties, but few if any rights, especially in connection with the presence of Allied troops. Despite shortcomings which are as obvious as the reason which cause them, the Italian Police has in the face of the most trying conditions shown a fidelity to duty and a degree of self-control which the historian will appreciate even if we do not.

d. Finally, I wish to express my appreciation to Public Safety personnel in the field for the work which they have done in the field and to the SCAO's of the Armies for keeping us fully informed of developments which might havea bearing upon subsequent operations.

Public Health Sub-Commission, Brigadier G.S.Parkinson;

1. Genral health of civil population remains good, apart from seasonal localized outbreaks of typhoid prevalent in peace-time, as well as small pox at Naples.

2. Communicable diseases. An outbreak of smallpox of a mild nature has occurred at Naples. There have been 870 cases of a mild type both at Naples and surrounding ar-

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2. Communicable diseases. An outbreak of smallpox of a mild nature has occurred at Naples. There have been 870 cases of a mild type both at Naples and surrounding areas. Vaccination has been carried out on large scale and the Italian Government has sent down a doctor with full power to coordinate work.

3. There is an epidemic of typhoid in Benevento. It is not due to water or milk but is the fly-season typhoid. The epidemic is now dying down. AAI has put Benevento out of bounds to Allied troops.

4. Venereal diseases. The Italian Government is now responsible for Venereal Disease Control in Italian territory, existing and new legislation has been put into force, more beds have been provided. There is a marked decline of venereal disease among the troops.

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5. Malaria. Owing to sabotage by the Germans, many reclaimed areas are in flood, pumps have been damaged and drains blocked. This will give rise to cases of malaria. Work is difficult on account of mines. Paris Green dusting is carried out by airplane. There is an ample supply of mepacrine for the civil population. A recent news story reported German quinine stocks being found but this has been turned over to 5th Army. We expect to get a small quantity. Incidence in Sardinia and Southern Italy less than last year while incidence among the troops is small - much less than was expected.

6. Typhus continues to smoulder. There have been three cases recently, but this winter, with last year's experience, any outbreak should be even more effectively dealtwith. The supply of soap for civilians, i.e. 150 grams per person per month is quite inadequate and typhus is a disease clearly associated with dirt.

7. Tuberculosis. A statement has appeared in the press that 1 in every 5 persons in Rome had tuberculosis. This is erroneous and its source cannot be traced. The tuberculosis rate in Rome is the lowest since 1940, affecting 1 person in 50.

8. Medical supplies. There is now a shortage owing to the nonarrival of shipments which should have arrived at the beginning of June. Approximately 290 tons are on the way and should arrive shortly. A considerable amount of German medical supplies has been captured, and everything is being done to encourage the production of stocks in this country. Insulin and typhus vaccine were the only imported items.

9. Welfare. Little constructive work can be done without a complete reorganization of Welfare by the Italian Government. At the moment, the Ministry of theInterior has a plan for a Provincial Welfare Committee which may be accepted by the Council of Ministers. Much has been done in the field, especially in devastated areas, where the greatest assistance has been given by the American and British Red Cross.

10. Food. Despite the efforts of the Allies, the rationed food is inadequate and should be increased before the coming winter if possible. The available calorie value according to accepted standards is not sufficient to meet the requirements of an adult not engaged in manual work. While no apparent malnutrition is seen in the streets of large towns, it is present among the poor classes and deficiency diseases may appear next year when the effects of under-feeding will be felt. While it is fully realized that the present supplies available will not allow a large increase, I consider that this situation requires the greatest consideration.

11. Transport. Lack of ambulances, tires and spare parts is becoming a serious problem.

12. Veterinary service. Foot and mouth disease is now prevalent in many areas, vaccine for this disease is being produced but its value for immunization is doubtful. Veterinary biologicals are now being produced on a large scale and an ample supply of crystal violet vaccine for hog cholerahas been received from the States and immunization is being carried out.

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Legal Sub-Commission, Colonel R. H. Wilmer:

1. Since the last meeting, it was proposed that the Italian courts be allowed to carry on their work. Policy in Military Government territory is to turn over as much as possible to Italian courts even in early stages in order to reduce the pressure on the very limited number of legal officers and to lay the groundwork for restoration of territory to the Italian Government.

2. In the Commune of Naples, still under Military Government, the bulk of cases is handled successfully by Italian courts. Virtally all the normal cases are tried by the Italians except cases of a serious nature.

3. In Italian Government territory, the policy is unchanged; courts are only held in exceptional circumstances. Since last meeting, four have been held; one in Region I and three in Region II.

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4. In all newly occupied provinces, Italian Courts have been kept open or reopened. Politically suitable judicial personnel found locally have been put to work and many refugee officials have been restored to their proper posts.

5. First President of Cassation, Ettore CASATI, was officially reinstated on 28 June. High Court of Cassation will reopen its full sessions on 1 November. Long before that date it will have been thoroughly purged of fascists.

6. The Italian courts have cooperated in a remarkable style in cases affecting Allied interests. There has been once exception in this regard in Apulia. At Bari the situation in the civil courts has considerably improved by the creation of a special section of the Tribunale to deal exclusively with cases effecting allied interests and by the removal from contact with allied officers of the uncooperative Procuratore del Regno. The Minister of Justice has been most helpful. The attitude of the military tribunals at Bari have been highly unsatisfactory and uncooperative in cases which they have undertaken effecting allied interests. Strenuous efforts are being made at this time to remedy this situation.

7. Our relations with the Ministry of Justice are cordial and the Minister has been helpful on all occasions. The Minister of Justice has been up North to see how his courts are getting along.

8. The prevailing low salaries of the judiciary is source of anxiety to the Minister and to the Sub-Commission.

9. Substantially all decrees and other enactments passed by the Badoglio government prior to the occupation of Rome have been rendered operative in territory under Regional control. This legislation has been distributed in book form. All Italian decrees are now rendered operative in Regional territory, except those specifically excluded by the Executive Commissioner.

10. Publication of the Decree for Sanctions against Fascism. A commission under decree has been set up in the Ministry of Justice and is functioning.

11. A commission has been formed by the Ministry to study the revision of the civil and criminal code to expunge objectionable fascist previsions.

12. Fascist-Republican decrees. Some legislation has been passed and other is under consideration to annul all Fascist-Republican legislation.

13. Decisions rendered by Fascist criminal courts have been declared void and new trials will be held.

14. Other far reaching legislation is in progress, including restoration of propertyconfiscated because of reasons of race or politics.

15. A consolidated directive has been issued for guidance of legal officers in territory restored to the Italian Government. Provisions are effective in Italian Government territory, and should serve as a guide in planning the policy in Military Government territory.

Education Sub-Commission, Lieutenant Colonel T. V. Smith

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8. The prevailing low salaries of the judiciary is source of anxiety to the Minister and to the Sub-Commission.

9. Substantially all decrees and other enactments passed by the Badoglio government prior to the occupation of Rome have been rendered operative in territory under Regional control. This legislation has been distributed in book form. All Italian decrees are now rendered operative in Regional territory, except those specifically excluded by the Executive Commissioner.

10. Publication of the Decree for Sanctions against Fascism. A commission under decree has been set up in the Ministry of Justice and is functioning.

11. A commission has been formed by the Ministry to study the revision of the civil and criminal code to expunge objectionable fascist previsions.

12. Fascist-Republican decrees. Some legislation has been passed and other is under consideration to annul all Fascist-Republican legislation.

13. Decisions rendered by Fascist criminal courts have been declared void and new trials will be held.

14. Other far reaching legislation is in progress, including restoration of propertyconfiscated because of reasons of race or politics.

15. A consolidated directive has been issued for guidance of legal officers in territory restored to the Italian Government. Provisions are effective in Italian Government territory, and should serve as a guide in planning the policy in Military Government territory.

Education Sub-Commission, Lieutenant Colonel T. V. Smith

1. Allied Italy is divided into three pedagogical parts; the Rear, the Middle, and the Frontal. The Middle Sector has of late matched with intense activity the planning phase of intense inactivity of Italian Italy to the South.

2. In this middle Border of our responsibility, educational work has been threefold: provocative, punitive, and progressive.

A. On the provocative side, it has been ours to prod the Italians, against all precedents, to open schools in the wake of the army and old them open in spite of devastation and heat -- and against the propensity of all us pedagogues for summer vacations.

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b. Punitively, we have helped the Ministry to purge itself, getting rid of both proud flesh and dead tissue (all the heads of departments have already been dismissed), and we have made with the Minister a stern example of that fascist pretence to learning, the University of Rome. Little short of a hundred professors have already gone to their reward. In the provinces of Region IV we have purged above 25% of administrative officers from the schools, and have made epurative token payments in kind upon the ranks of the humbler teachers.

c. But the provocation and the punishment are not for their own sake, not until men become sadists. The end is progress: first back to normalcy under us and then forward to their own goals under purified leadership. We have demonstrated to them how a progressive spirit can surmount great obstacles. We have through this lean summer hauled several hundred teachers to the provinces and set them down, amid ruins as likely as not marked "Vincere" to start high thinking under conditions of living painfully plain. In the terribly battered province of Littoria, to take but a single example, we have, since this Parliament last met, opened all elementary schools save those of Aprilia and all secondary schools but two. This means that about 55% of elementary children and 80% of the secondary school population are back at work, and will not through co-belligerency miss a single grade.

3. This progressive aspect of our work appears the sounder, the longer the perspective. In nothing more than in education is it the long run that counts. We have, therefore, steadily treated our Italian opposites as colleagues for the long pull, and have made it our job to work ourselves out of a job as rapidly as possible. As reward we have reaped a spirit truly collaborative: responsive to friendly provocation, consistent in epuration, sensitive to responsibility (the latest: responsibility for the huge textbook printing for the autumn which has increased from 2 million to 5 million textbooks.)

4. Nor is the tempo of our Ministry more painful to ACC standards than is the ACC tempo to the nostalgia of many among you for civilian efficiency. My own Minister of Public Instruction is cautious of approach, philosophic in understanding, energetic in action, and foresighted in strategy. He has isolated the two characteristics that are unmistakably fascistic in education and has, therefore, set himself to budge the schools (1) away from war and (2) away from the barbarism of glory which, psychologically speaking, supports war. He is already preparing a charter to present to the Constituent Assembly, to focus the affections of children upon the part of Italian history which offers them the most hope, i.e., upon the future, a prospect of modest cooperation with other nations instead of the late ideal of Rollo autarchy with its present fruits of hunger.

5. This is the kind of slow steady progress which all educators are privileged to provoke; and we are helping to provoke it in Italy, even punitively.

Property Control Sub-Commission, Lt. Colonel C.Carroll:

902

1. The Director, Lt. Col. C.R.S. Harris, was hospitalized on July 9th as the result of a serious injury sustained in an automobile accident.

2. We now have a total of only 21 officers for all the regions and for headquarters. Some regions will have no Property Control officers.

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2. We now have a total of only 21 officers for all the regions and for headquarters. Some regions will have no Property Control officers.

3. The following figures compare the number of properties taken under control in all of Sicily, Sardinia and the Mainland to and including the month of July 1944, also the number we expect to find in Regions VIII to XII, inclusive. Only two classes of property, real estate and commercial concerns, are covered. The property is of Italian nationals including French. 824 real estate and 96 commercial & industrial properties, totalling 920, were taken under control through July 1944. In regions VIII to XII, we expect to take control of over 3,000 real estate properties and nearly 800 commercial and industrial.

4. Prior to the occupation of Rome it had been the policy to assume actual and formal custody of properties. With the occupation of Rome this was changed to control

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only, and formal taking of custody was abandoned. It is believed that there was ... little difference in legal effect between the two methods, but the paper work greatly reduced.

5. Since about mid-August we have been following a policy of taking only so much control as will prevent removal, destruction or waste, combined with a right to inspect, to advise, and to remove Fascist or obviously incompetent managers or sequestrators.

6. Two factors prompted these changes;
(a) insufficient personnel to permit of close control and management, and
(b) a desire to make certain the continuing and complete responsibility of the Italian Government.

7. We have advised the Combined Chiefs of Staff that we are ready and willing to furnish reports on properties in answer to requests from Allied owners. It seems likely that inquiries and reports will be channeled through consulates and embassies.

Monuments and Fine Arts Sub-Commission, Major E. T. de Weld:

1. Since our last meeting, a new phase of activity has developed for this Sub-Commission.

2. Previously in Sicily and Southern Italy we had concerned ourselves with two opposite ends of our problem, the administrative and the actual problems of repair and salvage of monuments and objects damaged by the war. Since the Cassino offensive, the taking of Rome, and the operations in Tuscany we have been thrown up against problems of a more operational nature, which take their place between these other two problems. Our officers were with the troops entering Rome to check up on damage, saw that historical monuments were posted off bounds, and wrestled with the problems of attempted requisition of historical buildings. Other officers have been and are with the advancing 5th and 8th Armies giving their advice, making their preliminary inspections and reports of damage and seeing to the proper guarding of buildings or objects exposed to pillage. They also gather advance information.

3. It was only after we had arrived in Rome and again in Siena that we were able to get precise information about the various deposits in Tuscany and Northern Italy in which art objects, painting, sculpture were stored against air raids. As some of you know from the publicity which has been given this matter, there are some 25 deposits of art in the vicinity of Florence. About two thirds of these lie north of the city and in enemy hands. The other third which is now in our hands has to be guarded, inspected, and have its contents inventoried or checked by our officers; and this is done the moment they fall into the hands of our forces. It is often done while the fighting is still going on.

4. It is a tremendous responsibility. Imagine practically all the moveable treasures of Florence scattered about the countryside in this fashion exposed to pillage and destruction by shells or fire. I myself stayed in one of these places, the paintings contained therein being of a value of at least 50,000,000. dollars.

5. Apart from this active field work, the home office, so to speak, has not

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5. Apart from this active field work, the home office, so to speak, has not exactly been inactive itself. It has established close relations with its counterparts in the Italian Ministry of Popular Education by having weekly meetings with members of the Directorate of Monuments to discuss and put into effect collaborative action and to make it possible for Italian superintendents and experts to visit and initiate repairs to damaged monuments. For the control of the works of art in the above-mentioned deposits, two members of the Ministerial Staff were taken along to the gates of Florence to assist in the work.

6. We also carried out here in Rome in the deposits of the Vatican a check of the famous bronzes and paintings from the Naples Museum which had at one time been stored

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at Montecassino, removed and brought to Rome by the Hermann Goering Division after three months. This check brought to light the fact that fifteen paints and four bronzes, among other things, were apparently retained by the Germans.

7. On the publications side of our ledger, I would report that all the seven small Handbooks of Lists of Protected Monuments are now out and distributed, and that Soldiers' Guides to both Rome and Florence have been issued.

Colonel G. R. Upjohn, Acting Head, Administrative Section

1. The work of the Administrative Section has been well covered by the reports of the Heads of the Sub-Commissions. I would, however, like to comment on three matters:

a. As Colonel Spicer said, we have been for some time sending forward to liberated territory prefects, vice-prefects, etc. In conjunction with the Italian Government, teams of Italian officials are now being sent. This will greatly relieve this headquarters of work in connection with this matter. I would ask forward regions and Army AMGs not to call for these officials until they are actually needed. If you can't find suitable officials in recently liberated areas, then call on us.

b. Defascistization. Except in forward areas, this work is taken over by the Italian Government. At the beginning there were many false starts but I feel satisfied that the problem is now being tackled by the Government with energy. Several commissions have been appointed for this task. They have been told by Sforza to work on the highest officials first. The Italian Government now has working machinery that is gaining momentum and it is up to the Government to increase and maintain this momentum.

c. I refer to the problems of mine clearance. We are examining every possible way of dealing with this problem. There are many difficulties, like having the right detectors built and training operators for them. There are four different types of mines to deal with - British, American, Italian, and German. That is the problem we are now facing with the Italian Government. It is our task to assist them.

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IV -- REPORTS BY ECONOMIC SECTION

Commerce Sub-Commission, Colonel W. S. Evans

1. On July 10 the Industry and Commerce Sub-Commission was divided into two separate Sub-Commissions, since an increased rehabilitation of industry is envisaged with a consequent increase in commercial activity.

2. The functions of the Commerce Sub-Commission are to advise and assist the Italian organs and agencies on the following basic functions:

a. determination of needs for non-subsistence consumption goods, producers goods, and raw materials,

b. ascertainment of the local availability of same,

c. determination of necessary imports of non-subsistence goods or materials,

d. setting up of priorities calculated to ensure essential civilian needs,

e. promotion of exports with a view of improving the trade balance.

3. It will be necessary that the Chambers of Commerce be reinstituted to act as economic observers and furnish the Ministry of Industry and Commerce with necessary data to enable it to pursue a coordinated policy of rehabilitation and manufacture.

4. A draft of the proposed Decree and Statutes by the Ministry has been received. As soon as the proposed scheme has been examined by the Economic Section, Regional Commissioners will receive definite instructions.

5. Achievements to date on clothing and shoes have been limited to the repair of salvaged uniforms and salvaged shoes.

6. As regards price control, representations have been made to the Ministry of Industry and Commerce on the need of a Price Section to determine just and equitable prices on all commodities. Nothing definite has been done yet.

7. Exports for the period June-July amount to Lire 138,000,000, making a total of over Lire 500,000,000 from D day to July 31st.

8. The A.F.L.R. (Sardinian) Board has been closed down and its functions are now being done by ACC. Similar steps will soon be taken in Sicily.

9. Inventories of various materials, received from forward areas, are being received for allocation. A sizeable portion of these are made available to ACC.

Industry Sub-Commission, Colonel J. S. E. Todd

1. The Industry Sub-Commission has only been established since the last conference and is generally responsible for production, whereas the Commerce Sub-Commission is responsible for distribution.

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1. The Industry Sub-Commission has only been established since the last conference and is generally responsible for production, whereas the Commerce Sub-Commission is responsible for distribution.

2. Production in Italy depends on the solution of three main problems:

a. The provision of power -- Coal and electricity are needed as motive power.

b. The provision of raw materials -- Supplies, though arriving after some delay, are immediately put to productive use.

c. Transportation -- The solution of this problem is the most import-

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ant of all. I suggest that a request be forwarded on the highest level for the lease to the Italian Government immediately of 15 LST's and 25 LCI's of sub-operational standard to provide a solution to the vital problem of moving raw materials to their points of use and the finished products to their points of consumption. Despite the difficulties of transport, a moderate volume of production is now being achieved, and the Armed Forces have been able to reduce their import program by a million tons over six months through acquisitions of local produce and production. However, this has been achieved largely by exploitation of capital resources, namely stocks of raw materials found on liberation, and it is necessary now to plan for continuing programs of industrial production. These are under way in such industries as hemp, leather, coal, sulphur, paper, chemical fertilizers and soap.

3. A study of necessary imports for the period October 1944-45 has recently been completed and will be correlated by the Economic Section into a composite overall picture for presentation to higher authority in Washington.

4. Relations between this Sub-Commission and the Italian Government are well coordinated, and the Italian officials concerned fully realize that it is up to them to gradually relieve this Sub-Commission of its executive functions, thus leaving it free to assume its proper role of supervising and advising.

Comments by Acting Chief Commissioner: I would like to add a word or two to the excellent report of this Sub-Commission which has touched upon a most important part of our work; the question of getting industry back into civilian hands; making available as much as possible from the resources of this country through civilian labor. It is true that during the war, the military needs of the Allies and Cobelligerents are prior to civilian needs, but we must distinguish between military necessity and military convenience. We must get factories which have had to be used in part or in whole for military purposes back to civilian management.

The question of transportation is indeed a serious one, and representations are being made to a higher level with regard to rail, motor, and merchant-shipping, as well as naval ships for transportation. However, with respect to the latter, LST's are as yet not being released.

Labor Sub-Commission, Colonel J. R. Bain

1. Since the last meeting, apart from the usual upset arising out of the move to Rome, our main concern has been with wage agreements. A number of Fascist injustices have been removed and by the introduction of something approaching the Trade Board principle used in the United Kingdom, real progress towards peace in the Sicilian Sulphur Industry has been made.

2. The wage problem plus a multitude of other problems, is, however, too big for the small staff we have, and so far the attempt to hand over to the Italian Government in accord with policy has not met with much success.

3. Recommendations have been made that Labor be split from the Industry and Commerce Ministry and a separate Ministry set up. In making this recommendation it is our considered opinion that unless something is done now, matters will get out of hand. Prices have been allowed to rocket, except in a very few cases. Wage demands will continue to be made and although we all know the answer is food and that men and women cannot eat lire, the people see things they could [illegible]. They will not continue to accept the quantity theory

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4. At the moment vegetables and fruit are fairly plentiful - by the middle of November things may be still more difficult.

5. The wages front is more than cracking and unless more goods are made available a dangerous amount of inflation will result.

6. Again I must express the belief that a sudden turnover of labor administration to the Italian Government will be fatal to the interest of Italian labor.

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Comments by Acting Chief Commissioner: In commenting on this report I should like to stress that the only way inflation can be really checked is to make an adequate supply of consumer goods available at least for a minimum subsistence level. All the Sub-Commissions of the Economic Section are concerned in this and are cooperating with the Labor Sub-Commission on this problem.

Agriculture Sub-Commission, Lieutenant Colonel W. A. Hartman

1. Cooperation between Allied and Italian agricultural organizations.

a. The work of the Agriculture Sub-Commission concerns itself with more than half of the human and physical resources of Italy. Its job is to maximize production and to make resources available where they are most needed.

b. We learned very early that the only opportunity we would have to carry out this work would be through Italian agricultural organizations. Progress to get the Ministry of Agriculture to strengthen its control on agriculture has been slow but steady: Many of the senior officials went North with the Republican Fascist Government and some of those remaining are regarded with suspicion and have not as yet been called back into service. Nuclei organization units are gradually being developed for each of the important Bureaus of the Ministry.

c. All Headquarters agricultural officers have met Ministry agricultural officials to discuss mutual problems, and ways and means to solve them. An important agreement at that meeting was that responsibility carried by Allied officers up to the present time would be assumed fully by responsible bureaus in the Ministry at the earliest possible date except for AMG territory.

d. To provide a basis for mutual understanding and full cooperation between the Allies and the Italian Authorities all basic memoranda, decrees, ministerial directives and other official releases concerning agriculture, forestry and fisheries as agreed upon by the Italian Ministry of Agriculture and the Agriculture Sub-Commission, were published under one cover in both Italian and English text. This publication will be available for all key Allied and Italian officials throughout Italy.

e. It is now generally agreed that the Fascist elements of the previous agricultural organization in Italy have been eliminated and that the foundation of the organization to harness more than half of the physical and human resources of Italy is becoming a more substantial democratic institution than had existed in Italy even prior to the war.

2. Granai del Popolo. Latest reports on the Granai del Popolo indicate that 340,000 tons of wheat had been turned into the Consorzio warehouses up to 12 August. This compares with 800,000 tons at the same date in 1942 which was one of the best seasons for collecting grain under the Fascist regime.

3. Proposed 1944-45 Agriculture Program. Information submitted by Italian and Allied agricultural field officers is being used by the Ministry and the Agriculture Sub-Commission to prepare the 1944-45 cropping program for all of Italy. This program which details some forty priority crops broken down to a provincial basis, will be completed and distributed to each Province about September 1. In setting up crop priorities only the short time view based on immediate military and civilian needs were considered.

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Food Sub-Commission, Colonel W. J. Legg

1. The most important activities of the Food Sub-Commission during the past three months have been:

a. Control and movement and allocation of domestic grain from surplus to deficient areas.

b. The feeding of newly liberated territory.

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c. The setting up of a Department of Alimentation at government level in order that the Italian Government may assume a full measure of administrative responsibility, now carried out by the Allied Control Commission through the Food Sub-Commission.

d. The preparation of plans for feeding all Italy for the ensuing months.

2. Plans for feeding static areas of the Mainland, Sicily, and Sardinia since July 1 were based on the normal expectation that wheat would be available. However, last minute diversions of wheat ships aggregating 15,000 tons of wheat had to be made to bridge the gap with a consequent delay in the introduction of the higher ration scale in these territories. This has now been regulated.

3. Owing to the speed of the advance from the Garigliano to the Arno, in addition to the usual Port Depots, inland Food Supply Depots were set up at short notice through the spine of Italy, south and northeast of Rome, at Orvieto and later at Siena, from where Eighth Army is being maintained and the people of Florence are being fed. Despite the acute difficulties of transportation, 30 days supply of foodstuffs for Florence, approximately 1000 truck loads, were stored in Siena several days before the fall of the city.

4. Turning to the food situation for Rome, it has been said and written that Rome is short of food. In certain respects there is a measure of truth in this statement. The destruction of normal sources of supply and communication and the fact that the Armies are being maintained through the same lines of communication as Rome are largely responsible for this situation. However, by the end of August it is planned to step up the present tonnage from 27,000 tons per month to about 50,000 tons per month. A supply committee within the Economic Section has been set up to procure increased supplies for Rome.

5. Of the monthly wheat requirements of 145,000 tons Italy's own contribution of domestic wheat is approximately 100,000 tons. The wheat requirements of Rome and Naples alone are 22,000 tons per month.

6. The acute shortage of olive oil has been due largely to the complete breakdown of the amassing policy in 1943-44. We are studying closely the problem and hope to be able to increase the supply of olive oil to the large urban areas.

7. As a result of an energetic drive to reduce the number of ration cards outstanding, appreciable reductions have been effected principally in Regions II and III. At present about 18,000,000 persons hold ration cards for bread. These constitute nearly 75% of the total population of Sicily, Sardinia and the Mainland south of the Pisa-Rimini line.

Public Works & Utilities Sub-Commission, Lieutenant Colonel L. A. Lamb

1. General.

a. Since the early Spring direct responsibility for public works administration has decreased markedly in South Italy and the Islands through causes both political and military. But on balance the over-all work of this Sub-Commission has greatly increased. As the Armies advance, their Engineer units hand over tasks in progress to AMG who, in turn, soon hand them over to us.

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last minute diversions of wheat ships aggregating [illegible] made to bridge the gap with a consequent delay in the introduction of the higher ration scale in these territories. This has now been regulated.

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b. Such responsibilities are direct and detailed, as opposed to advisory and supervisory functions; the residues left in Southern and certain Central Regions.

2. Functions.

a. In the whole long list of functions of this Sub-Commission the most important at present is electricity. Amongst miscellaneous works, anti-malarial measures ("Bonifiche") loom large.

b. In northeast Italy there will be problems of far greater importance and complexity than any experienced in the Pontine marshes.

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3. Personnel.

a. Against a total "ceiling" of 74 this Sub-Commission now has about 60 officers, of whom 75% are at work in the Regions.

b. All engineer activities, except electrical planning, are now under the Regional Engineer. He is the Adviser of the Regional Commissioner, and the fullest use should be made of him. In some instances recently there has been failure to do this and matters have been referred to Hq ACC that could have been settled better, and certainly more quickly, within the Region itself.

c. On the other hand some Regional Commissioners have protested strongly when the time came to transfer public works officers to places where their services were more urgently needed.

d. Such action militates against solution of pressing "personnel" problems, laid down in the form of positive orders by higher authority at ACC Hq. To cover a country the size of Italy with a mere 60 officers, and to guide and control an organization like the Genio Civile, is a formidable task.

e. Especially so when it is remembered that after being completely wrecked last year, that organization is even now only in a state of "early convalescence." Its personnel was gravely reduced, and plant and equipment and stocks of materials were wrecked by the Germans or taken north by them. The same applies to its principal firms of contractors.

f. Italian engineers are being engaged increasingly by this Sub-Commission, and we now have 23 at Hq and in Regions I to IV.

g. They are being trained to take the place of some of our own officers at a later date, who may have to be transferred.

4. Electric Power.

a. The Central Electrical Board was recently dissolved and its functions taken over by this Sub-Commission.

b. Responsibility for planning and electrical rehabilitation thus devolves on us. In the last 4 weeks a rapid survey shows that about 94% of the power plants in Central Italy have been destroyed. Only a fractional percentage of this can be restored by temporary repairs or other expedients, that is, within 3 or 6 months.

c. Strict rationing schemes started last February are still in force and must continue. Only by these means can Military and Service needs be met, and factories and plants under their control, be operated.

d. The Central Italy electrical position is, by comparison, disastrous.

e. In Northern Italy it may be even worse, if that is possible.

f. Italian industrial economy is "geared to electricity" and not to coal or oil.

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g. Without it hardly a single factory can be restarted. Unemployment may continue, or increase. Ships will be needed to bring goods that the country itself should be producing. It will remain poorer than ever. Rehabilitation of the wrecked power-stations by Italian agencies therefore under the direction of this Sub-Commission and with material assistance such as only the U.S.A. and the U.K. can give, is at the moment by far the most urgent task confronting us.

h. These facts having been communicated it is hoped that Regional Commissioners will, within their respective spheres, keep the matter well in mind... by (a) compelling the civil population to save every possible "unit", whether for light or power, and (b) giving all administrative assistance to our officers, working in this particular field.

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5. Travel (Inspections). (Army Areas) Permission to make journeys into Army areas was cancelled on 13 August. Up to a week may now be taken to get necessary permission, and urgent inspections of damaged areas may be seriously delayed by this ruling. This is especially true concerning electrical plant rehabilitation studies, power-stations, water-supplies, and bridges.

6. War Damage.

a. A recent estimate by us, approximate, and based on various premises coupled with accumulated experience to date, shows that in the first 12 months after the War Italy may have to spend nearly 3 billion dollars, of which nearly 1 billion may be on imported plant, machinery, and structural materials.

This excludes the vast amount of work done in the last 9 months; e.g. hundreds of bridges rebuilt (in many cases allowing portable "Bailey" bridges to be released and taken forward by the Armies), several thousand kilometers of highways under special or routine repairs (on Military priorities), buildings, waterworks, gasworks, and other engineering and utility services wholly or partly rehabilitated.

b. July saw 41 new bridges started on main highways, in addition to several hundreds in hand. In all there were 239 separate contracts (increase 84 in July) totalling about 500 million lire in value.

c. Within limitations, already mentioned, it is satisfactory to record that Italian collaboration and assistance has been notable. There has been, throughout, close contact with the Genio Civile and also with technical and administrative heads of the many gas, water, and electricity companies.

d. With all this, it is not claimed that anything more than the early beginnings of a very big program have been attempted. Transport for structural material has been a desperately serious matter, and still is.

Much the same applies to plant; e.g. concrete mixers, stone-crushers and a hundred other things; and to materials, cement, bitumen, timber, steel and the rest.

e. These things are being slowly, but as quickly as possible, rectified.

Comments by Acting Chief Commissioner: Electric power, of course, is one of the most serious problems in Italy today. The most urgent representations have been made to import electrical equipment to check the serious shortage of electric power. The efforts of this Sub-Commission with our support will, I hope, be translated into the necessary aid which we must receive from abroad.

Finance Sub-Commission, Colonel A. P. Graffrey-Smith

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1. With the formation of the Bonomi Government financial responsibility was divided between the Ministry of the Treasury and the Ministry of Finance. The Ministry of the Treasury has jurisdiction over the preparation of budgets, making of expenditures, the activities of banks, supervision of credit, stock exchanges and other financial institutions. The Ministry of Finance has responsibility for tax legislation and revenue collection.

2. In line with the general policy of passing responsibility to the Italian

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2. In line with the general policy of passing responsibility to the Italian Government, the Finance Sub-Commission arranged for the financing of all state, provincial and communal expenditures in newly liberated territory to be carried out by the Banca d'Italia. This may be contrasted with earlier practice in Sicily and Calabria where governmental expenditures had to be financed by advances of AM lire currency. A large amount of metropolitan lire was moved from Naples to Rome and deposited in the Banca d'Italia Rome on the afternoon of 5 June 1944. Rome in turn has supplied funds to the forward branches of the Banca d'Italia as they are opened and the staffs reconstituted. So far, rapid re-opening of the banks, in newly liberated areas has engendered confidence which, in turn, has resulted in a net inflow of currency into the banks and Post Office Savings Departments. This currency is deposited with the Banca d'Italia and meets the latter's needs for physical currency to cover Government expenditures.

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3. As in previous years the financing of the Granai del Popolo has been delegated to regional groups of banks. However, previously the difference between the cost of wheat and the proceeds of the sale of flour, which is the subsidy borne by the State, was carried for very long periods by the commercial banks and the Government was charged the exorbitant rate of 7½% interest. In some cases the arrears had not been paid since 1940. The Minister of the Treasury has now issued instructions that such arrears are to be paid immediately and in the future monthly statements are to be submitted to the Treasury and paid promptly, thus reducing the effective interest to half of 1%.

4. Instructions issued by the Combined Chiefs of Staff at the time of the invasion of Sicily ordered that AMG should block all safe deposit boxes, with access to such boxes permitted only in the presence of an Allied Officer. It has become apparent that a great increase in personnel would be required to carry out the desired supervision. Only a negligible amount of foreign currency, securities and gold has been found in the several thousand safe deposit boxes opened in Sicily, Sardinia and Southern Italy. On the basis of a year's experience, Finance Sub-Commission recommended to CCS that supervised access to safe deposit boxes be required only in the case of persons whose accounts and/or boxes had been blocked by AMG orders. It was recommended that access to all other safe deposit boxes be free. These recommendations were accepted by CCS and the new policy is now in force. It is anticipated that it will increase the confidence of the Italian public in their banking system and result in increased currency in-flow into the banks, as hoarded currency comes out of banks and passes into savings accounts. A further step towards a return to normal conditions has been the opening of the stock-exchanges in Rome and Naples.

5. Commissions for 'Epurazione' have been instituted at the Ministries of Treasury and Finance. One of the Committees under the Ministry of Treasury deals with financial institutions. Prior to the establishment of this committee and a working in close collaboration with the Minister of Treasury and the Banca d'Italia, the Finance Sub-Commission has suspended about 130 undesirable persons from office in finance institutions. It remains for the Italian designated committee to pass definitive judgment.

6. The Regional Commissioners may be interested to learn of the most recent developments arising out of Administrative Memorandum 95 issued by AFHQ regarding the payment of goods and services procured by the Armed Forces in Italian territory. A new Memorandum, No. 81, has been issued, without any previous reference to this Headquarters, requiring that ACC should set up an Italian agency to fill such requisitions for goods and services as may be passed to it by the Armed Forces; and to instruct the Italian Government to set up a lire account, similar to the franc account used in North Africa, from which all such payments would be made. No final decision on this controversial topic has yet been reached.

Transportation Sub-Commission, Colonel D. S. Adams

1. If Italy is to be fed, we must be able to move food supplies from surplus areas to deficit areas for distribution. The volume of this movement increases with the increase of occupied territory and is an over-load for the rail, highway and schooner transport now available for its movement.

2. As long as military operations in Italy continue, there will be a shortage of transport, which means that transport for both military and civil supplies must

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2. As long as military operations in Italy continue, there will be a shortage of transport, which means that transport for both military and civil supplies must be carefully rationed. A brief explanation of the bidding system used to ration rail movement is desirable.

3. Our Sub-Commission representative attends the AAI Movements' weekly meeting at which all services "bid" for wagon space on military rail lines for the ensuing seven day period. He puts forward all civil supply requirements. Such of our traffic that is accepted by the military, is despatched by military trains within the period stipulated.

4. On other or civilian lines we obtain fixed monthly allocation of tonnage movement by rail divisions. All inter-Region civil supply movements come into Trans-

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portation Sub-Commission Headquarters and their movement is allocated from the basic tonnage allotted to ACC. The balance of the tonnage available for intra-Regional movement is then notified to the local Transportation Officer for his local movements.

5. The growth of our total rail movements is indicated by the figure of 170,000 tons for the month of July, as against 18,000 tons for December last. This is on the Mainland only.

6. To increase rail facilities available to us, we followed a policy of rapid rehabilitation of rail lines in rear areas in which we have had the full cooperation of the Italian Government, the Regional Commissioners and other officers concerned.

7. In the forward areas of the Armies, the Military Railway Service rapidly rebuilds the necessary rail lines. However, with the rapid moves of our armed forces in recent months, distances to rail-heads have necessarily been greater with also priority of movement for Army supply. This with increased area occupied and additional harvest requirements, has increased the demands for truck transport. With the general shortage of trucks and the heavy military demands, our requisitions put forward months ago for some 2,000 War Department vehicles, have not been filled. Further the 1,000 War Department vehicles allocated to us in February for early delivery have been slow in reaching us and the last of them are only now arriving.

8. Requisitioning locally of Italian trucks always has the effect of causing their disappearance, therefore we developed early a plan for the re-activation of motor haulage companies and placing the hauling on a commercial basis under a standard tariff of rates. This policy is showing increased success and a much greater number of civilian trucks are now coming into service; there are now some 3,000 Italian civil vehicles engaged in hauling civil supplies.

9. The Italian Government is cooperating and the standard tariff of rates worked out with them, has now been published as a decree and effective in all territory under the Italian Government. The same tariff is being supplied to Regions for application in new territory as they take it over.

10. In addition the Ministry of Communications of the Italian Government has just completed the draft of a new decree, the effect of which will be the establishment in the various provinces of central pools into which will be grouped all haulage companies with their vehicles; these will operate under the uniform tariff and under control, so that movement of priority goods, such as food supplies will be moved first. Once this agency, called E.N.A.C., is working efficiently, we can then hand over to it the various truck pools now operated by ACC officers.

11. To meet the increasing problem of spare parts for these vehicles, we have established a "parts" section with one officer in charge and Italian assistants. Spare parts located in some 21 parts warehouses have been "frozen" and are being issued to meet the most urgent demands. Tires are a similar problem and are in extremely short supply, not only in Italy, but everywhere.

12. Schooners and Coasters are all under centralised control of "MEDBC". The majority of these vessels are used for military traffic. Our last allotment is only 13,000 D.W. tons. This allotment includes only nine schooners, slightly over 100 tons, the remainder being small schooners.

13. In view of our serious transport needs and our responsibilities, as pointed out particularly by General Wilson this morning, it is my view that all schooners and

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13. In view of our serious transport needs and our responsibilities, as pointed out particularly by General Wilson this morning, it is my view that all schooners and coasters should be made available to ACC for the movement of civil supply; certainly those up to 500 tons should be made available at an early date. They should be decentralized for movement control, so that at least all of the smaller schooners could be based on home ports with Regional control of their movement.

14. Coal division. Since the last meeting, the Ministry of Communications has re-organized the former coal organization under the Italian State Railways, in order to assume the task of the handling and distribution of coal. This will be handed over to them at such time as agreed with AFHQ.

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15. Our coal division has arranged for the supply of a substantial quantity of lignite for Rome from the Mines near Grosseto. This Mine has a total capacity of some 600 tons per day and will be in operation in not more than 60 days; however, in the meantime, existing stock piles will permit our moving 450 tons per day to Rome. Fortunately this is a Rail back-haul, so that our bid for this Movement by Rail has been accepted.

Shipping Sub-Commission, Mr. J. Gibson Graham

1. Some difficulties have arisen as between the Shipping Authorities and the A.C.C. but it is felt that these arise more from misunderstanding than from any other reason. One of the basic principles which has been accepted in this war is that shipping as a whole shall be operated in an Allied Pool, but where possible the shipping of one nationality shall be used for the needs of that nationality, subject to War needs and considerations.

2. All shipping within the Mediterranean is controlled through C-in-C Med. under directives from Washington and London by the Representatives of the War Shipping Administration and the Ministry of War Transport, who also comprise the Shipping Sub-Commission. These Representatives, of necessity, require knowledge of the requirements of the various Services and the Civil Authorities, otherwise they are completely in the dark as to where shipping will be required. Not unnaturally, the demands of the Services for shipping are extensive and paramount. In fact, these demands have to be most carefully watched by the Shipping Authorities else the total shipping available, including the dock facilities, would be entirely absorbed by these needs without regard to civil requirements. This continual battle between military and civil needs is not impossible of solution provided, and provided only, that requirements are stated at given periods in total in order that the amount of shipping available may be allocated fairly and in co-ordination with the various authorities.

3. It may interest the Conference to know that the estimated monthly lift of Coaster tonnage within the area is some 125,000 tons of which only some 20% is Italian. Bids for the use of this tonnage amount to some 140,000 tons, but it is gratifying to note that as a result of pressure on the Services authorities, they have included in their bid for tonnage certain items of civil requirements, and as a result it is equally gratifying to note that it is expected that in the month of September some 38000 tons of Sardinian coal will be carried to Sicily and Italy, sulphur to Italy from Sicily, etc. This has not been achieved by Italian tonnage, but by the use of the Shipping Pool of Allied tonnage by the shipping authorities mentioned.

4. Where apparently the greatest difference of opinion has arisen, has been in the operation of the Italian schooner fleet. It has been found necessary by pure force of circumstance to make some modification in the originally conceived plan for the operation of this fleet, and steps have been taken which should result in its proper use to the satisfaction of the total needs. It may be of interest to record that this schooner fleet as known at present comprises some 550 vessels with a total of 42,824 tons carrying capacity. Naval and military requirements at the moment have absorbed 28,410 tons of this fleet, leaving 14,414 tons for entirely civil needs. The Shipping Sub-Commission feel that this is an improper balance and are carrying on negotiations with the Services for the release of at least part of the schooners engaged in naval and military services. What the Shipping Sub-Commission recommend however, is that a broad statement of requirements by the Economic Section of the Allied Control Commission on a monthly basis be made in order that directives may be issued to CO.GE.SA to allocate such of the schooner fleet as is available into that service.

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2. All shipping within the Mediterranean is controlled through C-in-C Med. under directives from Washington and London by the Representatives of the War Shipping Administration and the Ministry of War Transport, who also comprise the Shipping Sub-Commission. These Representatives, of necessity, require knowledge of the requirements of the various Services and the Civil Authorities, otherwise they are completely in the dark as to where shipping will be required. Not unnaturally, the demands of the Services for shipping are extensive and paramount. In fact, these demands have to be most carefully watched by the Shipping Authorities else the total shipping available, including the dock facilities, would be entirely absorbed by these needs without regard to civil requirements. This continual battle between military and civil needs is not impossible of solution provided, and provided only, that requirements are stated at given periods in total in order that the amount of shipping available may be allocated fairly and in co-ordination with the various authorities.

3. It may interest the Conference to know that the estimated monthly lift of Coaster tonnage within the area is some 125,000 tons of which only some 20% is Italian. Bids for the use of this tonnage amount to some 140,000 tons, but it is gratifying to note that as a result of pressure on the Services authorities, they have included in their bid for tonnage certain items of civil requirements, and as a result it is equally gratifying to note that it is expected that in the month of September some 38000 tons of Sardinian coal will be carried to Sicily and Italy, sulphur to Italy from Sicily, etc. This has not been achieved by Italian tonnage, but by the use of the Shipping Pool of Allied tonnage by the shipping authorities mentioned.

4. Where apparently the greatest difference of opinion has arisen, has been in the operation of the Italian schooner fleet. It has been found necessary by pure force of circumstance to make some modification in the originally conceived plan for the operation of this fleet, and steps have been taken which should result in its proper use to the satisfaction of the total needs. It may be of interest to record that this schooner fleet as known at present comprises some 550 vessels with a total of 42,824 tons carrying capacity. Naval and military requirements at the moment have absorbed 28,410 tons of this fleet, leaving 14,414 tons for entirely civil needs. The Shipping Sub-Commission feel that this is an improper balance and are carrying on negotiations with the Services for the release of at least part of the schooners engaged in naval and military services. What the Shipping Sub-Commission recommend however, is that a broad statement of requirements by the Economic Section of the Allied Control Commission on a monthly basis be made in order that directives may be issued to CO.GE.NA to allocate such of the schooner fleet as is available into that service.

5. The present system whereby each individual area felt it their prescriptive right to allocate a schooner which arrived at that port within that area, to some local service or to some local requirement, does not lend itself to the proper use of this schooner traffic. It is only with the possession of knowledge of the ACC's complete requirements that the Shipping Sub-Commission can act as advocate with the other authorities for the release of tonnage for these civil needs. It is felt that no great difficulty should present itself in the production of such a statement which would, in fact, merely show the requirement of so many tons of vegetables, food, salt, wines, etc. in one area to another on a monthly basis which would result in a statement

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from the Shipping Sub-Commission of how far this program could be implemented, and a monthly statement of what had been achieved. It is felt also that this would prevent a spirit of acrimony arising over one particular ship.

Vice President, Economic Section - Brigadier General William G. O'Dwyer

1. Today is the first opportunity I have been afforded to meet many of my co-workers in the ACC, and from listening to the preceding addresses, I have learned many new features about my own job. From the preceding addresses I have seen that ours is a common job, and that it is only with mutual cooperation that the common job will be done well.

2. It takes 1400 tons of food per day to feed the city of Rome. Colonel Poletti and I have been fighting ceaselessly to get a continual supply of potatoes for the people of Rome. The principal problem in connection with this is the lack of means of transportation or "wheels" to divert necessary commodities from overstocked regions to those regions where there is a complete lack of these essentials. As a sideline, the Apulian region is overstocked with wine, whereas the vicinity of Rome is without wine. With the proper "wheels", this Apulian excess could be shipped to Rome for a proper celebration of the day of the impending Allied victory.

3. From October until July, continental Italy alone has furnished the Allied Armies with 150,000 tons of food and 110,000 sheep.

4. Hoarding of food presents another problem to be overcome. This practice is especially notorious in Sicily, where it has led to many convictions and jail sentences.

5. Work on the reconstruction of the railroad bridge at Grosseto has been proceeding well with three daily shifts of laborers, and when completed, this bridge will insure a constant supply of lignite for the city of Rome.

6. Fishing boats, working the neighboring waters, will help greatly in relieving the omnipresent food problem.

7. Clearing of wreckage in ports and general rehabilitation of transport are other problems receiving attention. The war, however, is not yet ended, and military requirements still have priority over civil needs.

8. Both nations will be judged by the work done here in Italy, and the ACC is playing an important part in this work. In view of this, mutual co-operation should be the keynote for all operations of the ACC.

V --- REPORTS BY INDEPENDENT SUB-COMMISSIONS

Reports by the Naval, Army, and Air Sub-Commissions are included in the classified supplement to these Minutes.

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Communications Sub-Commission, Colonel J. L. Henderson

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Communications Sub-Commission, Colonel J. L. Henderson

1. Telegraph and Telephone Services.

a. In the old Government area (i.e. South of Naples) matters are within a reasonable distance of normal services. About 80% of the telegraph offices are in service; long-distance telephone calls are permitted to civil subscribers throughout the area, though the limited facilities often mean lengthy delays in completing calls.

b. In the new Government area (i.e. including Rome City and province, Foggia, etc.) matters are very different owing to the wide strip of intervening devastated area. Government telephone and telegraph services from Rome to the South were opened on 1st July; the resumption of civil telegraphs from Rome was commenced on 21st July, but the general resumption of civil long-distance telephone facilities from this area will have to wait some time yet. Even the telegraph facilities are as yet inadequate to deal with the traffic (about 5000 telegrams a day through the Rome office)

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without heavy delay. In Rome, it was necessary to cut down the load on telephone exchanges to make room for the military traffic; this was done by a limitation of number of calls, which has, I think, been generally successful, though it has been the subject of some protests; it has I think been preferable to the alternative system of trying to select essential subscribers. In the new area, other than the city of Rome, services are being restored as quickly as limited transport and stores will permit, but communications are still very sparse.

3. Postal Services. The normal services for foreign as well as internal mail was opened to the city of Rome on 15th July, and have been subsequently extended to the provinces of Rome, Littoria, Frosinone, Campobasso, Aquila, Chieti, Pescara, Teramo, and Foggia.

4. Censorship. The activities and results of censorship are confidential and cannot be reported on. The policy governing the existence of censorship in this country is however a matter of general interest, and not confidential. It is an agreed policy between the Italian Government, the ACC, and the military authorities that civil censorship shall only be retained where considered necessary to military security, and that it shall not be under control of a civil branch of Government. Censorship control therefore, where not directly exercised by Allied officers, as it necessarily is in forward areas or ports, has been removed from control by the Ministry of the Interior; it cannot therefore be used as a method of political information, with the ultimate object of suppressing opposition to the Government. Also, censorship is abolished completely where no longer considered necessary as an instrument of military security, this now being the sole criterion for its continuance. Censorship exists in fact in only 13 out of the 30 provinces now under Italian Administration.

War Materials Disposal & Italian Prisoners of War Sub-Commission, Lieutenant Colonel J. A. Campbell

1. During July a quantity of radio equipment was found and returned to the Italian forces, the approximately value was given as 6 million lire.

2. A store of new boots and leather were saved from Allied soldiers, and although we were a little late on the scene, we were able to save and hand back to the Italian authorities over 800 pairs of new boots and 200 kilos of leather.

3. New M.T. spares, including a considerable number of engine, gear box, and back axle assemblies were returned to the Italian services.

4. On 29 July the title of the Sub-Commission was changed to War Material Disposal and Italian Prisoners of War Sub-Commission. For some time the work in connection with Italian Prisoners of War had been dealt with by myself and staff.

5. The High Commissioner for Prisoners of War, on behalf of the Italian Government, requested reasons why Italians should still remain as PW while others fought alongside the Allies. Volunteer PW are called cooperators. Considerable numbers of PW have volunteered to work with the Allies in any kind of work except actual combat. They are granted more privileges than ordinary PW, receive more pay, etc.

6. Financial problems re PWs were referred to Finance Sub-Commission and a solution to some of these problems has still to be found.

7. New regulations regarding repatriation of Italian prisoners of war were

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War Materials Disposal & Italian Prisoners of War Sub-Commission, Lieutenant Colonel J. A. Campbell

1. During July, a quantity of radio equipment was found and returned to the Italian forces, the approximately value was given as 8 million lire.

2. A score of new boots and leather were saved from Allied soldiers, and although we were a little late on the scene, we were able to save and hand back to the Italian authorities over 800 pairs of new boots and 200 kilos of leather.

3. New M.T. spares, including a considerable number of engine, gear box, and back axle assemblies were returned to the Italian services.

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6. Financial problems re PWs were referred to Finance Sub-Commission and a solution to some of these problems has still to be found.

7. New regulations regarding repatriation of Italian prisoners of war were issued. Prisoners of war over 60 years of age, or over 50 years who have done 2 years internment can be released on compassionate grounds. Prisoners of war who can be employed in specific judicial and administrative positions for the furtherance of the war effort in Italy will be considered for repatriation. Release on any other condition will only be considered on special compassionate grounds, and the grounds must be such that an Allied soldier under similar circumstances would be repatriated to his own country.

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S E C R E T

HEADQUARTERS ALLIED CONTROL COMMISSION
APO 394

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::S E C R E T ::
::Auth: CC, ACC ::
::Date: 25 Aug 44 ::
::Init: ::
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SUPPLEMENT TO MINUTES OF CONFERENCE

Tuesday, 22 August 1944

Presiding: Captain Ellery W. Stone, USNR

Naval Sub-Commission, Rear Admiral C. E. Morgan

1. I understand at the last meeting one of the area commanders appeared with a sheaf of wheat. I am sorry I have not arrived with an Italian battleship, but I assure you that I have the Italian fleet in my pocket.

2. The Italian Navy have done an enormous amount to assist the Allied war effort. We have come to the end of 12 months of co-belligerency.

3. We have five battleships altogether. The three in Malta have had their locations changed. One is now at Syracuse used as a training ship, two are at Taranto--one for gunnery training problems and the other for a gunnery ship. There are eight cruisers altogether; two are out of action. Their principal duty is the transporting of men from Sardinia to Sicily and North Africa to Italy. During the last 12 months those six ships have lifted 130 bodies into Italy. We land motor transport parties and many other occupational groups. One cruiser has transported 30,000 men, steaming over 27,000 miles (1¼ times around the earth at the equator), in 9 months. There are eight destroyers and we generally have 5 or 6 available. They are doing a useful work. We have 40 torpedo boats and corvettes, about 26 of which are available. Their principal duties are convoy and escort work. There are 32 submarines; generally about 22 are available. Two are on special operations; the remainder on anti-submarine training. They provide targets and exercises for all Allied destroyers. There are 5 seabee sub-marines. The small sub-marines are used for training and experimental work.

4. Operations in the Adriatic have been carried out by Italian MS boats, MAS boats and small torpedo boats. This included the landing of agents in enemy territory, landing reconnaissance parties, bringing back prisoners of war, etc. It is very dangerous work. We have carried out 151 (3 a week) such missions; out of this number 132 have been successful. The reasons for the failure of the other 19 had nothing to do with the determination or bravery or the drive of the Italian officers and men; rather the weather, pre-arranged signals, or incorrect signals were at fault.

5. The ration strength remains at 75,000. The overall strength is 79,000. That will not be increased. The Minister of Marine has no excuse for increasing it and does not wish it to be increased. The numbers are kept down by discharging reserves and time expired men, whose places are filled by younger men who come in as the line advances northward.

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6. The fleet continues to be operated from Taranto.

7. The food situation is good. There is less discontent since the introduction of the standard ration. The workers ration has been slightly increased.

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895

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7. The food situation is good. There is less discontent since the introduction of the standard ration. The workers ration has been slightly increased.

8. The Naval Sub-Commission has moved to Rome. However my job in Taranto must come first.

9. a. There have been disturbances. The most serious was about mid-June. The excuse was that the Minister of Marine had not sworn allegiance to the King. One officer refused to obey orders and take his ship to sea. He was relieved of his command and put on half pay for six months. This man had a following. Two others were relieved of office and the disturbance died down.

b. There was a disturbance when the French fleet was in. On the second day

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two French were killed, others wounded on both sides. I saw the French Admiral and stopped the shore leaves of the French.

10. The Taranto dock yards in association with the Franco Tosi shipbuilding yards have the following record:

a. Ships repaired: 680 British, 220 Italian

b. Total dockings, Italian and British, during the year has been 565.

c. One ship docked on 11 July for repairs, and after a survey it was thought that it would take at least 40 days to complete the job. The Taranto dock yard completed the job in 30 days. The ship left Taranto on the 14th of August, fully stored and armed, six days ahead of the time when we thought it should have been repaired.

11. I am giving the men more sea time than they ever had before. I'm trying to keep the Navy busy. The Navy will be something solid for the new Italy to build upon.

Comments by Acting Chief Commissioner: Captain Stone reminded all correspondents that all references to numbers, places and operations of the Service Sub-Commissions were off the record and a military secret.

Army Sub-Commission, Major General L. Browning

1. WE/TO. Since the last meeting, our new W.E./T.O. has been authorized. This give us the "tools to do the job", which had been sadly lacking. We have, in consequence, now got a much firmer grip on the situation, particularly on the Supply side—rations, clothing, boots and medical supplies. We now have set in motion and control the largest old clothes and old boots business in the world (nearly 400,000 pairs of old boots, for instance.); and this will grow as repair materials are forthcoming, which these are already starting to do. We are also well-established in the grocery business, feeding all the Italian armed forces (nearly a half-million people) and holding a stock of 28,000,000 lbs. of flour.

2. CEILING.

a. The major factor in all our work is the ceiling figure for the Italian Army laid down by the Combined Chiefs of Staff. No "private Armies" are permitted beyond this ceiling and rations, etc., are supplied for only this number.

b. Headquarters A.A.I. proposed a ceiling of approximately 375,000 for the Army and 60,000 for the Carabinieri, who, though the senior regiment in the Army, have police functions as well. After much discussion, AFHQ have proposed to the C.C.S. a ceiling of 309,000 for the Army and 55,000 for the Carabinieri (a reduction of 18% for the Army as compared with only 8⅓% for the Carabinieri). The Army have borne the whole brunt of this reduction, the Italian Navy ceiling remaining at 75,000 and the Air Force at 31,000.

c. By centralization or elimination of various depots, transit camps and other installations, we have made certain economies. But the fact remains that we have not got anything like the number of Army troops we want and we must "cut our coat according to our cloth". I want to stress this because I feel that many people think

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c. By centralization or elimination of various depots, transit camps and other installations, we have made certain economies. But the fact remains that we have not got anything like the number of Army troops we want and we must "cut our coat according to our cloth". I want to stress this because I feel that many people think the Italian Army is an inexhaustible reservoir into which they can dip for all manner of purposes, many of them non-military. It just cannot be done; and we have to scrutinize and use every single body to the best advantage; see there is no waste; and that he is doing an officially authorised job. No Italian officer or man is authorized unless he is officially authorized by AAI and it is part of my duty to see that unauthorized Italian soldiers are NOT "attached" all over the place.

3. NEW ITALIAN COMBAT FORCE.

a. We have an Italian Combat Force (C.I.L.) of some 20,000 actually fight-

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ing. Its size is limited by the ruling that it has to fight with the Italian equipment captured in Italy. No Allied quipment is authorized.

b. A request has been made to C.C.S. to authorize the issue from England of 3 British Divisions worth of equipment to the Italians. This raises big questions of organization and training. We have examined the question in detail and judge that we can form 6 Italian "Combat Groups" each about 9,000 strong with this equipment. For simplicity and speed in preparation of these Groups, the organization (and thus the tactics) will be on Italian lines. We will train instructors at British schools in the technical handling and maintenance of the weapons. This has already started. These instructors will then train their own people, with the aid of a British liaison and training team of officers of all Arms with each Combat Group-a very intriguing and interesting project, which will mean that, for the first time, Italy will have a uniform, standard fighting organization of about Divisional size! All this, of course, within the ceiling--the C.I.L. being reorganized as two of the Combat groups. I hope and believe that we will be able to convert these groups into a really good fighting force.

4. PATRIOTS

a. In conjunction with the Patriot Branch of ACC, we have produced a clear cut policy as regards patriots--a thorny problem.

b. We wish to encourage the patriots, who are doing valuable work in enemy occupied territory. On the other hand, we cannot countenance the existence, as formed fighting units, of patriot bands who are over-passed by us in our advance. We cannot keep within our lines "private armies" of patriots of diverse political color and asciations. One thinks of the troubles of Yugoslavia and Greece in this connection. This has obviously a post-war as well as a present aspect, particularly as in the North numbers are said to be large.

c. The main point is that we must have only one official Italian Army whose size is fixed. That is our sheet-anchor. We must uphold its authority, both for now and post-war. We cannot absorb vast numbers of patriots into that Army--particularly in respect of fighting troops, as C.I.L. is only 20,000 strong. As we form the Combat Groups we can absorb more. For every patriot absorbed we have to demobilize a soldier in the Army--and if this turnover or absorbtion is great and rapid, the Army loses its adhesion and efficiency. Every patriot or ex-soldier we pick up is considered as a civilian (from the Army point of view) till he is actually enlisted again into the new official Army.

d. In view of all this, we have arranged (in conjunction with Patriot Branch ACC) to "screen" and absorb patriot volunteers for actual combat. The numbers who so volunteer come to only 1 in 10. The remainder do not come within the Army orbit until the normal conscriptive law is re-applied in their area.

8 54 VALUE OF ITALIAN ARMY

e. A final word on the value of the Italian Army to the Allied cause.

b. The patriots have "stolen the picture"--to use film parlance. They are "news". I think few people realize how well the Italian Army has done. They have, with our help, organized out of chaos, an Army of over 300,000 ab initio--with scratch

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b. The patriots have "stolen the picture"--to use film parlance. They are "news". I think few people realize how well the Italian Army has done. They have, with our help, organized out of chaos, an Army of over 300,000 ab initio--with scratch staffs, ex-POW Generals brought from England, etc. The C.I.L. has fought well and had many casualties. The Minister for War himself (Count Casati) has lost his only son, fighting with C.I.L. The service and labor portion has done an immense task in repairing communications, dock labor, etc., thus saving Allied manpower. They have cooperated loyally as co-belligerents, with practically no fuss or friction. I would like people to realize all this and the Italian Army to get its deserved and just need of praise both in the Press and in the minds of the Allies for its valuable assistance to the Allied cause.

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Air Sub-Commission. Air Vice Marshal, W.A.B. Bowen-Buscarlet

1. The Italian Air Force continues to support the Allied Air Forces actively. The Fighter Wing has been carrying out fighter sweeps on the Dalmatian Coast and has a good record. The Bomber/Transport Wing continues to drop supplies on Yugoslavia and Albania. Owing to increased air opposition, the supply-dropping operations are now only taking place at night. The Seaplane Wing continues to work as part of the Mediterranean Coastal Air Force.

2. The Operational Control of the Italian Air Force has now passed out of the hands of the Air Forces Sub-Commission. The Fighter Wing and the Bomber Transport Wing are under the control of Balkan Air Force, and the Seaplane Wing is under the operational control of No. 242 Group, Royal Air Force. 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.

3. Since the last Conference the principal pre-occupation of the Air Forces Sub-Commission has been the re-equipment of three Italian Fighter Squadrons with Aircobra aircraft and two Light Bomber Squadrons with Baltimore aircraft. This problem has provided an almost continuous headache, for while the aircraft were readily available, (although in the case of the Aircobras their condition left a good deal to be desired) and the Italian pilots have taken readily to flying these, the arrangements for the provision of the necessary spares and equipment have worked exceedingly slowly and the whole of the training has, in consequence, been held up. Matters are now better, although not entirely satisfactory. One fighter Squadron is ready to go on operations except for its ground equipment, and one Baltimore Squadron will be ready very shortly; the others should follow at short intervals, but this is entirely dependent on the satisfactory supply of equipment. There are further problems which will have to be solved before these squadrons can be considered as being equal to Allied squadrons; one of these is that of transport. Allied squadrons achieve a high degree of mobility by virtue of a generous establishment of transport. The Italian squadrons are completely lacking in this, and if they are to be made mobile, transport will have to be found from Allied sources. There is also a considerable problem in connection with the factories which are to carry out the major overhaul of the Allied airframes and engines.

4. Under the new Government, General Piacentini has been appointed Air Minister and Chief of Staff of the Italian Air Force. When this appointment was agreed to by the Air Forces Sub-Commission it was understood then that the General should only devote a small portion of his time to his work as Air Minister. In actual fact this has not turned out to be the case, and the General has to devote far too much of his time to political matters and Cabinet meetings. He is however carrying out his duties in both respects to our entire satisfaction.

5. 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, and the short time allowed us to carry out the demobilization of 10,000 men would have inevitably resulted in our being left with an inferior force as regards technical ability. Through our representations the ceiling has now been permanently fixed at 31,000.

[illegible] satisfactory level of morale,

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6. In general the Italian Air Force maintains a satisfactory level of morale, but during the month of June this fell off somewhat due to political conditions and to various other causes, but it has now improved again. It is sometimes difficult to explain to Allied formations that they cannot expect the same high level of efficiency from the Italians as they do from their own squadrons, and that the dead hand of the past years of Fascism has killed initiative and to some extent the ability to work hard when the immediate end cannot be seen closely in sight.

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Attention is directed to the security classification of this Supplement.

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Robert E. Doe

ROBERT E. DOE
Major, A.C.D.
Secretary General

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The Conference closed at 1830. Attention is directed to "SECRET" supplement made a part of these Minutes.

ROBERT E. DOE
Major, A.G.D.
Secretary General

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1 - ea Sub-Com. Head
1 - ea Reg. Com.
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12 - G-5, AFHQ

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RESTRICTED
HEADQUARTERS ALLIED CONTROL COMMISSION
APO 394
MONTHLY CONFERENCE 30 MAY 1944

The Conference was opened at 0930 by the Chief Commissioner, Lieutenant General Sir Noel Mason MacFarlane.

Remarks by the Chief Commissioner:

Things are moving fast. This may be the last Conference to be held in Naples. With the resumption of advance by the Armies, all units are working well together as a formation. Under operational conditions, the Army AMG's and spearheads are doing a first class piece of work.

Regions IV & V have been cooperating admirably in getting their personnel into liberated areas. Region III has the big task of governing the 3 Provinces and Naples. Regions I, II, VI, & VII are engaged in controlling and assisting Italian administration. The main problems in the operational areas remain the same -- food and refugees. These problems are always with us. From all reports, it appears that the job is being done well.

Our task is to run our show so that the Commander-in-Chief and the other Commanders in the field will have nothing to worry about except their operational tasks. In this, ACC has succeeded very well so far. The greater the speed of the advance, the greater our problems will become, and we are planning things ahead to meet new situations which will stretch our organization to the utmost. We have had plenty of time to deal with Rome, and plans are laid. General Alexander has referred to ACC/AMG as his "Third Army". The combat Armies are doing admirably, and we must also deliver the goods.

I --- REPORTS BY REGIONAL CONTROL AND MILITARY GOVERNMENT SECTION.

Region I, Colonel A. N. Hancock.

1. The settlement of some of the problems in Sicily may lay the foundation for the solving of problems in the rest of Italy. There is an erroneous popular belief among outsiders that Sicily is a "land flowing with milk and honey."

2. The greatest problem is the wheat harvest. Others are food and local politics. From the end of June the Island is expected to provide its own daily bread. Sicilians desire to be self-sufficient and to shoulder the responsibility. The price for wheat is considered too low in view of the factors which enter into the cost of its production in Sicily. Machinery and equipment is primitive. Some incentive or premium will be necessary in order to get farmers to deliver their grain.

893 3. The High Commissioner is making good progress under difficult conditions. He lacks full support from Government circles. During May he visited all nine provinces and was enthusiastically welcomed.

4. The new Badoglio Government was received with favor and political activity is more orderly. Separatist activity continues, but only in a minor degree.

5. There has been labor agitation for more and cheaper food

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5. There has been labor agitation for more and cheaper food or more pay. It has required much persuasion to keep electricity workers working. Railway labor is also affected and to lesser extent sulphur miners.

6. Public health is better than a year ago, but there is evidence that tuberculosis and rickets are increasing owing to undernourishment. Further observations are being made along this line.

7. The police forces, particularly the Carabinieri, are gaining in prestige. The discovery and arrest of a band of forgers was accomplished. Forty million counterfeit lire were seized. In Agrigento Province a gang of kidnapers was rounded up and arrests were made.

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8. Refugees are being received in groups of 500 to 700. An organization for dealing with them is functioning satisfactorily.

9. The present policy regarding schooner control is seriously affecting essential coastwise transport of foodstuffs. Particularly is Messina affected and it is still semi-isolated. Schooner aid for coastwise shipping is essential.

10. Current revenue is 50 million lire greater than for the corresponding period last year.

11. Staff reductions during May included 38 officers and 37 other ranks. The Province of Enna is now combined with Caltanisetta; Ragusa with Siracusa, and Trapani with Palermo. This will accelerate the assuming of responsibility by Italian authorities.

Comments by Chief Commissioner: It would have been well to have had the Supply Mission hear Colonel Hancock's report, as they talked of Sicily as a Utopia; this is not brought out by the actual facts. We should be careful in accepting remarks of visitors who may not be well acquainted with factual conditions. With reference to the price of wheat, the cost of production is higher in Sicily, but care should be exercised in differentiating between the areas. Inasmuch as Sicily suffered more from war damage than most of the other Regions, consideration will be given to the grant of a war bonus.

Labor difficulties have been met in other regions. The solution is not necessarily an increase in wages alone. The food ration must be raised and approval is being sought for this.

Region II, Colonel J. T. Zellars.

1. Political reaction and popular opinion:

Very little change during the period. Both remain moderate and somewhat apathetic. The Communist Party appears to be in the ascendency. Consolidation of public opinion is slow and almost entirely peaceful.

2. Local government - Political:

a. This problem shows some evidence of improvement. A new Prefect of proven quality has recently been posted to Bari. Italian labor organizations in Potenza Province can now function efficiently with only remote ACC control. The organization of the Granai del Popolo in Matera Province has been very thorough.

b. Defascistization continues at a slow, steady pace. Timidity and procrastination remain evident.

3. Economic resources and supply, with special reference to food:

a. Small industrial and agricultural plants continue gradually to renew operations.

b. The production and distribution of charcoal increased slightly during the month.

c. Meat [illegible] in fair quantity and variety are now within reach of almost

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3. Economic resources and supply, with special reference to food:

a. Small industrial and agricultural plants continue gradually to renew operations.

b. The production and distribution of charcoal increased slightly during the month.

c. Vegetables in fair quantity and variety are now within reach of almost everyone.

d. The chief interference with civilian supply and price control of agricultural products continues to be from Allied troops.

e. Transport of civilian supplies was very greatly aided during the month by the establishment of civilian haulage transport pools.

4. Agriculture, forestry and fisheries:

a. Food crops continue to be excellent. Only a disaster such as heavy rains or a spell of hot winds within the next two weeks will prevent a bumper crop of grain, legumes, and leafy vegetables.

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b. Forestry - No change in this situation, which remains satisfactory.

c. Fisheries - Some improvement in the collection and distribution, particularly in Bari Province.

d. Live stock - No serious shortage of farm animals except perhaps in Brindisi Province.

5. Labor:

a. Italian labor organizations have progressed.

b. The dock-side labor unrest at Taranto was appeased, at least temporarily by additional rations.

c. Plans are completed to utilize imported agricultural labor for the grain harvest, which has commenced.

6. Public works and utilities:

a. Much improvement in road and bridge repair, and in the organization of the Italians in this Region.

b. Plans now being made for reduction in consumption of electric power, when, and if, it becomes necessary.

7. Public safety and functions of Allied and Italian courts:

a. The number of felonies and misdemeanors has decreased slightly during the month. No serious crimes reported.

b. Italian courts remain too slow and too cumbersome to clean up old cases and to keep abreast.

c. A circuit court of ACC officials, acting under Italian law, is now in session hearing cases of serious offences against Allied interests; a new departure in the history of ACC.

d. The overcrowded prison situation remains unchanged except the cancerous spot of Bari, which has worsened.

8. Public health to include welfare and condition of the people:

a. Public health remains good. Smallpox in Taranto was quickly dealt with by prompt cooperative action on part of Allies and Italian authorities.

b. No increase in small amount of malaria, except in the vicinity of Barletta. Malaria control measures going fairly well.

c. Situation regarding Italian hospitals has continued to improve.

d. Programs for cleaning up towns and cities are progressing, with Matera Province in the lead.

e. Medical supplies are adequate for June.

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e. Medical supplies are adequate for June.

9. Education:

Tendency to improve.

10. Refugees:

a. General situation greatly improved.

b. Organization by Italians has progressed. All provinces now have reception centers.

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c. None received during May to 20th. On hand approximately 27,000. Prepared to receive 15,000 in June.

11. Communications:

a. Roads - Much progress.

b. Rail - Little, if any, progress.

c. Telecommunications - Some, small progress.

d. Posts - Some, small improvement.

12. Property control:

Remains in good order.

13. Finance matters have improved in some respects.

Comments by Chief Commissioner: Asked for his opinion on the price of wheat in Region II, Colonel Zellars said that he would like to see it at 1100 lire. The Chief Commissioner commented that Lucifero, the new Prefect at Bari was good, but that a good man was still needed in Brindisi.

Region III, Colonel C. Poletti.

1. Region III has been pushing ahead in reorganization of local government.

2. In Naples the number of spurious ration cards has been reduced by 300,000. Nine other large communes throughout the Region are having this ration control extended to them. It has been found that cheating has been done by the bakers, rather than by the consumers.

3. Programs for the collection of revenue, public works, and production of tobacco have been initiated.

4. Efforts have been made to clean up Naples as well as other cities.

5. 150,000 vaccinations for smallpox have been completed.

6. The elimination of traces of Fascism is proceeding.

7. The glove industry is being renewed.

8. Success has been achieved in telling the people that the program is working.

9. Students have threatened to strike over the question of whether or not there will be an examination.

10. Whole-hearted cooperation has been given by every officer, and the cooperation received from PBS, the base sections, and No. 3 District has been greatly appreciated.

11. Regarding the program of the "Granai del Popolo":

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10. Whole-hearted cooperation has been given by every officer, and the cooperation received from PBS, the base sections, and No. 3 District has been greatly appreciated.

11. Regarding the program of the "Granai del Popolo":

a. The amount of seed which farmers are entitled to retain for early sowing (1.80%) is satisfactory, but that for late wheat sowing (1.25%) is a little low. It was 1.80% last year and it is recommended that the farmers be allowed to retain 1.50% for late wheat.

b. Price. Public officials, church people and other informed people believe that the price of 1000 lire for wheat is too low. It is thought that farmers will not turn in grain at that price. Some indirect incentive might prove more fruitful than increasing the price. For instance, farmers who turn in their grain could be given the right to purchase certain things which they need; such as fertilizer, footwear (which sell for 3000 lire per pair in some places), clothing (Red Cross clothing could be given to farmers who cooperate).

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c. The food ration should be increased for everyone. This would be an effective means of breaking the "psychology of scarcity". A ration of 200 grams bread and 80 grams pasta was suggested. This would help to bring in the grain. The "psychology of scarcity" is the real problem. Separate ration scales for heavy workers should be done away with. If the rations are increased for everybody, then the worker can make the adjustment within his own family.

12. Dissatisfaction exists among police groups; namely, Guardia Finanze, the Carabinieri, and the Agenzia Publica Sicurezza, who are not on the same ration level but do the same type of work. There has been a little talk of strikes, but trouble is not expected.

13. Transport. 80 trucks were lost to Rome and 80 more are being lost. 20 trucks were promised to this region from Potenza, if 20 were released to Salerno. The 20 were released to Salerno but the replacements have not arrived. Many of the trucks on hand are unserviceable. Those which were released were serviceable trucks. Large quantities of hemp need to be moved; also food supplies, fertilizer, etc. Civilian transport is being put to use as much as possible. 30 days food supply has been laid up in Benevento, which aids the transport situation somewhat.

14. Progress has been made in black market control. Tightening up in one way often aggravates the situation in another. Bakers have been found giving wet bread or short weight. It is felt that the margin of profit for retailers should be increased. The narrow margin at present is an incentive to cheat on the part of bakers.

15. There should be an allocation of food to restaurants and soft drink manufacturers. They now operate on black market supplies.

16. There is an urgent need for tires. Civilian public officials cannot fulfill their jobs without transport. The agricultural officials must get out to see the farmers to urge them to bring in their grain.

17. Plans are under way for the production of leather goods and shoes. Many farmers prefer tanned leather from which they can make their own shoes.

18. Region III is now ready to be turned over to the Italian Government whenever the Chief Commissioner sees fit.

Comments by Chief Commissioner: General MacFarlane expressed his pleasure with the successful work in Region III in regard to ration cards. He asked Colonel Poletti what percentage the 300,000 represented. Colonel Poletti replied that it was 300,000 out of 1,100,000. These 300,000 were spurious cards held by the bakers. The Chief Commissioner congratulated Colonel Poletti and Colonel Kincaid on their cleaning up campaign in Naples.

The Chief Commissioner also remarked that the Cardinal had spoken to him personally in favor of abolishing written examinations for students.

Referring to the price of wheat, General MacFarlane stated that there was a great deal to be said for giving farmers other incentives. Asked what he personally thought the price of wheat should be, Colonel Poletti replied that his figure was 1400 lire, the cost of labor being very high in Region III.

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General MacFarlane said he was informed no more shoes or boots can be imported.

With regard to rations for the Agenti di Publicca Sicurezza and others, the Chief Commissioner pointed out that efforts are still being made to settle the matter.

General MacFarlane added his thanks to No. 3 District, PBS, and others for their help to ACC.

The problem of tires is also being dealt with; mention was made of the setting up of retreading plants in Bari and Naples. The emergenc of trucks for Rome had to be met.

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The Chief Commissioner said that he agreed with Colonel Poletti on the subject of the desirability of increasing the ration. It would do much to stem the black market.

Region IV, Brigadier J.K. Dunlop.

1. The main function of Region IV since the last conference has been preparation for its task in the wake of the advancing Armies.

2. Provincial teams in men and equipment are moved forward when needed to come under the command of the SCAO's of the Armies.

3. Advanced Headquarters was opened on Route 6 near Sparanise. This move has proved valuable; cooperation with Armies has been close and cordial. The policy of having an Advanced Hq well forward close behind AMG's of 5th and 8th Armies will be continued.

4. The Littoria, Roma Province, and Viterbo teams are now under the command of AMG 5th Army Field. Rome Sub-Region team is under command of AMG 5th Army. We have been asked to take an immediate interest in agriculture, malaria control, and engineering works in the Pontine Marshes area.

5. In collaboration with SCAO 8th Army a proposal has been submitted for dealing with the area lying between the Rapido and Melfa Rivers and Highway No. 6. This devastated area will need a special organization to deal with it.

6. Supply arrangements have been coordinated with the Armies. Region IV domestic transport has in the past week moved well over 100 tons of stores for 5th Army AMG. Schooners came into Gaeta port on Friday afternoon, 26 May. This port was opened early due to excellent work of 5th Army AMG, Supply Commission here, Royal Navy and an engineer unit of the 5th Army.

7. The problem of transport remains very pressing. We have been able to put a little of the domestic transport of Region IV at the disposal of AMG 5 Army Field.

8. Doctors are scarce. A malariologist is to be put on a study of the Pontine Marsh problem.

9. Italian authorities are cooperating in connection with public safety. Carabinieri have been provided for Lazio Region. As Carabinieri are drawn from Gaeta pool for forward areas, replacements will be sent from Naples.

10. Regional Commissioners of Regions I and III have cooperated by releasing men when they were needed.

11. CAOs have often gone into communities 5 or 6 hours after advancing troops, taking food, medical aid and bulletins.

Comments by Chief Commissioner: Thanks are due to Brigadier Dunlop and Group Captain Benson for coming from operations to the Conference to tell their story. Region IV is a good example of planning ahead. It is essential that there should be close cooperation with Regions behind when the Armies move forward. There is an immense amount of work on the shoulders of one officer in an AMG spearhead. The closer the Regions can follow up to relieve the individual officers at the front, the smoother the work will go. We should continue to thin out behind in order to

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3. Advanced Headquarters was opened on Route 6 near Sparanise. This move has proved valuable; cooperation with Armies has been close and cordial. The policy of having an Advanced Hq well forward close behind AMG's of 5th and 8th Armies will be continued.

4. The Littoria, Roma Province, and Viterbo teams are now under the command of AMG 5th Army Field. Rome Sub-Region team is under command of AMG 5th Army. We have been asked to take an immediate interest in agriculture, malaria control, and engineering works in the Pontine Marshes area.

5. In collaboration with SCAO 8th Army a proposal has been submitted for dealing with the area lying between the Rapido and Melfa Rivers and Highway No. 6. This devastated area will need a special organization to deal with it.

6. Supply arrangements have been coordinated with the Armies. Region IV domestic transport has in the past week moved well over 100 tons of stores for 5th Army AMG. Schooners came into Gaeta port on Friday afternoon, 26 May. This port was opened early due to excellent work of 5th Army AMG, Supply Commission here, Royal Navy and an engineer unit of the 5th Army.

7. The problem of transport remains very pressing. We have been able to put a little of the domestic transport of Region IV at the disposal of AMG 5 Army Field.

8. Doctors are scarce. A malariologist is to be put on a study of the Pontine Marsh problem.

9. Italian authorities are cooperating in connection with public safety. Carabinieri have been provided for Lazio Region. As Carabinieri are drawn from Gaeta pool for forward areas, replacements will be sent from Naples.

10. Regional Commissioners of Regions I and III have cooperated by releasing men when they were needed.

11. CAOs have often gone into communities 5 or 6 hours after advancing troops, taking food, medical aid and bulletins.

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Region V, Colonel F.L. Whitley.

1. Conditions have improved considerably. There has been an awakening of the people from their general apathy and they now realize that we are working for their good.

2. In general our efforts are to gather a big harvest.

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3. Politically the Region is quiet. A request was received from a Catholic youth organization to have meetings. This is being investigated. The Prefect of Foggia was a high Carabinieri official and is not identified with any political party. In Campobasso Province the new Prefect is a lawyer. He is enthusiastic and energetic and also has not identified himself with a party. A new prefect has arrived in Chieti.

4. The food situation is good. Vegetable farming is a big aid. Markets have a sufficient supply to take care of the civilians and the Armies too, should they want supplies. Warehousing is a problem. Warehouses have been occupied by troops and it will be difficult to move them out. An excellent harvest is expected, but labor is scarce.

5. One quarter million sacks will be needed fo care for grain in Foggia. 25,000 sacks a day will be required to handle 2,500 to 4,000 tons daily.

6. As an aid for grain collecting, two to four ships of about 5,000 tons could be used to great advantage. It is expected that 350,000 tons of wheat and barley will be harvested in Foggia alone.

7. Communal agricultural committees have been formed. Provincial committees should have been set up first.

8. 1,000 Italian soldiers to work on farms arrived on May 26. Additional groups arrive every two or three days. They need clothing and footwear. Footwear should be provided for farmers working on the harvest.

9. 70 civilian trucks will be inadequate for grain collection. A 24 hour run daily is anticipated, and the maximum haulage for one truck per day is estimated at 30 tons. No difficulties are expected in Campobasso and Chieti, however.

10. Crime is generally low. Black market activities are being curtailed. The Army is still in a minor way active in the black market.

11. Public Health continues favorably throughout the Region.

12. Education is being well handled and refugee work is being carried on.

13. An extra allowance should be given to farmers who comply fully in collecting grain. The price of 1000 lire was considered to be satisfactory, but naturally the farmers were not satisfied.

14. There is a great need for leather throughout the area. The prices being paid for shoes are now far too high.

Comments by Chief Commissioner: Region V has to follow up the 8th Army on the right hand side of the front line just as Region IV is doing on the left.

889 Regarding the occupation of warehouses by troops, orders have gone out on the subject. The importance of vacating these warehouses is appreciated.

The ships mentioned by Colonel Whitley are to be used for coastal, not export purposes.

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Region VI, Brigadier M. Carr.

1. The general situation in Sardinia is satisfactory and steadily improving. There is a decrease in crime, food is more plentiful, regular transfers of the Italian Army are taking place, the prospects for harvest are very good, the internal transport situation is better, and morale has generally improved. No sulphur for future needs has yet arrived from Sicily, defascistization is making little headway, and there are still large numbers of prisoners awaiting trial.

2. There is very little political or subversive activity. The people are disappointed that no Sard was included in the new Cabinet. The main thought is that of uniting the nation and getting on with the war. This improvement in morale is due to the success of the Allied advance.

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3. Certain commodities are still awaiting shipment to the mainland. Approval for extension of night fishing areas has been sought. The ban on schooner sailings prevents further progress in the plans for inter-island trade. The question of use of spare space in Allied ships is being taken up.

4. Food. With an increase in local supplies, the food situation is generally satisfactory. There has been a good season in tunny fishing, and market prices of fish have improved. The price for grain has been received with satisfaction. The High Commissioner feels that neither price nor propaganda will get the farmers to bring in grain to be used in other communes, and he wishes to set up military commissions to enforce the amassing of grain.

5. Transport. The scheme for registration of all civilian vehicles, coming into force on June 1st, should help the civil transport situation. A number of vehicles will be driven off the roads, and we hope to use them for official purposes.

6. Public Safety. A considerable decrease in crime has been reported, 60% are robbery and theft cases. A further attempt to escape from the Island was frustrated. The number of demonstrations has diminished. One disturbance took place in the Nuoro area on May 3 regarding ownership of land. Civil courts are functioning again in the proper locations. The administration of justice is severely handicapped by lack of transport, but the courts are trying to clear up the cases quickly.

7. There has been some improvement in prison accommodation. Italian Army authorities are being pressed strongly to remove the remainder of military prisoners from civil jails. It seems impossible to get Italian authorities to take interest in the matter of giving provisional liberty to the civilians, or to deal with them quickly.

8. Public Health. The situation is satisfactory. There has been a reduction in V.D. rate. A consignment of 23 tons of American Red Cross clothing was received and the scheme for distribution is being worked out. Shoes are badly needed.

9. Italian Troops. Between April 1st and May 20th, approximately 26,000 Italian troops transferred from the Island.

Region VII, Colonel R. G. Kirkwood.

1. General. Region VII was constituted on 23 April 1944, but headquarters was not functioning until May 1. The need for a firmer hand in ACC administration and advisory functions throughout Calabria was evident from the start. Progress has been made.

2. Staff. All officers, except one, ordered to Region HQ have now joined.

3. Peoples' Granary Program. The program commenced slowly but is now making steady progress. All preliminaries are in hand.

4. Labor. There have been labor disturbances, potentially but not actually serious, at Crotone and at the Sila Power Station. Neither situation has been satisfactorily settled, but both are quiescent. It is expected that the Italian Army will furnish labor for harvesting as needed. There will be an increase over former years in wages for harvest workers.

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5. Legal. The Regional Legal Officer has established advisory liaison with all Italian courts and court officials. Cases are being tried at a faster rate.

6. Education. Schools are open, but the situation is unsatisfactory since supplies are badly needed, and too many buildings are still occupied by refugees and Italian troops. The teachers are working hard.

7. Property Control. In Cosenza Province all Allied property, and some personal and lease-hold property, has been taken into custody. Progress is being made in the remainder of the Region.

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8. Agriculture. Sulphur, binder twine, and copper sulphate for agricultural purposes have been received in the Region and are being distributed.

9. Communications. Telephone and telegraph service has been reestablished everywhere.

10. Public Health. Nothing unusual on ordinary communicable diseases. In addition to the Italian medical authorities, close cooperation has been maintained with the British Military Mission located here. Active control measures are being taken against malaria and venereal disease.

11. Economics & Supply. There is an increase in the use of rail transportation, but limited rail facilities make distribution of supplies difficult. A supply accounting system is being established. During May the whole system of supply distribution was reorganized to remedy the state of chaos prevailing at the time of taking over. Prices are now stabilized and uniform throughout the Region.

A large shipment of charcoal has been held up due to lack of rail transportation.

The generous ration authorized for harvest workers will put a severe strain on ration stocks in Cosenza and Catanzaro Provinces. The rise in prices has been gradual, except in the case of meat.

12. Public Safety. Crimes of violence have not increased. Measures to control prostitution continue. Allied soldiers are a problem and throw a load upon our provincial public safety officers. There are no military police except in Reggio; there is need for more. There has been an improvement in the morale of the public due to the recent successes of the Allies.

Comments by the Chief Commissioner: It was a good thing to form a new Region out of Calabria, since Region II was too big, and I am glad to hear of the good work being done there. Calabria is important for the olive oil production which is a very vital product in Italy.

Eighth Army AMG, Group Captain C. E. Benson.

1. I wish to thank Regions IV and V for their cooperation in the push forward. The Pescara team is operating under AMG 5 Corps and the various teams will be taking over the first part of the administration today or tomorrow in Aquila Province.

2. Today everybody is looking toward the Front. Here is a brief picture of the arrangements which have been made in the various sectors and what is happening in the battle areas:

a. Adriatic Coast: (5 Corps) The most important problem here is one of supply. We are building up a stock pile in Chieti Province of 2000 tons of flour. This will be sufficient to feed all Pescara and Teramo for one month. It is not wise to bring more supplies forward as yet. No advance has been made on this front except for the capture of one small town.

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b. Central Sector: There is indication that the Germans are pulling out: two small towns have been captured. One of them was completely ruined, the other 50% ruined, and there were practically no inhabitants. To meet the supply question

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b. Central Sector: There is indication that the Germans are pulling out; two small towns have been captured. One of them was completely ruined, the other 50% ruined, and there were practically no inhabitants. To meet the supply question on this front we are building up a stock pile of 300 tons in Castel di Sangro which will be fed from Isernia later on.

c. Fighting Front: In the area captured up to 30 May we have actually occupied ten places of importance. The population of that area in peace time was about 40,000. Cassino, Pico, Piedimonte, and Pontecorvo have been completely destroyed, and there is no chance of inhabitants returning. There are only about 300 people living in semi-destroyed farm houses. The Germans had cleared the whole of the Cassino Plain up to 15 kilometers from the Hitler Line, where the number of refugees is about 20,000. From the stock pile at Venafro food for 20 days was supplied to all the recently captured towns in this sector, and we have more to go on for the next advance. Very few inhabitants were found in these places; they had

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retired to the hills behind Roccasecca. We hear there are 20,000 refugees who came from Cassino, Pontecorvo, and Piedimonte. They are beginning to come down in huge numbers. It is practically impossible to stop them, and we are going to face a great refugee problem. In Sora, not yet captured, there are said to be another 20,000. The supply question is all right, thanks to Region IV, which is bringing food in from Gaeta.

The health situation is very good, only case of typhoid and 30 wounded civilians.

The banks have all been destroyed. The bank managers have gone, as have the C. Agrarios and the Sindacos, taking all the cash with them. There is no administration left and we must start afresh. No Carabinieri have been found, and only one PAI. We have brought in our own mobile police to stop civilians from coming back.

We have two serious problems. Medical personnel is short. Sick and wounded civilians have to be evacuated to backward areas, and we possess no ambulances whatsoever for this. For this reason more medical personnel is essential in the forward areas.

The second problem is that the Rapido River at Cassino has become a small lake. It is an excellent breeding place for malaria, and should be sprayed from the air.

Comments by Chief Commissioner: It would be a prudent plan to have at our disposal a number of trained Italian officials, so that we could put them in where the entire administrative machine had been moved. The Germans have not been feeding the people, and have even removed the existing livestock.

Fifth Army AMG, Colonel N.E. Fiske (in place of Brig. Gen. E.E. Hume).

Headquarters is moving today.

28 Communes have been taken over since the advance began. All of Naples Province is now under Region III, and five of the Communes of Frosinone Province are to be turned back to Region IV.

Food. Following the advancing armies, food has arrived almost immediately to the liberated areas. A stock pile of 150 tons has been set up at Terracina, and schooners are now unloading at the port of Gaeta.

Refugees. The second group of 11,000 refugees has been located. The situation is improving with the more rapid advance and less destruction.

Public Health. The shortage of trained medical personnel is keenly felt in the Fifth Army. In spite of the large number of civilian battle casualties, the health situation is good, except for the refugees from the Pontine Marshes. Sufficient medical supplies are available.

Public Safety. No serious crimes have been reported, except for the misconduct of the troops.

Rome. The Rome Administration is ready to go into the City, and the transport problem is being solved. We appreciate the [illegible]

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Rome. The Rome Administration is ready to go into the City, and the transport problem is being solved; we appreciate the trucks which have been turned over to us.

Comments by the Chief Commissioner: While visiting the areas which had been liberated at the front, he noticed that all personnel were doing their work very well indeed.

Refugee Branch (Italians), Lt. Colonel F. M. Brister.

1. Since the date of the last Conference the activities of the Branch have widened.

2. There are eight forward camps in the Eighth Army Area, both mobile and

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static, with a capacity of 4,600, and a smaller one in the Fifth Army area.

3. Main camps are located at Aversa, Capua, Foggia and Naples, the latter having three camps with a holding capacity of 11,000. The main camps on the West have handled 49,000 refugees including about 9,000 since the latest Fifth Army push, have dealt with 91 battle casualties, and treated 4,750 in camp hospitals. Each camp has an infirmary sufficiently large to take care of all except chronic and very serious cases. 10 to 30% of all refugees have been treated for scabies. In these camps there have been 25 births, 11 deaths, 14 weddings, 47 christenings, and many confirmations. 90,000 garments have been issued to about 30,000 persons.

4. Social, religious and educational activities have been instituted in addition to the vital ones of food, medical care, disinfestation, inoculation, registration, etc. There are also work facilities for the refugees; these include baking, shoemaking and tinsmithing.

Comments by the Chief Commissioner: The refugee problem is a big one, and the principal aim is to reduce their number as far as possible. We must either get them back to their families or move them to King's Italy where they will not congest the Army Areas.

Displaced Persons Sub-Commission, Colonel C.B. Findlay.

1. Our biggest influx is from Yugoslavia. We have been getting about 8,000 a month. They are a pleasure to deal with: they never grumble and are very cheerful and willing. We do not keep these Yugoslavs. 27,000 have already been sent to Egypt. We have had this ceiling raised to 40,000 and some will possibly go to North Africa. Last Friday we shipped 600 Jews to Palestine. We had more trouble with them than with the Yugoslavs due to the red tape tied around them by several governments, but the Inter-Allied Governmental Committee on Refugees was very helpful to us. The Jews had a considerable amount of money which they wanted to take with them but this could not be allowed. A receipt was given them which will be redeemable at a rate of exchange to be decided later on.

2. We have a Record Office where we keep particulars of all non-Italians in Italy which will be a help after the war. We have arranged for Red Cross messages to be sent to non-liberated countries.

3. Regarding Welfare, we receive great help from the Red Cross workers. The men have been good, and the women workers are most valuable. The Red Cross has released a quantity of clothing but needles and thread are needed.

4. Our hospitals are doing a good job. Yugoslav nurses are being used to release Allied personnel for other jobs.

5. Regarding the future as we go northward, we shall come upon many internment camps. We have arranged to have these taken over. We will need more Allied personnel to look after them. I believe we could make use of wounded officers sent back from the front to Reinforcement Centers, when they are not being employed.

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Executive Commissioner, Brigadier Lush.

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The Executive Commissioner, Brigadier Lush, said that the Regional Control Section tried to minister to the needs of the Regional Commissioners, the Refugees Branch and the Displaced Persons Sub-Commission, who had spoken that morning. The Section also passed to them the desires and instructions of the various Sub-Commissions co-ordinating this work and ensuring that it was carried out in the field. He expressed the gratitude of the Regions towards the Sub-Commissions who, particularly in the recent phases of the Commission's work, had been most helpful to officers in the field.

Brigadier Lush also emphasized the assistance which was always forthcoming from AAI. As an example he quoted the prompt arrangements made for the transport of 31,000 Italian soldiers from Sardinia to work in the Foggia harvest.

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The Executive Commissioner emphasised the necessity of conducting business through the proper channels. Apart from other reasons it was most essential in the work of the Commission to obtain from the Regions the views of the Italian people themselves. The Italians probably knew better than we what they wanted and what was good for their country and by obtaining information from the field we should avoid imposing upon them legislation or other schemes which might not be proper or suitable for the country. We had to build up from the bottom by knowing what the people needed and desired and what their reaction would be to proposals made by the Commission.

On the establishment side the Chief Commissioner might like to know how the 900 officers in the field were distributed. Figures were as follows:

Region I	-	83 officers.	These will be reduced. Less than 20 of them are Provincial Commissioners, the rest being specialists and financial experts.
Region II	-	70 "	
Region III	-	149 "	
Region IV	-	127 "	
Region V	-	145 "	
Region VI	-	39 "	
Region VII	-	39 "	
5th Army	-	56 "	
8th Army	-	87 "	
Rome Sub-Region	-	177 "	

Our policy was to reduce our strength in Italian Government territory but not so rapidly as would check the smooth running in advisory control. Where Allied troops were present in large numbers either in Military Government or Italian Government territory, there there was need for more Allied officers of the Commission. As the troops moved away, particularly in Italian Government territory, officers could be reduced. This axiom had a general bearing on the distribution of 1270 officers throughout the territory up to the Rimini-Pisa line.

Brigadier Lush stated that the Commission obtained ready help from the G-5 Section AFHQ. 93 promotions for American officers had been approved and more were under consideration, and after considerable delay the promotion of 170 British officers had been approved that morning.

Signor Zaniboni had been appointed by the Italian Government as High Commissioner for Italian refugees. At a meeting the day before Zaniboni had showed that he was fully aware of the apathy prevalent amongst the Italians regarding their own refugees. The High Commissioner appeared ready to start to work and to examine conditions in the provinces with a view to improvement.

In connection with the Displaced Persons Sub-Commission, as well as the Inter-Governmental Committee of Refugees, representatives of the War Refugee Board, Joint Distribution Committee, American Friends Society and the Friends Ambulance Unit had arrived in the territory and were working under the aegis of the Inter-Governmental Committee of Refugees. It was essential to co-ordinate the efforts of all these welfare and relief organizations to avoid confusion and duplication with other organizations such as the Red Cross.

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Rome Sub-Region	-	177 "	

Our policy was to reduce our strength in Italian Government territory but not so rapidly as would check the smooth running in advisory control. Where Allied troops were present in large numbers either in Military Government or Italian Government territory, there there was need for more Allied officers of the Commission. As the troops moved away, particularly in Italian Government territory, officers could be reduced. This axiom had a general bearing on the distribution of 1270 officers throughout the territory up to the Rimini-Pisa line.

Brigadier Lush stated that the Commission obtained ready help from the G-5 Section AFHQ. 93 promotions for American officers had been approved and more were under consideration, and after considerable delay the promotion of 170 British officers had been approved that morning.

Signor Zaniboni had been appointed by the Italian Government as High Commissioner for Italian refugees. At a meeting the day before Zaniboni had showed that he was fully aware of the apathy prevalent amongst the Italians regarding their own refugees. The High Commissioner appeared ready to start to work and to examine conditions in the provinces with a view to improvement.

In connection with the Displaced Persons Sub-Commission, as well as the Inter-Governmental Committee of Refugees, representatives of the War Refugee Board, Joint Distribution Committee, American Friends Society and the Friends Ambulance Unit had arrived in the territory and were working under the aegis of the Inter-Governmental Committee of Refugees. It was essential to co-ordinate the efforts of all these welfare and relief organizations to avoid confusion and duplication with other organizations such as the Red Cross.

In reply to the Chief Commissioner, Colonel Hancock said that the staff in Region I (Sicily) had been reduced from an initial number of about 250 officers, first of all to 160 and now to 83.

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The Conference adjourned at 1245 and re-opened at 1430.

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II -- REPORTS BY INDEPENDENT SUB-COMMISSIONS.

Reports by the Army, Naval, and Air Sub-Commissions are included in the classified supplement to these Minutes.

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Communications Sub-commission, Colonel J. L. Henderson.

1. This Sub-Commission has recently taken over Civil Censorship as a third branch.

2. In Italian Government Territory communications for civilian use have been restored. About 70% of the total number of telegraph offices in Italian Government territory are in service.

3. The civil telephone service is now authorized for calls within provincial boundaries. About 12% of the communes now have telephone service, including all the larger towns. Direct telephone service is available for official use from Salerno to all provincial capitals on the Mainland and to Palermo, Messina, and Catania in Sicily.

4. The following new services have been started:

a. Registered, insured and express letters.
b. Newspaper post.
c. Air mail Italy, Sicily, Sardinia, Tripoli.
d. Maximum letter weight raised from 90 grams to 210 grams.
e. International Red Cross Service.

5. The first inward foreign mail arrived in April and included letters from the U.S.A., U.K., Africa, India, and Australia.

6. The volume of mail handled at Naples is over a million letters a month plus a quarter of a million prisoner of war letters.

7. The Civil Censorship Branch has increased the staff of this sub-commission by about 50 officers and 50 enlisted men. This Branch will cover mail, telegraph, and telephone censoring.

8. During May a policy was decided on by the Chief Commissioner, in agreement with AFHQ and AAI, to turn over the operational control of civil censorship in Italian Government Territory to the Italian Government and simultaneously to permit control to be exercised by the Italian Military authorities. The transfer will be effected next month. The transfer of control to the Italian military authorities is made to place the censorship on its proper basis as an instrument of military security and to avoid any continuance of censorship as a political matter.

9. The Communications Sub-Commission has also gone into the question of releasing accommodations held by the Armies. Many post offices are occupied by troops or offices of the military.

Public Relations Branch, Major L. Fielden.

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Public Relations Branch, Major L. Fielden.

1. Representatives have been sent to Regions I and VI and to 5 and 8 Armies.

2. We have continued the publication of the Weekly Bulletin.

3. The Public Relations Branch notes trends of opinion. The exchange of representatives between the Russian Government and the Badoglio Government brought the entire Italian set-up under review in the Italian press.

4. Cooperation received from some parts of ACC has been extremely good. If the sub-commissions will cooperate we can give a good show in the press. By the middle of May we had a good showing in the Allied press and there were headlines in the New York press saying that ACC was now in capable hands.

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5. News of AMG operations in the front are difficult to get across since cables are limited. However, the press has used many reports from the front recently.

6. A difference is noticed between the British and American press. Here there are only two British correspondents, both well up with Italian affairs. They comment very little indeed. There has been a score on the American side who are up on politics. They write a great deal, filling columns of the American press. We can deduce that the British public is not as interested in politics.

7. The Allied Publications Board has to deal with licensing of papers in liberated Italy. This is a difficult question. We are extremely short of newsprint and there is insufficient censorship personnel. Priorities have been drawn up. Papers which will be given precedence are in three categories; namely, morale papers with Allied news and propaganda, papers for the political parties, and cultural and religious papers. These priorities necessitate having publication centers where the priorities will come into operation and censorship can be done.

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III - ADDRESS BY CHIEF COMMISSIONER, LIEUTENANT GENERAL SIR NOEL MASON MACFARLANE.

The chief event in the political field has been the formation of the new Government including representatives of all six political parties which had previously been in opposition. The new Cabinet is pulling together well but has hardly had time to prove its strength. The new Government has been quite well received in Rome and Northern Italy.

The King will transfer his powers to the Crown Prince when the Allies reach Rome. It is hoped that the badly needed political truce will now continue, and it is also hoped that political structures available in Rome will further strengthen the matter.

The new Government has taken over all obligations to the Allies of its predecessors. It has collaborated well with ACC. The price of wheat was settled in close collaboration with the Italian Government. We shall be able to find out, through trial and error, any adjustment that may be needed. No efforts will be spared to get the best amassi possible. A large number of people, including the Church, has been preaching this to the public.

The unfortunate results of an interview given by the Crown Prince to the TIMES threatened at one time to produce friction and injure harmony, but both sides agreed quickly and sensibly to let the matter drop.

Since the last meeting, a great deal of work has been done in preparing for the coming harvest, and equal efforts have been made in getting ready to follow up the Armies so that ACC can take over and carry on when new regions are reached.

One of our headaches is the threat of inflation, which has been gradually growing. The Anti-Inflation Committee is now reaching the end of its work, and will produce shortly its recommendations to end this menace.

It is our job to run Italy and give our Governments the picture from the Italian angle. From our angle it is becoming increasingly obvious that the primary means for encouraging the amassi and the harvest, and the solving of a large number of our major difficulties is to increase the food ration.

With regard to our internal administration, we must have cooperation and liaison between the many different units in our large complex organization. The larger and more complex the organization becomes, the more essential it is for work to pass through normal channels, and only in cases of emergency should deviation be made from this policy.

We are glad that Messrs. Murphy and MacMillan, some of the members of the Advisory Council, General Immell, Colonel Spofford, and Mr. Lloyd are present. We are also glad to have our friends from the Red Cross, and we all know just how much we owe them in the field.

IV -- REPORTS BY ADMINISTRATIVE SECTION

Interior Sub-commission, Lt. Col. R.G.B. Spicer

1. The most outstanding event since the last report has been the publication of Royal Decree No. 111. This decree puts local government on a uniform and approved basis throughout Italian Government Territory, and by implementation, which has been effected, will insure that a uniform system is adopted throughout Military Government Territory, thus eliminating various and varying regional orders.

2. In regard to the institution of local government bodies, the progress is slow, but undoubtedly depends upon the personalities of the Prefects and of some Regional Commissioners.

3. Wherever a Giunta Comunale has been established, it has been a success. It is essential that officers of ACC or AMG who say "I can't be bothered with a Giunta--

matter.

The new Government has taken over all obligations to the Allies of its predecessors. It has collaborated well with ACC. The price of wheat was settled in close collaboration with the Italian Government. We shall be able to find out, through trial and error, any adjustment that may be needed. No efforts will be spared to get the best amassi possible. A large number of people, including the Church, has been preaching this to the public.

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3. Wherever a Giunta Comunale has been established, it has been a success. It is essential that officers of ACC or AMG who say "I can't be bothered with a Giunta--I want one man", be firmly instructed to adopt a different attitude.

4. Survey and report tours have been made by officers of the Sub-commission, and observations are being sent to Regional Commissioners.

5. The third course organized by this Sub-commission was held for the purpose of instructing officers in the more intricate details of local government. 43 officers have now attended.

6. A fully cooperative and harmonious working liaison has been established between the new Minister of the Interior and his staff.

7. Every encouragement should be given to the democratic institutions of local government, and those responsible in the field must carry out that program with enthusiasm.

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8. The Italian Government is short of trained administrative officials. A Prefect pool is being formed at the moment, so these officers will be available when wanted in the forward areas. Men will not be drawn from this pool, however, if there is a suitable local man available.

Public Safety Sub-Commission, Colonel A. E. Young.

1. There have been indications of increasing confidence and assertiveness among the Carabinieri and Guardia di Finanza.

2. Replacement centers for Carabinieri personnel have been set up at Bari and Naples. Feeding of Carabinieri and Guardia di Finanza is now satisfactorily settled by provision of either Allied or Italian Military rations. Clothing is the most pressing need.

3. The decree of 6 December was rescinded by the Council of Ministers and no militia will now be permitted to transfer to the Carabinieri.

4. Minister of Interior is making re-disposition of Questori to give the greatest effect, and also making provision for appointments which will be necessary as a result of the Allied advance.

5. Italian Army supplies are not available for Agents of Public Safety. Arrangements are being made for Heavy Workers' ration. First supply of footwear has already been received. Clothing is still needed. Great assistance has been received from Industry and Commerce Sub-Commission in this matter.

6. The prison crisis which was evident at the beginning of the month has now considerably abated. Crimes of violence and disorder are still appreciable but give no real cause for anxiety or alarm. The forgeries in Sicily are of high standard. 58 arrests have been made and the matter is well in hand.

7. For reasons of military security an inter-provincial control of movement in AMG territory has been imposed. The restricted movement may affect economic rehabilitation, but the results even in a short period of operation have been highly satisfactory.

8. Acting in conjunction with the Italian Government, motor vehicle licensing has been standardized. This will facilitate road checks to reduce unauthorized civilian vehicles, unnecessary travel, and improper use of Allied petrol.

Comments by Chief Commissioner:

Asked whether the Carabinieri for Rome were without sufficient clothing, Gen. Browning said that all possible was being done to provide clothing for them, and the remedy was in the hands of the Carabinieri, who must get their clothing factories working. If they could not supply their own needs, we should have to furnish them with battledress.

In reply to the Chief Commissioner's query, Colonel Young stated that he hoped there would be some Carabinieri in Rome whom we could employ.

Public Health Sub-commission, Brigadier G. S. Parkinson

1. There have been no deaths from the smallpox epidemic. The vaccinations have all been "taking", thus showing the general susceptibility of the population.

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Public Health Sub-commission, Brigadier G. S. Parkinson

1. There have been no deaths from the smallpox epidemic. The vaccinations have all been "taking", thus showing the general susceptibility of the population.

2. Malaria is one of the greatest problems we have to face. We have in Naples a first class malaria control unit, and we are fortunate in having members of the Rockefeller Foundation. The work being carried out is on the control side and the experimental side. Good results have been obtained is using DDT powder as a larvicide instead of Paris Green. Pumping work is being carried out and an allocation of planes has been obtained for use in spraying breeding places. Posters have been printed to help inform the public. The Pontine Marshes constitute a hazard, but restriction on the movement of population would help. In a recent test, it was found that 50% of the population are potential carriers of malaria.

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3. Venereal disease control is still not satisfactory. In Naples, 2000 hospital beds for prostitutes care for about 3500 a month. The problem among troops is one for unit control which military authorities should take up.

4. Medical supplies are coming in well except for some articles. It is hoped that two laboratories will be functioning in Naples shortly.

5. Sanitary conditions in towns have improved beyond our expectations.

6. The great difficulty is transport. Ambulances are needed to evacuate sick and wounded from the front areas.

7. Personnel is desperately short. Italians have been helpful, and Italian medical officers are being employed.

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The report by the Legal Sub-commission is included in the classified supplement to these Minutes.

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Education Sub-commission, Lt. Col. F. V. Smith.

1. Little has been carried out with respect to requisitioning, but more is being done about finding outside rooms, and doubling or trebling shifts of classes. In Avellino Province, there has been experimentation with tents as school houses.

2. Our collaboration with the new Minister of Education has been satisfactory. The Ministry is approaching its problems seriously and energetically. It is moving to lift the Fascist ban against foreign professors, to complete the work of defascistization in the schools, and to strengthen the school system from bottom to top.

3. There have been student strikes against lengthening of the school term in Sicily. The Minister is determined to improve educational standards. He complains that our own publicity overplays student demonstration, and stimulates into articulate exhibitionism a perfectly natural but otherwise unexpressed student uneasiness.

4. Inspection visits to Calabria and Sicily have been made. Classes were visited in many schools, and school officials were engaged in earnest discussion of two main problems; the completion of a card file on defascistization, and the compilation of dependable statistics on school plants, school attendance, school administration, etc.

5. Much experimentation has been going on in AMG Region III in the field of youth and adult education.

6. The distribution of text books is now complete. While we have not been able to print all required, the 200,000 distributed have made more than a dent upon the pressing need. We now approach the task of printing more than a million during the summer, and a supply of good quality paper has been received from the U.S.A.

834

Property Control Sub-commission, Lt. Col. C. R. Harris.

1. The Italian Government has passed a decree abrogating the application of [illegible] property of Governments and Nationals of the United Na- [illegible] of the same

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Property Control Sub-commission, Lt. Col. C. R. Harris.

1. The Italian Government has passed a decree abrogating the application of the War Law of 1938 to the property of Governments and Nationals of the United Nations and France. Arrangements have been made for a formal distribution of the same to the owners, and in their absence, to the Property Control Sub-commission. This decree will be published in a few days, and it will be applied to Military Government Territory.

2. Financial arrangements have also been agreed, under which the Italian Government will advance such monies as are required for the maintenance of United Nations and French properties.

3. Real properties will continue to be managed by the banks appointed for

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this purpose, under the direction of the Property Control Sub-Commission.

4. Relations with the Minister of Finance have been admirable. He appreciates that the property of foreigners in Italy must be properly treated.

Monuments & Fine Arts Sub-Commission, Major E. T. de Wald

1. Administrative

a. Pamphlets of Protected Monuments in Italy, Nos. 1 and 2 have been distributed. There were many demands for these in Sardinia and Liberated Italy. During last week List No. 3, Lazio, Abruzzi and Molise were distributed to the Fifth and Eighth Armies. List No. 4, the Marches, Tuscany and Umbria has just come off the press.

b. Liaison with MAAF established. MAAF has requested information and lists. Lt. Hart went to Sardinia for the editing of information concerning air-damage in enemy occupied Italy from air-photographs. An air-damage file has been set up.

c. Liaison with Italian Officials. We have held fortnightly meetings with officials of the Italian Government concerning preservation of monuments and art treasures.

2. Activity in the Field. Major Newton reported on the condition of the Monte Cassino Abbey. Two officers were sent to the Fifth Army, one for the field and the other for Rome.

Comments by Chief Commissioner: All appreciated the issuance of the Guide to Rome and Lists of Monuments for the Services.

Vice President, Administrative Section - Air Commodore The Rt. Hon. The Viscount Stansgate

1. Air reconnaissance photographs reveal the condition of a city as the Germans retreat and can prove if damage was done by the Germans themselves. The Air Force crews are willing to risk themselves in order to have places of artistic value marked on maps. This consideration for the preservation of art treasures is something new in the history of warfare.

2. It was with pride that the Administrative Section contributed to the work described by Lt. Col. Brister and Group Captain Benson.

3. We work in close collaboration with the Italian Government, in order to show our confidence in them to pave the way to the day when Italy will govern itself.

4. Everywhere there are welcome signs of recovery.

V — REPORTS BY ECONOMIC SECTION.

Industry & Commerce Sub-Commission, Colonel W. Evans.

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V — REPORTS BY ECONOMIC SECTION.

Industry & Commerce Sub-Commission, Colonel W. Evans.

1. Survey of the utilization of the industrial resources for:

a. Products needed by the Allied forces. A considerable contribution has been made in the production of industrial gases. Various hemp products include canvas, rope, twine, and sacks. There has been some cement production, and engineering materials have been allocated to the Services.

b. Products needed to meet essential civilian requirements.

(1) After food, fertilizer is one of the most essential civilian

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requirements. It is being produced in Sicily.

(2) Textiles and shoes. Requisitions for Regions I to VI were submitted to, and passed by G-5, AFHQ, but it is not known if they will be supplied.

(3) Fabrics. Arrangements have been made to repair Army uniforms, but there will be only about 100,000 available by the end of the year. Cotton cloth manufacture can be stepped up. Requisitions for raw cotton have been submitted. There are some stocks on hand, and some is being imported.

(4) Footwear. The lack of shoes is more critical than that of clothing. A great number went into the black market. The draft of proposed legislation to control the situation was submitted to the Italian Government; in the meantime, all leather has been blocked. A request for 500,000 shoes as immediate essential requirement has been made to AFHQ. As a temporary expedient, we have organized a factory to repair shoes. We cannot get more leather which is badly needed.

(5) Glass. No coal could be supplied for the manufacture of glass.

(6) Paper. There is no possibility of making paper in the available factories without cellulose.

(7) Tires. The tire situation is serious. No local resources are available, and importation of tires is imperative.

(8) Other essential civilian requirements produced or about to be produced are tobacco, soap, and matches.

c. Products needed by the United Nations such as almonds, argols, bergamot oil, citric acid, cadmium, lemons, oranges, sulphur, and wines have been exported to the value of approximately L. 400,000,000.

Comments by Chief Commissioner: A Factory Coordinating Committee with the Services is being established.

Labor Sub-Commission, Colonel J. R. Bain

1. During the month our main energies have been directed to labor disputes, allegedly impending stoppages and the consequent examination of wage structures to ascertain what are the facts in each alleged grievance. Reasonably satisfactory progress has been made.

2. The answer on the labor front is food, not wages. A general increase in wages will merely inflate the cost of commodities that are available.

3. Unfortunately, we find that whenever workers ask for an increase, even [illegible] officers, under pressure, urge, "Give them something." The result is that the [illegible] of being the only body to say "No."

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2. The answer on the labor front is food, not wages. A general increase in wages will merely inflate the cost of commodities that are available.

3. Unfortunately, we find that whenever workers ask for an increase, even ACC officers, under pressure, urge, "Give them something." The result is that the Labor Sub-Commission has the appearance of being the only body to say "No."

4. Always there is the implied threat of a strike. I don't believe we will have a strike, and even if we did, it would not last, and perhaps a trial of strength is necessary. We cannot continue to raise wages because of pressure.

5. The Italian is good at "back door" methods, often the easy way; but he should be stopped and made to face the facts honestly.

6. There is an absence of respect for the authority of the Italian Government.

7. The answer is more food. There can be no general increase in wages. The food position is improving.

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8. A few examples of what we have found may be of interest, and help indicate that things are not as they appear on the surface and that there appears to be sabotage of our effort to preserve the economy of the country:

a. Always the "base wage" is quoted, but there is in addition Temporary Increase, Family Allowances, and about 54 Indemnities.

b. L. 1000 loan when told NOT to; 150% increase on one indemnity; British officer 'approved' wage increase on his own.

c. Wholesale upgrading to get into higher wage group; 'forgetting' important elements in wage; 'forgetting' advances in kind repaid at ridiculously low rate; 70% on each item NOT on total.

9. We must not go to Rome with a mental or actual precommittment of wages higher than the Army scale. The ration, it is believed, will be the same; only after a period of trial will examination of the wage situation be considered.

Comments by the Chief Commissioner: The work of the Labor Sub-Commission is one of the most difficult and thankless jobs to carry out.

Regarding the increase of food, this matter is more important than currency, inflation, and labor wage problems.

The Chief Commissioner stressed working together as a team. This crops up frequently in the work of the Labor Sub-Commission, because people are apt to forget that we have one authority to control labor and wage questions, and quite naturally there is a tendency to deal with these questions as they arise. The proper court is to consult the Labor Sub-Commission before deciding them. This applies mostly to the Services, who should work in close collaboration with this Sub-Commission.

Agriculture Sub-Commission, Lt. Colonel W. A. Hartman.

1. Agriculture.

a. Crop condition. Better than average. Field observations indicate that with continued good weather we will have higher than normal yields and a bumper crop.

b. Amassing. Progress in establishing organization and amassing machinery is well in hand. Six Royal Decrees will soon be passed for the blocking of crops on farms. Necessary forms are being distributed to the field as rapidly as they come off the press. People's Granary, Bulletin No. I, released on 12 May, contains a summary of suggestions which may be helpful to RCs and PCs. Bulletin No. II contains an outline of action taken in Matera Province, to ensure the collection of a maximum amount of wheat.

c. Sacks, Binder Twine and Warehouses. Every effort is being made to locate all available sacks and allocate them according to the needs. Supplies of binder twine are being shipped to the most important wheat production areas as

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d. Other Agricultural Supplies. Copper sulphate, ammonium nitrate, rope, bailing wire, super phosphate, and other farm supplies have been allocated.

2. Fisheries.

a. Thirty tuna nets have been placed in position in the waters adjoining Sicily, Sardinia, and the mainland. A preliminary estimate of the catch of tuna is between 1500 to 2000 tons.

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b. Arrangements have been made for a schooner service between Palermo and Naples for importing surplus tuna to Naples. The first ship should arrive on June 5th.

c. 175 fishermen from the Island of Procida have been transferred to the Calabrian coast to increase the catch of fish for consumption in Naples. A minimum of 500 qtls. should reach the Naples market each week following May 27.

d. The Allied Flag Officer for Western Italy has authorised fishing with lights 1½ hours before sunrise and from dusk to 1½ hours after sunset in the Gulfs of Naples and Salerno. Night fishing has also been authorized off the coast 15 miles south of Salerno to Reggio. This will result in a considerable increase in production.

3. Forestry.

a. A coordinated fuel wood and charcoal production and distribution plan has been prepared to eliminate the present competition.

b. Following a conference with the Ministry and with key Italian Forestry officials reorganization of the Royal Forestry Corps and the development of a coordinated timber harvest and sawmill program will take place to meet civilian and military needs, especially for constructional timber.

Food Sub-Commission, Colonel W. J. Legg.

1. General statement of Food Situation. Arrangements have been made for the importation of supplies and the forwarding of food to the Eighth and Fifth Armies. Plans have been laid for the supplying of Rome. The overall situation is satisfactory, and represents about 30 to 40 days supply for the whole of occupied Italy.

2. Plans for Distribution of Grain from Surplus to Deficient Areas. Distribution problems are increasing. We are ensuring an adequate supply of flour for harvesters. We are constantly in touch with Eighth and Fifth Armies to ensure their immediate supplies and to make plans for the opening up of advance supply depots.

A twenty days supply for Rome has already left. It includes flour and other foods, hospital comforts, and a large supply of incidentals such as matches, soap, milk, and coffee. Further supplies will be sent forward in accordance with the Rome supply program.

3. New Ration Scale - Heavy Workers. A new heavy workers ration scale will operate from the first of June and will eliminate the difficulties in regard to the heavy workers rations. All workers directly employed by or for the Armed Forces including public utilities workers, foresters, and firemen, will receive increased rations.

882

The ration of pasta in the "A" Scale is 100 grams a day for heavy workers. This will be increased to 113 grams. On the "B" Scale a ration of 50 grams of pasta a day is permitted. In this way the division between the Army workers and the non-Army workers is maintained.

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Through rationing and enforcement measures we are cooperating with Region III to reduce the number of forgers and counterfeiters. There has been a reduction from 15 to 7% since May.

4. Ration Cards - Progress Report. Plans have been laid to build up a record of persons entitled to bread ration cards. This is being prepared by the Regional Commissioners and the information will be available by 15 June. We will be able in time to issue a national ration card.

Plans have been laid for the movement of grain during the forthcoming

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harvest and details will be circulated to the Regional Commissioners.

There is a good number of sacks in the hands of the Provincial officials. They were frozen at one time by the Food Sub-Commission but have now been released for the harvest.

Comments by the Chief Commissioner: Asked by the Chief Commissioner, Colonel Legg said that an adequate supply of milk would be available for the children of Rome.

Public Works & Utilities Sub-Commission, Lt. Colonel L. A. Jenny.

1. Military Highways. Military highways and bridges are being reconstructed throughout occupied Italy. We have been directed also to take over military highways in Sicily and Sardinia. An extensive requisition has been made for highway construction equipment from the United States. Considerable difficulty is experienced in financing projects, and at times money is not available to pay contractors.

2. Rates for Utility Services. Considerable progress has been made. More applications for rate adjustments for gas, water, and electric companies are expected as soon as the Decree permitting increases in Italian Government Territory has been passed.

3. Electricity Rationing. Local Boards have been set up in accordance with the Italian Decree, working under the general supervision and direction of this Sub-Commission. The problem of further rationing with the movement forward of our Armed Forces is being given consideration.

4. Power Line to Rome. Several hundred men are at work on the reconstruction of this line, following the Armies as closely as possible. Field supervision of the work is under direction of PBS, with an electrical officer of this Sub-Commission to assist. Any apparatus designed for 150 volts alternating current would not function in Rome, since they use a different voltage.

5. Assignments to Regions. An effort has been made to assign Public Works and electrical engineers to Regions where required.

6. Inspections. The new Minister of Public Works and the Director of this Sub-Commission made an inspection trip through Sicily. Visits were also made to Region V and Region II to settle certain important outstanding military problems.

7. Malaria Control. We are cooperating with the Malaria Control Branch of the Public Health Sub-Commission.

Finance Sub-Commission, Colonel E. H. Foley.

1. As part of the reconstitution of the Italian Cabinet on 21 April, Lt. Colonel Guido Jung resigned as Minister of Finance and was replaced by Ing. Quinto Quintieri (non-party), president of the Bank of Calabria, and Dott. Antonio Pesenti, Communist Party, a former professor of Economics, jailed by the Fascist Government in 1934, has been appointed Under-Secretary. These officials have shown themselves to be very cooperative.

2. Colonel Grafftey-Smith, Joint Director of Finance Sub-Commission, and

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2. Colonel Grafftey-Smith, Joint Director of Finance Sub-Commission, and Colonel Crawshaw, Chief Accountant, recently returned from London, where various problems in connection with accounting for funds and supplies were discussed.

3. In order to coordinate ACC policy in the field of inflation control, the Chief Commissioner has appointed the Allied Anti-Inflation Committee with the Deputy Chief Commissioner as Chairman. This Committee, which includes Mr. Harold Glasser of the U. S. Treasury and Mr. E.M.H. Lloyd, the British Financial Adviser in the Middle East, is reviewing all current anti-inflation measures and will make recommendations.

4. Progress has been made on revisions of taxation measures and on the preparation of the budget for the next fiscal year.

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5. Detailed financial plans have been laid for the occupation of Rome. The Ministry of Finance and the Banca d'Italia have designated representatives who will proceed to Rome and, under the orders of the Senior Finance Officer, Fifth Army A.G, aid in maintaining continuity in bank operations and control. The central records of the Finance Ministry, the central bank, and the Exchange Control Institute will be safeguarded.

6. The personal remittance system is functioning smoothly and at the present time it is estimated that payment orders amounting to more than 300,000 dollars have been issued by U. S. Banks and 3,000 pounds by the Bank of England to the Italian banks responsible for making payment to the designated payees in Italy.

7. A new form of counterfeiting appeared last month in Region I. The gang was arrested and plates, press, and notes seized.

8. The competent Italian Ministries have agreed in principle to the employment of the Magazzina Generali as the agency to handle and account for civilian supplies in Region III.

Transportation Sub-Commission, Lt. Colonel L. E.Vining.

1. Railways. Military control on the mainland and in Sardinia is still maintained. Since 1 April the responsibility for the operation of Bari Division was taken over by the Italian State Railways. Technical personnel however still continue operation in the Ports. The volume of civil freight traffic again shows an increase.

A revised system of securing rail transportation has been issued for ACC and civilian traffic in order to:

a. simplify rail movement;
b. maintain a stricter control of consignments;
c. ensure that no unauthorized traffic is moved.

2. Road Transport. 604 British and American trucks were made available to the various Regions and A.G.

The Italian Government will shortly standardize, by Royal Decree, all road haulage tariff rates in Italian Government Territory. Another Royal Decree will bring all civilian vehicles into Regional and Provincial pools under penalty of confiscation. It is anticipated that through the Consorzies, all civilian trucks will be brought under control and be available for transportation of essential supplies under ACC direction.

881

3. Schooners. Movements by schooner have increased but it must still be regarded as an unreliable means, although the tightening of control should improve matters. A new scheme formulated by MEDBO for the operation of schooners is now awaiting final approval.

The DSTO retains a prior call on all schooners and it appears doubtful if many will be available for civil movement as rail devastation in forward areas is likely to cause an extra call for schooners.

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The amount of movement required to and from Sicily and the mainland is such that it appears coastal schooners will have to be kept to a minimum.

Shipping Sub-Commission, Mr. Ian Campbell.

The main item of interest has been the appointment of Lt. General Matteini as Head of the Italian Merchant Marine replacing the former Minister who was removed at the suggestion of the Shipping Sub-Commission.

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Schooners. The number of schooners available has a total capacity of 39,000 tons. The cargo carried by this fleet will reach a total of 31,000 tons. The actual chartering of the schooners will be handled by an Italian Government agency, which will help bring about a better cooperation of the schooner fleet as a whole.

Schooner traffic tends to help the black market, but the permit system as a control is helping to arrest this traffic, and the transportation of unauthorized persons is also coming under control.

Deep Sea Vessels. These are generally in a poor condition with the exception of those which were trading at ports not in the Mediterrancan. They are being repaired by us and put back into service.

During the past month two Italian tankers and one passenger vessel have been placed under Allied control, having been released from Portuguese ports. There are eight more to come from Spain. They should be released soon, as the crews have reached Gibraltar to man them.

Schooner traffic between Sardinia and Naples will begin soon.

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Vice President, Economic Section - Colonel D. S. Adams (for Hon. Mr. Henry Grady)

1. With the occupation of additional areas the Regions must be adequately staffed with the necessary technical officers; this because of the ceiling established for total officer personnel. It is necessary that we call forward from longer established Regions, officers to staff the new Regions. This will require numerous changes of assignment. A complete and correct file of all our sub-commissions' personnel and their respective assignments is maintained by Headquarters Economic Section. Changes of assignment must be worked out with the Sub-Commission concerned, the Establishment Branch, and cleared with the Regional Commissioner. Every effort is being made to cooperate with the interested parties in order that these changes will create the least disturbance and in order to make the best use of our limited number of officers.

2. A development since our last meeting has been the establishment of a Coal Division, which has been placed in Transportation Sub-Commission; this for the reason that the importation and distribution of coal was handled by a subsidiary of the Italian State Railways, which are under the jurisdiction of the Ministry of Communications, with whom the Transportation Sub-Commission deals on various matters. This division is now engaged in working out a plan with the Italian Government for the development of a civilian organization that will be competent to take over and handle the importation and distribution of coal. This Coal Division will become the agency that eventually will screen all of our coal requirements and deal as an ACC agency, direct with AFHQ on these matters. This should ensure much greater consideration being given to coal requirements for essential industries.

3. Trucks are limited in number and too much importance cannot be placed on the matter of maintenance. Trucks have to be allocated to the various Regions on the basis of their real needs only. In forward areas a splendid job is being done in getting truck loads of food into towns, many times within a few hours after their capture. However, it is still necessary that we maintain the fine record made in clearing our supplies promptly from Naples port, as well as other ports, and transport must be continued in other rear areas for the distribution of supplies and the handling of the coming harvest. This means that equipment presently assigned must be utilized to its fullest capacity and in double shifts. More trucks are coming but recent cables do not yet give us definite arrival dates.

4. The matter of price control has not been touched on, as it is one that is not exclusive to any of our sub-commissions, but is handled by the Price Group of the Economic Section. This group is made up of specialist officers of the several sub-commissions involved, together with Mr. Wadleigh of the Economic Section. In addition to the matter of routine price matters, this group developed much information and material needed in recommending a price for wheat and now have the responsibility of establishing the prices of other grains and pulses which must be related to the price of wheat. These prices are being worked out in cooperation with the Ministry of Agriculture, so that the prices may be correlated closely in all Italian territory. The Minister of Industry and Commerce, and the Minister of Agriculture, have agreed to set up a price office in order to collaborate with our price group in this work. The price of wheat established is one that will give the average producer not only his cost of production, but a substantial profit besides. When compared to the price of wheat in various other producing countries, it will be realized the producer is being paid a substantial price. The price is

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Comments by Chief Commissioner: It is necessary to establish a level for prices, and as wheat is the first large commodity and due for amassing soon, the price at 1000 lire per quintal will be the base for the fixation of prices for all kinds of consumer goods.

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VI -- DEPUTY CHIEF COMMISSIONER, CAPTAIN ELLERY W. STONE, USNR.

1. The detailed explanation of the many problems of this Commission has been so complete during this Conference that any remarks of mine would seem to be a duplication of effort.

The basic problem before us is the question of increasing the daily ration, not only because of the physical needs of the people and our own responsibility due to our promises, but because it is and must be the keystone to the prevention of runaway inflation, like that which occurred in Germany after the last war. It must be prevented here, and the steps we take may well serve as a guide to similar efforts in other countries of Europe.

In my opinion the daily ration must be increased.

2. We have now had four of these conferences. Even the severest critic could not help but see that material progress is being made by this Commission, but much as we have accomplished, we are only just under way. We have many problems ahead, but our experience will make our performance there even better.

On behalf of the Chief Commissioner I want to thank all of you for sitting through this Conference and for your contributions.

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The Conference adjourned at 1820 hours.

Robert E. Doe

ROBERT E. DOE
Major, A.G.D.
Secretary General

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3 - 5 Army AMG
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Dep. C. C.

SECRET

HEADQUARTERS ALLIED CONTROL COMMISSION

APO 394

:: S E C R E T ::
:: Auth: CC, ACC ::
:: Date: 3 June 1944 ::
:: Init: ::

SUPPLEMENT TO MINUTES OF MONTHLY CONFERENCE ---- 30 MAY 1944

Army Sub-commission, Major General Langley Browning

1. The Army Sub-commission is an agency set up by direct order of the Combined Chiefs of Staff with the functions of re-organizing and rehabilitating the Italian Army, and providing and accounting for supplies issued to the Italian Armed Forces (Navy, Army and Air) by the Allies.

2. Proposals have been put forward to C.C.S. by Gen. ALEXANDER, whereby the Italian Army will amount to a total strength of 341,170, sub-divided into:

Combat Div in the line	14,100
10 I.S. Divs, distributed over Italy, Sicily and Sardinia	101,200
Troops employed by the Allies (Labor Bns, Port Dets, etc.)	180,000
Central Italian Administration	45,870

3. A single ration scale for all Italian troops is to replace in due course the "basic" and "combat" scales.

4. An establishment for the A.S.C. has been put forward to permit a central directing headquarters, a liaison staff with major Italian formations, and an executive and liaison staff to supervise the issue and accounting for supplies to the Italian Armed Forces. This has not been approved and we are still 11 officers and over 100 men short, despite having a large number on loan.

5. The reorganization and rehabilitation of the Italian Army is a very complex matter due to numerous factors:

a. the best troops are either PW's, or north of the present line.
b. the standard of Italian efficiency is lower than normal.
c. a large percentage of the available Italian troops are in Sardinia, and shipping is short.
d. the pre-war Italian Army was organized on an area basis, and therefore, many depots, data, and files are in German hands.
e. industry is mainly in the North, and this affects clothing, boots and equipment generally for the Italian Army.
f. communications are difficult, due to their comparative lack in this mountainous country, and priority of transportation for the Allies.
g. transition from an enemy to a co-belligerent status is unprecedented.
h. graft, corruption, and nepotism was rampant for many years with the Fascist regime.
i. the Italian conception of producing efficiency and raising morale is very far below and very different to Allied standards.

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6. We are tackling all this in three ways:

a. by exercising pressure on the Italian military authorities to put their own

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Army, and providing and accounting for supplies issued to the Italian Armed Forces (Navy, Army and Air) by the Allies.

2. Proposals have been put forward to C.C.S. by Gen. ALEXANDER, whereby the Italian Army will amount to a total strength of 341,170, sub-divided into:

Combat Div in the line.....	14,100
10 I.S. Divs, distributed over Italy, Sicily and Sardinia.....	101,200
Troops employed by the Allies (Labor Bns, Port Dets, etc.).....	180,000
Central Italian Administration.....	45,870

3. A single ration scale for all Italian troops is to replace in due course the "basic" and "combat" scales.

4. An establishment for the A.S.C. has been put forward to permit a central directing headquarters, a liaison staff with major Italian formations, and an executive and liaison staff to supervise the issue and accounting for supplies to the Italian Armed Forces. This has not been approved and we are still 11 officers and over 100 men short, despite having a large number on loan.

5. The reorganisation and rehabilitation of the Italian Army is a very complex matter due to numerous factors:

a. the best troops are either PW's, or north of the present line.
b. the standard of Italian efficiency is lower than normal.
c. a large percentage of the available Italian troops are in Sardinia, and shipping is short.
d. the pre-war Italian Army was organized on an area basis, and therefore, many depots, data, and files are in German hands.
e. industry is mainly in the North, and this affects clothing, boots and equipment generally for the Italian Army.
f. communications are difficult, due to their comparative lack in this mountainous country, and priority of transportation for the Allies.
g. transition from an enemy to a co-belligerent status is unprecedented.
h. graft, corruption, and nepotism was rampant for many years with the Fascist regime.
i. the Italian conception of producing efficiency and raising morale is very far below and very different to Allied standards.

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6. We are tackling all this in three ways:

a. by exercising pressure on the Italian military authorities to put their own house in order and make the fullest use of their own resources,
b. by backing them up in every possible and legitimate way, and
c. by advising them of our views as to what they must do to make their Army "in fact effective", and thus worthy of the issue of supplies from Allied sources.

7. There is little contact and comradeship between officers and men. There is little thought of welfare, amenities, and good living conditions for the troops. There are many officers who are not suitable as leaders in a modern army. This is inevitable when promotion is by seniority, NOT merit; and when cadets for commission are chosen by influence, birth or financial status, without regard to ability, character and powers of leadership.

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6. Things are sorting out gradually; the Italians are cooperating according to their own lights, and there is an abundance of good-will among the Allies to solve all problems.

Comments by Chief Commissioner: General Browning was asked whether there were any signs of epuration. The reply was, "No." It was felt that some might be needed at the Military Academy among the cadets, who were under the Fascist regime.

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Naval Sub-commission, Commodore I. M. Palmer

1. Work of this Sub-commission has been carried on at Taranto during the past six weeks.

2. The Italian fleet has been carrying out patrolling, convoy, and troop-carrying duties. Submarines are employed on training duties.

3. 7000 men are employed at the Taranto dockyards. The Franco Tosi shipbuilding works employs about 3000 men. The lack of boots and clothing has caused a reduction of working parties by about 25%.

4. Since the 8th of September, 1943, the following Allied ships have been refitted with major repairs: 1 cruiser, 28 destroyers, and 110 minor craft. Refits to Italian ships have included 12 cruisers, 14 destroyers, 28 torpedo boats, 24 submarines, and others. The best record is the number of ships docked which total 449, consisting of 110 Allied warships, 72 Allied merchant ships, 228 Italien warships, 15 Italian merchant ships, and 24 Italian submarines.

5. Two 880 ton floating docks are at present being built in the Franco Tosi Shipyard, who also carry out a large amount of incidental repairs for the Allied Military, for railway engines, and the production in bulk of certain spare parts for landing craft.

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Air Sub-Commission, Air Vice Marshal W.A.B. Bowen-Buscarlet.

1. The Italian Air Force has continued to support the Allied war effort.

2. The Fighter Wing has been employed on offensive sweeps on the Dalmatian Coast. With the beginning of the land offensive in Italy the operational control of this unit passed from the Desert Air Force to the 242 Group. During April 215 operational sorties were carried out and up to the 26th of May 290. Results have been good, damage having been inflicted on rolling stock, M/T, barges, schooners, and small craft.

3. The Bomber Transport Wing during April flew a total of 150 sorties on supply-dropping missions in Yugoslavia and Albania. A net total of 149 tons of supplies were dropped. Bad weather conditions in the Balkans have hampered supply dropping this month. A severe blow was received on May 14 when 5 Cant 1007 aircraft were lost and two others severely damaged in a surprise attack by enemy aircraft. In spite of this the morale of the Cant crews is unshaken. Due to the difficulty in keeping the long-range fighters serviceable, it has been decided, for the present,

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4. The Seaplane Wing continues to carry out very valuable work as part of the Mediterranean Area Coastal Air Forces. U-Boat hunts, convoy escort duties and air/sea rescue are their main duties. In addition there have been many sorties for courier services, anti-aircraft cooperation and parachute dropping exercises.

5. Future operations will be limited by our ability to maintain our rather elderly aircraft in serviceable condition. The Prime Minister has said that the Italian Air Force will be reinforced with British aircraft. It was thought that Allied aircraft was meant.

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6. The maintenance and equipment aspect of the I.A.F. shows ~~a slight improvement~~, but there is still the "go slow" element in the Italian Air Ministry whose inefficiency and red-tape hamper the operational side. Requisitioning of Air Force property still goes on. Usually it is the British Army which does this.

7. The labor dispute at the Alfa-Romeo works has been settled. The Sanita Works at Benevento has staged a remarkable recovery, and will eventually be the main I.A.F. fighter repair base.

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Legal Sub-commission, Colonel G. R. Upjohn

1. Since the last meeting, 24 spy cases have been reviewed at Hq, ACC:

a. 12 spies were sentenced to death and conviction confirmed.
b. 6 were sentenced to death and conviction commuted.
c. 2 were sentenced to imprisonment.
d. 1 was sentenced to imprisonment, but sentence was quashed.
e. 3 were found not guilty.

2. Other cases in Naples have shown a decrease due to increased activity of Naples Courts, and arrangements have now been completed for transfer of all curfew, speeding, and prostitution cases to Italian Courts.

3. In Italian Government territory, the Chief Commissioner's policy remains the same - that only exceptional cases will be tried by AMG Courts.

4. There is a big accumulation of cases in Sardinia. The situation has improved substantially since 19 additional judges have been provided.

5. The situation in Bari is not very satisfactory. A special committee of representatives from the Legal Sub-commission and the Ministry of Justice is now at Bari to consider ways and means of improving the position.

6. The Court of Cessation has been set up at Salerno and will be ready to move to Rome on short notice.

7. Relations with the new Minister of Justice and his staff are good. The Epuration Decree providing for the punishment of Fascists has been their greatest work this month. They have personnel ready for Rome, which it is hoped will be adequate in the early stages of occupation.

8. The Italian Military Courts are very short of personnel, but it is hoped that arrangements will soon be made for the repatriation of PW's to act as judges.

9. The revision of general orders dealing with labor relations and other economic matters is in hand.

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Robert E. Doe

ROBERT E. DOE
Major, A.G.D.
Secretary General

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Deputy Chief Commissioner

324.604
23 Apr 1944

HEADQUARTERS ALLIED CONTROL COMMISSION
APO 394

RED/dfc

SC 321

22 April 1944

MEMORANDUM TO: All Concerned

SUBJECT: Classification of Conference Minutes

The matters contained on pages 7 and 9 (Section II A, B, and C), Reports of the Navy, Army and Air Sub-Commissions, in the Minutes of the Monthly Conference of 21 April 1944 are classified as "SECRET" and will be so treated by all holders.

For the Chief Commissioner:

ROBERT E. DOE
Major, A.G.D.
Secretary General

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File/Lon

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Dep. Chief Com.

HEADQUARTERS ALLIED CONTROL COMMISSION
APO 594

MONTHLY CONFERENCE 14 APRIL 1944

The Conference was opened at 0930 hours by the Chief Commissioner, Lieutenant General Sir Noel Mason MacFarlane, who welcomed the Regional Commissioners, guests, and members of the Advisory Council. General MacFarlane pointed out that the Commission is still suffering "growing pains" in the third month of its present incarnation, but stated that he is quite pleased with the manner in which the problems are being sorted out and tackled. Sincere appreciation was given for work well done, both in the Regions and at Headquarters, which show that the organization has begun to pull together as a team.

The Chief Commissioner commented that the Commission was a sort of "Cinderella" in its present position; some people had written considerable criticism of us. He stated that constructive criticism would be very gladly welcomed. A fitting end to the Cinderella story would be in the glass factory at Venice.

In closing the Chief Commissioner pointed out that the conferences gave the Commission a chance to get tabloid expression of problems and the ways ACC was trying to deal with them.

I. REPORTS BY REGIONAL CONTROL AND MILITARY GOVERNMENT SECTION.

A. Regional Commissioner, Region I (Sicily), Lt Col A. N. Hancock.

1. There has been considerable activity in the Region.

2. Marshal Badoglio visited Catania and Messina in order to institute Mascetto as High Commissioner. His earnestness and sincerity impressed everyone wherever he went; it is thought he stands a good chance of becoming the "grand old man of Italy." Signor Reale was also a visitor to Sicily.

3. It is noted that the Separatist movement is not dead. Now that there is freedom of speech and press, it is necessary to frame a policy in regard to the future of this movement.

4. Dr. Fano, Minister of Telecommunications and Posts, visited the Island. Communication has been extended to the Mainland and is operating between all communes. Since 16 March Sicilian railways have been devoted to civilian transportation. Repair of railway between Catania - Messina and Messina - Palermo is recommended. This would relieve Messina from its semi-isolation.

5. Regarding the distribution of food, the black market supply is low. Allotments of wheat are erroneous, since they are based on reports that 50% of the population grow their own, whereas only 17% are engaged in agriculture. It is recommended that the monthly allotment of wheat to Sicily be increased and price of bread raised, which would improve the present situation. The present low price is maintained by a subsidy which seems impossible to maintain because of lack of tax income. A slight rise in the price of bread would not entail hardship, and would enable the

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5. Regarding the distribution of food, the black market supply is low. Allotments of wheat are erroneous, since they are based on reports that 80% of the population grow their own, whereas only 17% are engaged in agriculture. It is recommended that the monthly allotment of wheat to Sicily be increased and price of bread raised, which would improve the present situation. The present low price is maintained by a subsidy which seems impossible to maintain because of lack of tax income. A slight rise in the price of bread would not entail hardship, and would enable the subsidy to cease.

6. Crime and public safety show slight improvement in spite of several uprisings. A plea was made to Interior Sub-Commission to give juridical powers under Italian Government to Public Health, Public Welfare and Public Safety Institutions formed by AMG together with an assurance of continuation.

7. The collaboration of sub-commissions was requested to assure closer cohesion between Ministries and High Commissioner for Sicily. Ministries have been communicating direct with the Prefects.

8. The Ministries have been duplicating public officials; that is, making appointments when AMG nominees were already in office, which is contrary to the terms of transfer.

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9. The Italian press has been encouraging displaced nationals to register for eventual return to previous domicile in Tripolitania, Cirenaica, and North Africa.

10. A Royal Decree suspends for 1944 State exams for doctors, veterinary surgeons and other professions but allows candidates to practice. This was noted as a dangerous practice.

11. Sulphur exports to U.K. for the month have been 10,000 tons.

12. The first group of refugees numbering 1,034 reached Syracuse during the Easter period.

Comments by Chief Commissioner: The Chief Commissioner referred to the question of central organisation with High Commissioner stating that he had spoken to Marshal Badoglio who is in favor of carrying on as formerly with AMG. General MacFarlane also asked about the disturbance connected with French troops in Trapani. There was nothing further to report at the time on this matter.

B. Regional Commissioner, Region II (Southern Italy), Lt Col G. H. McCaffrey.

1. The situation is unsatisfactory. Popular opinion is still strongly with the Allies but against the Badoglio Government. The people will neither cooperate nor help; they only do so because of our support.

2. In Matera Province the prosecution of several cases was necessary in order to force the amassing of grain. Often instructions from the Ministries will vary thereby giving excuses for delay in work.

3. There are three groups of subversive Fascists in the Region, but it is believed they are being successfully dealt with by police and counter espionage agents.

4. The Minister of the Interior has undertaken to remove three AMG Prefects, and he has also shown his desire to reinstate Fascist Prefects.

5. Regarding de-Fascistization the following removals have been made: 13 in Bari, none since December in Brindisi, none in Lecce, 50 in Taranto. After much hard work in removing Fascists under AMG, the Ministries have been putting back in office one by one those removed under AMG. This is bringing complaints from the Italian population. The Fascist youth organisation GIL is being revived, only it is now called GI.

6. Policing is in good order, there having been but few disturbances and no violent ones.

7. The 200 gram bread ration has been retained; medical supplies have been coming in good and hospitals functioning well.

8. While the refugee situation has been improving, Italian families object to more people being pushed in on them, and there is further objection from the refugees themselves as to their families being split up. Good reception centers are functioning in several provinces. Morale has rapidly improved.

9. The crop situation looks very encouraging. The wheat crops should be favorable if proper rainfall is forthcoming. It is important to decide now on a

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9. The crop situation looks very encouraging. The wheat crops should be favorable if proper rainfall is forthcoming. It is important to decide now on a policy in regard to amassing of wheat.

Comments by Chief Commissioner: The Chief Commissioner commented on the gloomy Fascist picture painted by Colonel McCaffrey by stating that it was the Advisory Council appointed by the Moscow Conference which suggested that the portion of Southern Italy should be handed back to Southern administration. It is ACC's job to make it run in the best possible way. General MacFarlane further pointed out that the Communist Party's acceptance of the Badoglio Government may help the present attitude toward this government by broadening its base.

Colonel McCaffrey, when asked what could be done to help this gloomy picture, replied that the broadening of the base of the government as soon as possible and the cleaning out of Fascists now in office would serve this end.

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General MacFarlane t[illegible] asked that all the Regional C[illegible]issioners should bring any such cases to his attention immediately so that they might be taken up with Marshal Badoglio for consideration by the Italian Government to get the desired action.

C. Regional Commissioner, Region III (Campania), Lt Col C. Poletti.

1. ACC/AMG have been doing a very fine job with progress made in all fields. There have been no disturbances of any kind; even in politics there is no state of discontent. The policy of the Chief Commissioner to allow the Giunta party meetings has proven very valuable. The people now have the sense of being able to express themselves.

2. Cleaning up garbage has been facilitated by 60 trucks now working in Naples alone, which places the city in much better shape. Constant pressure is placed on the Italians to improve the situation. 5,000 drums have been obtained for distribution throughout the city for collecting refuse and garbage.

3. Satisfactory progress has been made in public works with improvements on roads, streets, side walks and sewers.

4. The most urgent problem is that of the "black market." A reorganization of distribution of AMG food has taken place and we are now using our own transport to take food from docks to district warehouses. The police have been strengthened; individually they now have a greater appreciation of their jobs. Some of the head racketeers have been pulled in and it is hoped to bring about prosecution and sentences speedily. "Out of bounds" signs which have been dealt out in cooperation with PBS have given good results. A price list which is restricted to essential goods is to be made up for the Italians. In the communes citizen squads have been started with efforts to make the people feel that honesty can be achieved.

5. A fishing agency has been established and 5 Italian commissioners appointed. Markets have been opened and prices for fish will be fixed. Fishermen are at present opposed to this action, because it will mean a lower price for fish.

6. An attempt has been made to improve transportation.

7. The "battle" is still being fought against other regions. It is felt necessary at times to issue permits to persons so they may enter other regions to bring food into Naples. Attention of other Regional Commissioners was invited to the fact that there is quite a concentration of the population in Naples.

8. It is needful for the Italian Government to give some direction on agriculture and also on welfare. Will there be an amassing system? Millions of lire are being spent on welfare. It is desired that a program be given.

9. Colonel Poletti believes the Fascists are being cleaned out, but states they they require careful watching to keep them from coming back.

Comments by Chief Commissioner: The Chief Commissioner explained that pressure has been put on the Italian Government to get directives on agriculture, but no such directives have been obtained. If no such directives are forthcoming in the very near future, severe pressure will be brought to bear. The Agriculture Sub-Commission also needs this cooperation.

General MacFarlane expressed his appreciation for the splendid work done by ACC

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875 General MacFarlane expressed his appreciation for the splendid work done by ACC together with PBS, No. 3 District and Base Sub-Area in connection with the Vesuvius emergency operations. The job was rapidly and efficiently done.

D. Regional Commissioner, Region V (Foggia & Campobasso), Colonel F. L. Whitley.

1. This Region was activated only about two months ago. This is the first report of activities.

2. The political situation is quite satisfactory, with political agitators causing only a little disturbance. The people in general stand by the turn of war; but the masses are apathetic, living from day to day. Some are seeking political advantage. One incident arose in which a political meeting of 9 March at Bari was called without notifying the Regional Commissioner. Through this occasion a vice-

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sindaco lost his post. Another case was noted where Carabinieri were endeavoring to round up absentees without permission. Military police have assisted the Carabinieri greatly. It is found they have to be watched when on their own.

Activity of the Bonito Brothers has caused several political disturbances. There was one incident at Gargano when District 2 had cut off electricity without advising the people. When a pasta factory could not turn out its product the Bonito Brothers endeavored to organize a riot. Colonel Whitley asked that in the future notification be given of any intended cut-off of utilities to avoid recurrences.

3. Regarding the food situation new ration cards are being instituted. Supply of olive oil is inadequate. Meat prices are sky high. People in the agricultural areas are to be reduced to a proper quota. 90% of the communes have 80% of the people engaged in agriculture, or 72% are thus engaged.

4. Forestry is underway on the Gargano Peninsula. A company of New Zealanders is at present logging for military purposes. There is a forest guard party to see that regard is given to conservation.

5. Herds of deer have been destroyed by Air Corps units on hunting parties.

6. Potatoes are being planted; some are spoiling due to lack of transport. Grain planting has been completed to about 90%. It is planned to amass 40% in Foggia Province and 18 to 20% in Campobasso and other provinces. 20,000 sacks are needed as well as the necessary twine in order properly to amass the grain. Care will need to be exercised by stencilling to see that the bags do not get into the black market.

7. Inland fisheries are being developed as well as the sea fishing industry throughout Foggia Province. A tariff is placed on fish exported to keep from robbing the local markets, since fish command a far higher price in other localities. Fishermen need nets and cordage. At present most of the fishing is carried on in sailing schooners. More people who have power schooners should be encouraged to enter into the fishing business.

E. Regional Commissioner, Region VI (Sardinia), Brigadier H. Carr.

1. The general situation is satisfactory. There is a lack of transportation and tires for vehicles. Too many Italian troops are still in Sardinia. Political situation is satisfactory.

2. Food situation has improved. Stocks of flour have enabled us to set up warehouses out in the provinces. The shortage of olive oil is very much felt. A consignment is on the way from the Mainland.

3. On the legal side, the civilian courts are to be reconstituted. Major Palmieri from ACC has been working on this project. 35 more judges are required. Over 5,000 cases are awaiting trial by military tribunals. The number is piling up. Detention prisons have been overcrowded. Situation has been improving somewhat.

4. With reference to industry and commerce, lack of transportation has been a severe handicap. No progress has been made in obtaining small vessels for inter-island trade. Six small schooners which are lying idle in port of Cagliari have been requested. Night fishing is to begin, and if this increases the fish intake there will be a need for more transportation.

5. Wheat is in good condition with but slight damage from cold. A need exists for sulphur and fertiliser.

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4. Forestry is underway on the Gargano Peninsula. A company of New Zealanders is at present logging for military purposes. There is a forest guard party to see that regard is given to conservation.

5. Herds of deer have been destroyed by Air Corps units on hunting parties.

6. Potatoes are being planted; some are spoiling due to lack of transport. Grain planting has been completed to about 90%. It is planned to amass 40% in Foggia Province and 18 to 20% in Campobasso and other provinces. 20,000 sacks are needed as well as the necessary twine in order properly to amass the grain. Care will need to be exercised by stencilling to see that the bags do not get into the black market.

7. Inland fisheries are being developed as well as the sea fishing industry throughout Foggia Province. A tariff is placed on fish exported to keep from robbing the local markets, since fish command a far higher price in other localities. Fishermen need nets and cordage. At present most of the fishing is carried on in sailing schooners. More people who have power schooners should be encouraged to enter into the fishing business.

E. Regional Commissioner, Region VI (Sardinia), Brigadier M. Carr.

1. The general situation is satisfactory. There is a lack of transportation and tires for vehicles. Too many Italian troops are still in Sardinia. Political situation is satisfactory.

2. Food situation has improved. Stocks of flour have enabled us to set up warehouses out in the provinces. The shortage of olive oil is very much felt. A consignment is on the way from the Mainland.

3. On the legal side, the civilian courts are to be reconstituted. Major Bolmieri from ACC has been working on this project. 35 more judges are required. Over 3,000 cases are awaiting trial by military tribunals. The number is piling up. Detention prisons have been overcrowded. Situation has been improving somewhat.

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5. Wheat is in good condition with but slight damage from cold. A need exists for sulphur and fertilizer.

6. Crime has increased, especially robberies and thefts, full reports of which have been rendered.

7. Preliminary arrangements have been made for taking 10,000 refugees if there is an emergency.

8. Health situation is satisfactory, however there is an increase in prostitution and venereal disease. All available medical supplies have been distributed to the provinces and there have been complaints about shortages. It is hoped that this situation has been dealt with.

9. Throughout the month of March transportation with the Mainland was sus-

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pended.

10. There is need for a policy in regard to emassing.

Comments by Chief Commissioner: General MacFarlane remarked that the Shipping Sub-Commission could let the Conference know about the six schooners at Cagliari.

F. Eighth Army AMG, Gp Captain C. E. Benson.

1. No political problems. AMG Eighth Army has been undergoing a period of reorganization. Adriatic Coast in Campobasso Province now divided in control. Provinces of Benevento and Naples are still under administrative control of Region III. Only operation orders from Army bring AMG Eighth Army into the picture. The Northern Coast is severely handicapped as Allied Forces have not captured provincial capital.

2. Food situation is satisfactory. There is a railhead and food can be distributed by our own trucks. There is one tendency which has been noted on which help is needed from ACC; namely, warehouses have been threatened with requisitioning for billeting purposes. These warehouses will be needed at harvest-time for storage of crops.

3. No report can be given on health, disturbances or public safety. All is going along well.

4. In Campobasso Province the food supplies are going to be built up. Stocks in Aquila have been built up with food for one month for 40,000 people.

5. A new Prefect is needed in Campobasso Province.

6. With reference to transport, we are at present lucky to have 50 trucks which were handed over by the Army. When AMG moves on it will be difficult for Campobasso to feed itself. The availability of these trucks is vital.

7. There is nothing to report concerning Benevento and Naples Provinces except labor prices. It has been found difficult to get the necessary labor to work on bridges and roads which the Army requires because of the excessive prices in provinces.

8. The campaign against disease is a troublesome problem now. Places are being cleaned up, but we are desperately short of doctors.

G. Fifth Army AMG, Brigadier General B. E. Hume.

1. Some AMG personnel of Fifth Army were reassigned to Eighth Army accompanying the military units transferred from one army to the other.

2. Arrangements were made with Region III for their administration of those communes in the rear of Fifth Army area (between rear Corps and rear Army lines); this to include anti-malarial work.

3. The wholesale evacuation of civilian population from the Anzio-Nettuno Area was a considerable undertaking. Care was taken to safeguard labor requirements and the cattle in the area.

4. Casualties of AMG personnel in the beachhead area have been: 3 officers wounded, one enlisted man disabled by wounds and shortly to be evacuated to the United States. Four Carabinieri were killed. Our supply depot was destroyed by shell fire

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G. Fifth Army A&G, Brigadier General E. E. Rume.

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4. Casualties of A&G personnel in the beachhead area have been: 3 officers wounded, one enlisted man disabled by wounds and shortly to be evacuated to the United States. Four Carabinieri were killed. Our supply depot was destroyed by shell fire and we have been bombed out of three separate headquarters.

5. In regard to Carabinieri affairs it was again brought out that Carabinieri must be kept for Rome. The 200 Carabinieri taken, in spite of protests, for permanent assignment to Sicily, have been ready to depart for more than a fortnight, but are still without orders.

6. It is suggested that some arrangement may be made whereby a part of the livestock (chiefly sheep) from the Anzio-Nettuno Area be brought out for use as food. The evacuation of the bulk of the civilian population greatly increased the problem of caring for these sheep. The Moslem troops of the French Expeditionary Corps are very desirous of having fresh mutton made available, and have their own facilities for slaughtering, etc.

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7. Recent changes have reduced the commissioned personnel of AMG Fifth Army to about 25.

8. Movements within the Fifth Army area are being closely checked by military police. Civilians are evacuated from the most forward zone. Behind this is a second zone in which civilians are allowed to remain, but unauthorised movement between towns and villages is prohibited. In the rest of the Army area the 10 kilometer rule applies. In general civilians are not permitted to go north of the Volturno River. A special control officer at Capua issues passes in exceptional cases. All military personnel having official business in the forward areas should hold passes from their commanding officers stating the dates on which visits are authorized and for what purpose. The town of Sessa Aurunca is out of bounds, except to pass holders.

9. A military court is sitting at Santa Maria to try cases of espionage and sabotage. So far 24 persons have been tried and 22 found guilty.

10. Food supply for Rome is to be taken forward in ships made available by G-4, Fifth Army, for the period of the Fifth Army's occupation of the city. We expect to unload all of the schooners in which we now have food stocks.

Comments by Chief Commissioner: General MacFarlane assured General Hume that it is realised that Carabinieri are needed for Rome, and he expressed the hope that they will be returned promptly when Rome is reached.

H. Refugee Branch (Italians), Lt Col L. R. Mills.

1. From 1 March to 14 April it has been necessary to move 21,000 refugees from forward areas and disperse them in Southern Provinces. This included 11,000 from the beachhead. The refugees have been made up of 15-20% men, 30-35% women and 50% children. They have been moved by lorries or by LCI's and travel has been hard. Losses among the 21,000 were 5.

2. a. Whilst the majority during March went to Region II, some have gone to Region I and III. As few as possible are being sent to Region II this month or next, which will give them a chance to digest those already sent.

b. Regions II and III are having considerable difficulties in absorbing their quotas, due to the numbers and movements of troops in their areas. They will only be able to absorb maximum numbers in the future, by working in closest contact with sub area commanders, who now know the general situation and have been directed by their district commanders to assist, and by house to house billeting.

c. Region I has set about this problem with far greater thoroughness than anywhere else. In conjunction with District 1 and IRS they have made extensive reception and dispersal plans for large numbers.

d. Movement by sea to Sicily commenced last week. 1,000 were embarked on the MARIGOT on April 5th and a further 750 on the 11th. The first voyage was made without difficulty.

3. Real troubles for refugees commence when they arrive in reception areas and are dispersed in communes. In general the Italian authorities have failed to look after these people, whose condition in certain places is deplorable. It is intended to leave no doubt in the minds of Italian Ministers that this responsibility is theirs. We recognize their difficulties, the main one being food, and intend to [illegible] to think that we are assuming their burden. People don't

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Comments by Chief Commissioner: The Chief Commissioner stated that we are now doing our best to set the Italian Red Cross on its feet, which would help the refugee problem.

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I. Displaced Persons Sub-Commission, Colonel R. G. Kirkwood.

1. This Sub-Commission deals with all displaced persons and refugees except Italians, mostly with Yugoslavs. The type of Yugoslav has changed during the last month or so--previously they were received from Dalmatia but are now coming through the German lines. The latter are mostly orphans, women with children and old men and women. Refugees are now in such a condition as to require more medical attention. 90 orphans were received on one ship alone. There are two orphans' homes started at present.

2. Higher headquarters estimated that the Yugoslav refugee problem would cease. There were 4,500 per month in February and March. During the first week of April 2,000 were received. They are not kept in camps. We have moved 16,249 Yugoslavs to Middle East, and of these approximately 5,000 were moved during March.

3. Organization of Sub-Commission is still on insecure foundation.

4. Method of feeding, source of feeding and accommodation stores are problems.

5. There are two hospitals at present with 100 beds in each occupied all the time. Red Cross has rendered valuable welfare and nursing assistance. There has been some support from the army, but they have been taking personnel away. Yugoslavs, Czechs, Poles and Italian Army doctors are being trained to carry on the work.

6. With reference to accommodation stores, the ACC has set up no means of supplying. Army initially supplied these, but they are becoming less and less a source of supply and we will have to make our own arrangements. We have helped ourselves as much as possible but will need some assistance in the matter of material.

7. The ration is inadequate for small children, nursing mothers, etc. This is helped somewhat by hospital comforts. The Army does not consider it their job, thus the Italian subsistence ration is all that they have to fall back on. This is a problem to be dealt with by ACC. The numbers are not great compared with the rations supplied to the Army, therefore it is not a problem of taking food from the Army.

8. It is believed that the refugees should be repatriated when possible and sent home, or they could be sent to other communities and given a chance to start life on a new footing.

Comments by Chief Commissioner: The Chief Commissioner asked whether there were able bodied Yugoslavs coming over who were capable of service in General Tito's Army. Colonel Kirkwood replied that such men were being trained and returned to Yugoslavia.

J. Executive Commissioner, Brigadier M. S. Lush.

1. The reports by Regional Control and Military Government Section were concluded by Brigadier Lush, who stated that the picture given at this Conference is better than the one given at the last. This was attributed to the fact that the officers had obtained a grip of their jobs and also to the easing of the food situation. The grave difficulties are in regard to transportation, especially in distribution of food. The favorable crop forecast points to one ready for the

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2. The problems in the forward areas at the moment are simpler than those in liberated Italy. Direct government is easier than advisory control. There is an inevitable slowing down when the Italian Government takes over. ACC with allied officers in charge and with their resources can do much more than Italian officials who are acting under orders of a Government which itself is in no easy position and who find themselves in difficult circumstances. It is a difficult task for Regional Commissioners in liberated Italy, not only to prevent themselves entering too much into the executive form of government but also to persuade Italian officials not to lean on them too much. Italian officials must be encouraged to take initiative. The situation is easier in the Islands where there are High Commissioners than in the Mainland where Prefects are answerable directly to the Govern-

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ment.

5. Experiences gained in liberated Italy would be invaluable to AMG in forward areas. It would be a help in the future in handing over Regions to the Italian Government.

4. It is very necessary to maintain close and constant contact between Headquarters and Regional Commissioners. This is brought to the attention of heads of Sub-Commissions in all aspects of their work. Headquarters also ought to know what is happening in the Regions, particularly so in the case of the Administrative Section which deals with the local government problems.

5. The Chief Commissioner had decided that Region II would be divided into two parts. Calabria would form a new Region VII. Apulia and Lucania would comprise the new Region II.

6. 309 officers had been sent to other theatres. It is hoped that there will be no further calls for officers.

7. Lists of promotions for officers (both American and British are to be submitted to the Chief Commissioner in the course of the next few days.

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A recess was called at 1125 and the conference reopened at 1140.

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II. REPORTS BY INDEPENDENT SUB-COMMISSIONS.

SECRET

A. Navy Sub-Commission, Commodore I. N. Palmer.

1. The Italian fleet during the last six months has employed 502 ships on patrol work and transporting troops from North Africa to Naples. All reports have been satisfactory. Particular praise is due to Italian sub-marines for running in food and supplies to troops during Agean operations, while under constant bombing. Most are now employed on training duties.

2. It has been asked why so many men have left the Italian Navy. At the present time Italian officers and men are relieving our personnel starting in Sicily and working North. We are asking that they relieve us of some of the work in the port of Naples. Admiral Morgan has asked the Minister for a detailed report, after which answers to personnel questions can be given.

3. There has been some ill feeling in regard to food and pay for those doing hard labor who feel they are not on the proper status. Colonel Bain of Labor Sub-Commission has promised aid in this matter.

4. Another problem is that the Italian Navy is getting short of clothing and boots. A supply has been requested.

B. Army Sub-Commission, Brigadier C. C. Duchesne.

1. Major General L. Browning is now in the process of taking over the Army Sub-Commission.

2. Ration ceiling was reviewed at conference between Chief Commissioner and Hq AAI on March 31; and recommendations for future strengths include Security [illegible] and Guardia di Finanza. If approved,

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2. Ration ceiling was reviewed at conference between Chief Commissioner and Hq AAI on March 31; and recommendations for future strengths include Security Police and Fire Bde in addition to Carabinieri and Guardia di Finanza. If approved, this will raise the ration ceiling to 557,000, compared with current authority for 500,000 and actual present strength 480,000.

3. Since 25 March AMGOT has supervised the issue of all Allied supplies shipped direct for Italian Armed Forces to the Mainland. In Sardinia and Sicily the Allied Garrison is at present supervising these issues, and AMGOT is organising the accounting through Hq ACC. We should like now to initiate liaison between AMGOT Supply Supervisors at the various ports and those of Food Sub-Commission. The supply situation has crystallized the question of how many troops are to stay in Sardinia and how many to come to the Mainland.

SECRET

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4. On the mainland Allied Armies now have 75,000 of the Italian Army under their command including 9,000 combat troops; the programme is to build this up to 194,000 including a combat division of 14,000.

The Italian Army is calling in all illegal absentees of the 1923 class plus all illegally absent motor drivers; it will continue one class at a time until all are in control.

5. With reference to Sardinia, shipping ceased but is now starting again. Practically no Italian Army troops have been brought across to the mainland during the past month, but Italian warships are now re-commencing to transhp ten thousand per month. Of the garrison in Sardinia 20,000 are working for the Allies. 5,000 Italian Yugoslav soldiers are in the process of transfer to Corsica for airfield labour under the Allied garrison there.

6. In Sicily the Hq 12 Italian Corps commenced formation in Palermo in mid March. It is carrying out a census of the inclusive 1912 to 1924 age classes who are legally liable for service and will then ask for permission to call them up within the ration ceiling.

C. Air Sub-Commission, Air Commodore W.A.B. Bowen-Buscarlet.

1. There has been a continuance of operational work in the war effort. The Fighter Wing has been employed in offensive sweeps with good results along the Dalmatian Coast under the operational control of the Desert Air Force. Long range fighters have been used to give escort to I.A.F. supply dropping aircraft over Yugoslavia. The Bomber Transport Wing has been employed in dropping supplies to Partizans and Italian troops in Yugoslavia and evacuating wounded. The Coastal Wing has carried out convoy escort duties, anti-submarine patrols and air-sea rescue flights. The number of sorties carried out by each of these to date has been 1,520 for the Fighter Wing, 1,300 for the Bomber-Transport Wing and 741 for the Coastal Wing.

2. With the advent of fine weather it is hoped to work up to an aggregate of 1,000 sorties per month. Between 1st and 5th April there have been 44 supply dropping sorties, of which 37 have been successful, and 51 tons net of supplies have been dropped.

3. The maintenance and equipment position is not satisfactory. There is no proper organisation for dealing with either. Energetic steps are now being taken to put these on a proper basis. The success of these steps will depend to a great extent on the payment of civilian firms working for the I.A.F. for work carried out since the Armistice. At present the Italian Government is being extremely dilatory in making these payments, and some firms may have to close down temporarily for lack of funds.

4. A total of 10,265 I.A.F. personnel are now on loan to the Allied Air Forces. The U.S.A.A.F. has taken up by far the greater proportion of these. It is satisfactory to note that they are giving excellent service in all branches. Since future demands may prejudice the operational capacity of the I.A.F., it will be necessary in the future to reserve the right to recall those required for I.A.F. duties when this becomes essential. Technical personnel are urgently needed. There are a number of highly skilled technicians in Sardinia and also in North Africa. It is important to get the maximum number of technical personnel that can be obtained from all sources.

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5. Further in regard to maintenance, we must have full access to all salvaged Italian Air Force material. There is a need for stronger orders to prevent further requisitioning of Air Force equipment.

6. A total of 515 I.A.F. Arditi personnel have been trained as a "Commando" battalion equipped with rifles, automatic rifles, machine-guns, and light mortars. They should be fit to do a combat job very shortly.

7. It is believed it would help to give a little more publicity to the good work being done by the Italian Air Force.

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D. Telecommunications & Posts Sub-Commission, Colonel J. L. Henderson.

1. Internal telegraph service has been restored in and between all ten provinces of the mainland and all provinces in Sicily. There is service in Sardinia too, but no outlet from Sardinia, except for official traffic.

2. Telephone calls are limited to urban calls except for officials.

3. Work being handled at present includes the following:

a. Extension of internal telegraph service to include Naples, Avellino, Benevento, up to rear Army boundary.

b. Resumption of civil calls within provincial boundaries up to the same line.

c. The question of resumption of external cable service has been raised.

d. Repair of the main Salerno - Reggio cable is proceeding; when complete, this will give official telephone service with Catanzaro, Reggio, etc. and with Messina, Catania, and Palermo.

4. The internal and foreign mail service has been extended to include Naples and Avellino provinces up to the rear Army boundary. The extension into Benevento Province is in hand. Other special services have been worked out for the Vatican, I.R.C.C., Italian Prisoners of War, and to Italians in occupied territory.

5. Other activities have included correspondence with Military Signals over freeing of circuits for Italian Government use, and restoration of Naval and Coast Watching circuits; correspondence with civil censorship; analysing and submitting to Economic Section proposed rates for telegraph, telephone and postal services, arranging for supplies of stamps from U. S. for Italian Government; supervising Allied Control Commission communications.

E. War Materials Disposal Sub-Commission, Colonel J. T. Zellars.

1. This Sub-Commission's work is with War Materials Disposal and War Factories.

2. In Sicily the turn over to the Italians of war materials in excess of Allied needs is progressing. As regards the Western half of the Island it is about 95% complete, and the Eastern half is not so far advanced. On the Mainland and in Sardinia the turnover continues as the tactical situation permits.

3. From available statistics and reconnaissance it was found that in Sicily prior to Allied invasion there were 60 factories producing war materials or essentials therefor. Of these 60, twelve are now producing in whole or in part either directly or under Allied supervision or by service troops themselves. Twelve to fourteen were completely destroyed by war. The remainder are producing from nothing to very little--these are mostly small factories without raw materials.

4. It was since the last Conference that this Sub-Commission has acquired the additional responsibility of War Factories. This term applies only to Italian manufacturing plants in three general categories.

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c. The question of resumption of external cable service has been raised.

d. Repair of the main Salerno - Reggio cable is processing; when complete, this will give official telephone service with Catanzaro, Reggio, etc. and with Messina, Catania, and Palermo.

4. The internal and foreign mail service has been extended to include Naples and Avellino provinces up to the rear Army boundary. The extension into Benevento Province is in hand. Other special services have been worked out for the Vatican, I.R.C.C., Italian Prisoners of War, and to Italians in occupied territory.

5. Other activities have included correspondence with Military Signals over freeing of circuits for Italian Government use, and restoration of Direct and Coast Watching circuits; correspondence with civil concerning; analysing and submitting to Economic Section proposed rates for telegraph, telephone and postal services, arranging for supplies of stamps from U. S. for Italian Government; supervising Allied Control Commission communications.

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4. It was since the last Conference that this Sub-Commission has acquired the additional responsibility of War Factories. This term applies only to Italian manufacturing plants in three general categories.

a. Italian War Factories operated directly by or under direct supervision of Allied Forces.

b. Italian War Factories operated directly by or under direct supervision of the Italian War Ministry.

c. Italian War Factories (Auxiliaries) operating in the production of War materials under supervision of Italian War Ministry.

5. On the Mainland the factories are nearly all used for the maintenance and repair of our own materials and equipment. The use of these factories is unsatisfactory.

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III. Address by Chief Commissioner, Lieutenant General Sir Noel Mason MacFarlane.

General MacFarlane commented on the political situation as being brighter than at the time of the last Conference. Then there was the threat of a strike by parties of the Left with reference to the Prime Minister's speech. After several discussions with the leaders involved, they called off the strike and held a public meeting of protest instead.

The Communist Party changed its policy and agreed to work with the Government of Marshal Badoglio. There had been little change in the 6 parties otherwise. The main objection had been the King. The King had recently crystallized his present intentions and the reaction of the parties to his declaration is awaited. The question is whether the other parties will follow the lead given by the Communist Party or hold out for further action from the King. The lead by the Communist Party is to be warmly welcomed by us. These parties have had no constitutional method of achieving their aims, which has kept the threat of strikes and disturbances before us.

The end in view is a broader-based government as the greater the representation of the people the more they will pull together for the common cause. With the present action of the Communist Party and the statement of the King we are much nearer the goal of broadening the base of the Government.

The Chief Commissioner greeted the Advisory Council members who were present. Now that these representatives are resident in Naples we shall have the benefit of their local advice in connection with political problems.

General MacFarlane expressed his regret at the departure of Colonel McCaffrey, Brigadier Ducheene and Air Commodore Foster. A welcome was given to Air Commodore Bowen-Buscarlet, new Director of the Air Sub-Commission. There have been other changes in the high positions in ACC. Brigadiers Dunlop and Carr have changed positions. Colonel Kirkwood would take over the new Region VII. Displaced Persons Sub-Commission would be taken over by Colonel Finlay.

A welcome was also given to General De Sevin, French Representative with the Commission.

We are now approaching our ultimate ceiling in officer personnel. This ceiling represents the number with which we must tackle the whole of Italy. It will not be increased no matter how far forward we go through Italy. There will be no reinforcements. This makes it necessary to get the country sorted out as we go forward and to ensure that the Italians are capable of taking over as we go forward. Then our own personnel can be taken from the rear areas to new fields. It is hoped that the changes and transfers of the past few months will now become considerably less; however, this does not mean that a person will be permitted to be "stuck" in a job, or in an undesirable location. To prevent this periodical reviews of appointments will be made.

There is still scope for improvement in contacts between Regions and Headquarters. It is desired that people should get out from Headquarters, and on the other hand, visitors from Regions will be welcomed here.

General MacFarlane reminded the Commissioners again of the way in which ACC works. As we go forward we begin activities in territory with the AMGs of the Armies. This is followed up by Regional Military Government and when the time is ripe, and the Advisory Council approves, the territory is handed over to the Italians and ACC assumes advisory functions. It is essential to train the Italians, as we do not have the manpower to run the show. The time to clean up Fascism is during the AMG period. Things must be sorted out, Fascists must be sacked and the right Italians must be

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The Regions will normally "stay put" when control passes to the Italian Government. Personnel will be reduced in numbers and functions will be advisory. This advisory job will become easy or difficult depending upon the executive period under AMG.

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F. Public Relations Branch, Major L. Fielden.

1. The Public Relations Branch was officially established on April 1st. During January and February Major Fielden was the only PRO with ACC though there were five PROs attached to Regions III, IV and Fifth Army HQs. Regional PROs have now been abolished and the officers assigned to this branch at Headquarters ACC.

2. During March representatives of 42 newspapers or newspaper syndicates consulted this Public Relations Branch and were supplied with the information and services they required. Interviews were arranged with members of ACC as requested. Twenty-six press releases on various aspects of the Commission's work were handed out. A Press Conference was convened on March 10. Arrangements were worked out for supplying regular news to the papers controlled by the PWB. The Allied Publications Board on which the PRO sat as a representative of ACC was reorganized and Local Boards were set up to deal with applications to publish.

3. Owing partly to the reorganization of ACC and partly to the lull on the battle fronts a growing interest was shown by correspondents and this interest should soon be reflected in the Allied press.

4. A weekly resume to Regional Commissioners of ACC activities has been started in an attempt to bridge some of the present gaps in relationship. It is hoped to produce a regular ACC Journal about the work of ACC, the need for it being found in the fact that there is a great deal of expert detail which is liable to get by-passed.

5. Major Fielden pointed out that the PRO is sometimes regarded as being without closely defined functions. It is one of the main activities of this Branch to see that the press gets the correct information, improper information being one of the chief causes for abuse in the Allied press. In order to get an accurate and comprehensive picture of the whole work of ACC to the press it will help greatly if every scrap of news regarding developments is obtained quickly.

6. Public Relations work had been concentrated at Headquarters, but in the near future men will be sent out into the Regions to get in touch with the activities there.

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The morning session of the Conference adjourned at 1215 hours.

The afternoon session opened at 1430 hours.

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The Chief Commissioner stated that he did not think that Headquarters and the Regions are yet working as smoothly as they might. This is due very largely to lack of conception on the part of some people as to what is required, also lack of practical experience. On technical questions the Sub-Commissions will deal direct with Regions and Provinces in the field. When it comes down to operational directives, these must go through Regional Commissioners. They must know what is going on in order to coordinate the work. Two things must be avoided, namely, (1) working too much in water-tight compartments and (2) delay in office procedure. The "pending" trays should be abolished.

In closing the Chief Commissioner remarked that probably all realize, from this Conference and the last one, the complexity and number of tasks which the organization must face. He expressed his appreciation for the good efforts and work done to solve these complex problems.

IV. REPORTS BY ECONOMIC SECTION.

a. Industry and Commerce Sub-Commission, Colonel J. Evans.

1. A stage of advancement from survey to actual rehabilitation has now been reached which necessitates co-ordination with Services for mutual integration of salvage program, cannibalization and restoration.

2. A visiting Commission from C.C.C emphasized the importance of relief of skilled labor shortage in US and UK. Shipping space is no longer the sole overriding consideration. Importation of raw materials is preferable to manufactured products. Cloth and leather, needles and sewing thread are needed from abroad.

3. Local Resources Boards have continued excellent cooperation from Local Resources Section, HQ, AFHQ (Adm. Sch) but it is clear that Local Boards in Sicily and Sardinia require definite policy directives to prevent confusion. Director and Joint Vice Chairman are proceeding forthwith to Sicily for this purpose.

4. Some of the achievements can be enumerated as follows:

a. 78 industrial plants have now been surveyed including many of major importance and a report on heavy industries is now in the printers' hands.

b. Caustic soda is now actually here and cigarette paper is en route. Thus soap and tobacco industries are being reactivated.

c. The screening of the requisitions for the next six months entailed considerable work. The items numbered 1745 varying from sphygmomanometers to riveting hammers.

d. Export program is now being rapidly developed from mainland.

e. Sulphur and coal program from Sicily and Sardinia respectively has been continued but coal output has been limited by AFHQ orders.

5. The various problems at present are:

a. Lack of transportation, especially the tire situation, is bad. The instructions issued by C.C.C. and MRS for requisitioning tires have proven impossible to observe in practice.

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c. There has been no quota of Regional Personnel determined for Industry

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b. There has been no quota of Regional Personnel determined for Industry and Commerce functions. At Headquarters there is an acute shortage of translators, the services of the interpreters and translators pool being inadequate.

B. Labour Sub-Commission, Colonel J. H. Reid.

1. A final draft of a Royal Decree, which is in essence a Magna Carta for Italian labor, has been completed, and is now being submitted for acceptance. This is the combination of long months of experience and study with the Italian Government, Italian labor, and the results of AMG/AC administration. This document, when issued, may well stand as a lasting monument of Allied Occupation, and should be broadcast to other nations in the Axis sphere as concrete evidence of our aims and purposes. This will be followed by a further decree giving trade unions a charter setting forth their rights, privileges and restrictions.

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2. The past month has shown that too frequently we meet with non-cooperation. Problems have been handled at too low a level. It is of the utmost importance that the Labor Sub-Commission definitely and actually be recognized as the principal authority in all labor matters for all Italian Territory, so as to eliminate interference, and decisions made by various other agencies and departments without reference to, or clearance by, the Labor Sub-Commission. Too many problems have been handled which had been picked at and made "raw" previously. Field officers should keep us advised. In this connection, it is pointed out that there are no field officers in Sardinia, Region II, Fifth Army, Eighth Army, Displaced Persons, and Italian Refugees Branch.

3. It has become more apparent than ever, particularly since the Italian Government has been given jurisdiction over certain areas, that the responsibilities and problems of the Labor Sub-Commission have more than doubled, therefore another urgent request is made for increased personnel to handle this formidable task.

Comments by Chief Commissioner: The Chief Commissioner emphasized the necessity of referring matters to the Labor Sub-Commission when labor plays a part in them, and all concerned were urged to make full use of this Sub-Commission's services. The lack of personnel is something which must be faced since we are held down to a ceiling. It will be seen what can be done about giving them more personnel in the field. One difficulty with the limited ceiling is that you cannot ensure having enough of the right people in the right places. In many cases the problem is not capable of being solved.

C. Agriculture Sub-Commission, Major W. A. Fortman.

1. The Italian Minister of Agriculture and the Director of Agriculture Sub-Commission conferred with Allied and Italian officials in Sicily, Apulia, Lucania, and Calabria in the interest of creating uniform agricultural organizations in the field to obtain maximum production at harvest and in amassing of wheat and other vital crops.

2. It has been endeavored to get a plan defined. The new Minister advised that a field check would be necessary before such a plan could be outlined. Such field checks have been completed in Regions I and II. The Minister at each place spoke to various agricultural officials and expressed to them what they must do with reference to organization. They have had instructions and pressure has been brought to bear, but we still have no defined plan in writing.

3. We do not have more than ten trained agricultural officers in the theatre. Also the Minister cannot locate competent men who are willing to accept responsibilities. We have suggested names to him, but he has refused to do anything about it. We have promises but no written results. The Agriculture Sub-Commission has the complete cooperation of the Ministry's staff except the Minister himself when it comes to action.

4. Another problem is transportation. No Italian agricultural official has a car in Sicily. The Minister was pushed on this question. The provision of at least 1 car to each Compartment Inspector and 2 cars to each Provincial Inspector is necessary.

5. Beginning April 15 Provincial officials will be making out a crop condition report. This will become a bi-monthly report. Revised forecast by 15 May will be an additional basis for completing plans to obtain maximum amassing of wheat and other crops.

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C. Agriculture Sub-Commission, Maj Gen T. A. Hartman.

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6. Seed potato imports totaled about 37,000 tons, a large proportion of which arrived after latest safe planting date 15 March; about 2500 tons of late arrival had to be diverted to Army ration; sterility due to long time on boat plus other reasons necessitated diverting an additional 1500 tons for food use. With these exceptions loss of seed has been extremely small in light of obstacles that were overcome to get seed in ground.

7. A survey of fishing conditions and needs to get a maximum harvest are being completed for all occupied territory including Sardinia; fishing supplies available from local resources are being distributed to areas which assure largest fish catch. Arrangements are in process of completion to assure tuna fishing operations in season along coastal waters of Italy and North Africa; approval has been obtained to

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extend night fishing operations at several points along coasts of Italy and Sardinia; a fish marketing plan has gone into effect in Naples area which will minimize black market operations and result in more equitable distribution; etc. Close working relations have been established with Fisheries Section of Italian Ministry of Agriculture on the above and all other activities of the Division.

8. Fuel wood harvest operations in Fifth Army area about 10 miles from Cassino continue to provide for all needs of hospitals and other army purposes in forward areas. About 100 civilians are employed on this job. Steps have been taken to re-activate the Italian Royal Forestry Corps to assume responsibility for necessary forestry operations. Most of the personnel do not have forestry training. It seems to have been a typical Fascist organization

D. Food Sub-Commission. Lt Col H. J. Lehr.

1. The Food Sub-Commission isone of the younger subcommissions, whose principal job is to ensure that the people receive their daily bread. This has been achieved. The ration scale and miscellaneous food issues for April are higher and more varied than for any previous month. May issues are expected to be on a similar scale. Regarding distribution, May and June will be difficult months. Of ten cereal ships, nine will be grain ships and one only will be flour. Previously these ships have been mixed cargo. The program now, however, is different: of this fact the Regional Commissioners should be informed. With only two ports accepting bulk grain, we are faced with the problem of a tonnage of 65,000 tons. Also 500,000 quintal-size sacks will be needed to handle the grain. This complicates distribution and puts a strain on the men. Further in regard to the sack problem, the Food Sub-Commission has opened up recovering depots to restock flour and grain, which involves much work.

2. There is a pressing need to take into account local resources. We have planned to take care of the supplies, both wheat and cereal crops, to which Major Bertram has referred.

3. Regional Commissioners have spoken about Regional resources and trade. Free trade should be encouraged but requires coordination and control. A civil supply Italian group is working closely with Minister Lucifero and by this means it is hoped to control the basic items of supplies of cereals and pulse crops of this country. Despite the changes in the Ministry of Agriculture definite progress has been made. Agriculture will provide the answer to many foodproblems and to the many requests for an increase in ration scale.

4. Another sore spot is ration cards and counterfeit cards. We are now actively engaged in pursuing a rationing enforcement policy. A plan was recommended to Regional Commissioners. An equal number of inspectors and Guardia di Finanza are employed. Shops for operation are selected at widely separated points. Inspectors are in shops during service hours. Inspectors and Guardia di Finanza are changed daily. Inspectors examine ration cards of all persons entering the shop. Inquiries are made for purposes of checking ownership. The following gives an indication of the success of the drive.

During first two days eight baker shops were taken under control. Forty-one false cards were found; 11 were found belonging to deceased persons; 13 owned by people who had left the district and the number of borrowed cards was 34. A copy of this scheme is being circulated to Regional Commissioners for use in their own Regions.

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E. Finance Sub-Commission, Colonel E. B. Foley.

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E. Finance Sub-Commission, Colonel E. H. Foley.

1. During March steps have been taken to establish the Banco d'Italia as the central bank for the Italian Government in the liberated area. For King's Italy the branch at Salerno has been made acting head office, and the branches in Regions III, V and VI are managed from Naples. An officer of the Finance Sub-Commission has been appointed liaison officer to the Bank and has his office in the Salerno branch. This integration has enabled us to finance the Italian Government's deficit out of the existing currency reserves of the Banco d'Italia. Since [illegible], no advances of lire currency are being made to the Italian Government or parastatal organizations and arrangements are now being made to finance provinces and communes out of bank funds. In fact the currency reserves of the central bank now stand at such a level that we are withdrawing 1.9 billion lire from the Banco d'Italia. This withdrawal is in the form of a partial repayment of the advances made to the Italian Government or its sub-divisions by AMG/AMC. Such advances total about 5 billion lire and the re-

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payment is approximately 2/5 of this amount.

2. Colonel Foley, while in Washington, arranged for the printing and preparation of new Italian Government currency. It is estimated that this currency will not be available for approximately six months from final approval of the design. When available, we can take steps in economic warfare and inflationary control.

3. Black market dealing in non-legal tender money has been developing. It is hoped to take effective action to stamp out this currency coming in and put a stop to violations of law involved in transactions in which it is implicated.

4. More drastic penalties are recommended when sentencing convicted forgers, as a number of cases involving forgery of AM lire currency are constantly coming to light. The volume of cases is not dangerous but should be checked.

5. The present economic situation of liberated Italy is chiefly characterized by an extreme shortage of foodstuffs with consequent high black market prices. The largest single source of income in liberated Italy is the Italian Government's deficit, which is estimated to be 20 billion lire since 1 July 1943, and is now averaging over 3 billion lire per month. The monetary measures we are taking include an attempt to reduce the level of Italian Government spending, more drastic tax measures and a reduction in the size of the deficit by more Government borrowing from the people.

6. A Commission from Washington has visited here to see how records are being kept regarding imports. It is necessary to cost account supplies coming in. We must know what goods come in, country of origin and what disposition is made of them. The Regional Commissioners must help in this collection of supply accounting data. The Chief Accountant reports that the necessary information is very slow in forthcoming from the Regions.

Comments by Chief Commissioner: The Chief Commissioner stressed the point made by Colonel Foley regarding the furnishing of proper information to Headquarters so that the show may run properly.

F. Public Works & Utilities Sub-Commission, Lt Col L. A. Jenny.

1. Work is progressing in regard to military highways but the lack of personnel and equipment is a handicap. Military authorities have asked that we extend and accelerate our organization and steps have been taken to accomplish this. Personnel will have to be increased and highway construction material must be imported from the United States. A plan has been put up to HQ AAI for review.

2. A program of procedure for utility rates was submitted and approved at a Special Economic Section meeting. Basic structure is not being altered.

3. Colonel Jenny mentioned the incident occurring in Foggia where a pasta factory had to be shut down when their electricity supply was cut off. He explained

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3. Black market dealing in non-legal tender money has been developing. It is hoped to take effective action to stamp out this currency coming in and put a stop to violations of law involved in transactions in which it is implicated.

4. More drastic penalties are recommended when sentencing convicted forgers, as a number of cases involving forgery of AM lire currency are constantly coming to light. The volume of cases is not dangerous but should be checked.

5. The present economic situation of liberated Italy is chiefly characterized by an extreme shortage of foodstuffs with consequent high black market prices. The largest single source of income in liberated Italy is the Italian Government's deficit, which is estimated to be 20 billion lire since 1 July 1943, and is now averaging over 3 billion lire per month. The monetary measures we are taking include an attempt to reduce the level of Italian Government spending, more drastic tax measures and a reduction in the size of the deficit by more Government borrowing from the people.

6. A Commission from Washington has visited here to see how records are being kept regarding imports. It is necessary to cost account supplies coming in. We must know what goods come in, country of origin and what disposition is made of them. The Regional Commissioners must help in this collection of supply accounting data. The Chief Accountant reports that the necessary information is very slow in forthcoming from the Regions.

Comments by Chief Commissioner: The Chief Commissioner stressed the point made by Colonel Foley regarding the furnishing of proper information to Headquarters so that the show may run properly.

F. Public Works & Utilities Sub-Commission, Lt Col L. A. Jenny.

1. Work is progressing in regard to military highways but the lack of personnel and equipment is a handicap. Military authorities have asked that we extend and accelerate our organization and steps have been taken to accomplish this. Personnel will have to be increased and highway construction material must be imported from the United States. A plan has been put up to HQ AAI for review.

2. A program of procedure for utility rates was submitted and approved at a Special Economic Section meeting. Basic structure is not being altered.

3. Colonel Jenny mentioned the incident occurring in Foggia where a paste factory had to be shut down when their electricity supply was cut off. He explained that this rationing of electricity was an emergency measure brought about by a railroad's need for electricity. The decree for this rationing was not ready although the Minister had been pushed for it. Thus rationing was actually undertaken by us before the Decree became effective, and the demand was kept within the amount allotted by the Local Resources Board. When the Decree was published in the Gazette, we found that it did not conform to the final draft which we had approved and which was stronger and more precise than the published form. After discussing this matter with the Legal Sub-Commission we requested the passage of a new Decree in the form approved by us and cancelling the one in effect now.

4. Studies are in progress in cooperation with the Ministries of Public Works and Merchant Marine, for raising sunken ships in various harbors so as to clear harbors and make use of the ships; and five million lire have been appropriated for this. Studies are also in progress for the rehabilitation of shipyards capable of building small wooden vessels from 200 to 800 tons.

5. Officers of this Sub-Commission have visited Sicily and Sardinia and have studied P & U conditions in those [illegible]

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[illegible] We are planning to issue special permits to [illegible] forces. "freezing" their equipment as they can function.

9. A very large number of varied problems have been handled including repairs to Bailey[illegible] building a "fiovero" for the Volturno Building. Also the recent eruption of Vesuvius added to our tasks.

10. The Public Works and Utilities Sub-Commission has a basic task to perform. It is composed of specialists in various fields but does not have enough men to handle the tasks that have been given to it to perform. A few more men are needed at Headquarters. Regions II, III, V must have personnel. Region VIII needs electrical experts to go into Rome; about four more are needed immediately.

G. Transportation Sub-Commission, Colonel S. M. Fitch.

1. The military authorities still retain control of railways on the Mainland and in Sardinia. In Sicily the complete supervision of the whole of the railways became the responsibility of ACC as from 16 March, but it is a little early to assess the results. The volume of civil freight movement generally has increased as compared with the previous month.

2. Owing to a shortage of coal, locomotives and rolling stock, and the heavy priority requirements of Allied Forces, the railway facilities available for civil traffic are still barely sufficient to meet essential civil needs. No increase in civil passenger train services can yet be made.

3. 350 trucks have been made available since the last meeting, of which 150 are awaiting allocation. Will be handed over to the Italian Government in the near future. The 1001 S.T. Coy. (120 trucks) will be handed over to Region II for work in a few days.

4. Movements arranged through this Sub-Commission for schooner transportation are increasing. The setting up of a more satisfactory organization for schooners is pending. A few schooners have been allocated to specific points for local civil movements. It is hoped to secure increased allotments for regular local movements, as soon as sufficient evidence of need is forthcoming.

H. Shipping Sub-Commission, Mr. Robert Nicol.

1. The registration of the schooners is proceeding in a more orderly and rapid manner than was anticipated. They are very limited in number. Upwards of 200 schooners are now registered, and a considerable number of these are employed under the direction of the Mediterranean Shipping Board Schooner Committee in work for the services of the Allied Nations.

2. It will now become increasingly difficult for this Schooner Committee to function unless the economic requirements of the area are presented once a month in practical form in order that the allocation of shipping may be made for its fulfilment.

3. The following is an illustration to show the necessity for producing the programme which is so earnestly desired. Since about the total requirements of flour for the month of May are arriving from Australia in one large ship, in order to save our scarce going tonnage it is desirable that this ship should discharge at one port. Mr. Nicol together with his colleagues have enquired as to what contribution the Schooner Committee can make towards the distribution of this flour to its ultimate destination. A problem such as this can be quickly solved provided all parties furnish their requisite parts.

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4. The operation of other Italian ships has been a matter on which this Sub-Commission has been most closely engaged in conjunction with the Commander-in-Chief and our principals in Washington and London. The ships now being employed in useful service are the results of machinery which we have created. The Italian tonnage in service is as follows:

a. Inside the Mediterranean--passenger type 10838 G.R.T., cargo vessels 70,638 D.W.T. and tankers 16,693 D.W.T.

b. Outside the Mediterranean--passenger type 24,70 G.R.T., and cargo vessels 10,3?3 D.W.T.

I. Acting Vice President of Economic Section, Colonel D. S. Adams (presenting in the absence of the Hon. Mr. Henry Grady).

1. The reports of the Sub-Commissions have given an overall picture of the activities. Although we feel at times that progress is slow, it is apparent from the reports already made that very substantial progress has been made in a comparatively short time.

2. This is impressive when we look back and realize that the General's first conference was held only a little over two months ago. That was the first time the Regions and Headquarters gathered together as one organization under one command with jurisdiction over the civil affairs activities in this Theatre. On the economic side it has made possible rapid progress in making effective its program in connection with wage levels, prices, food retailing and distribution, accounting, requisitions for imports for essential requirements, and in the control of local resources.

3. ACC is now establishing itself with the various services as an important section of the Allied forces in Italy; an agency that can be depended upon to handle the many problems involving civilian labor; local resources, including food, engineer and other materials; also the handling and distribution of food imports.

4. Looking ahead, there is a tremendous amount of work to be done. One job facing us right now is the food situation. The Combined Chiefs of Staff have indicated to us their expectation that, with the coming harvest, Italy must feed itself and no longer may expect the imports of food such as we have had in past months. The responsibility for effecting this policy is placed on ACC and, of course, the Italian Government must assume its proper responsibility in this connection and has already been approached on the matter. The possibility of Italy feeding itself has already been explored and the program for the collection and amassing of the grain, reduction in food and seed retentions, price of wheat, etc. will be discussed with the Regional Commissioners while they are here. The necessity for feeding the Italian people from local resources is one of such general concern that all members of ACC should be acquainted with this policy of the Combined Chiefs of Staff.

The Economic Section and Regional Commissioners have a primary responsibility but will need the cooperation of all of ACC, particularly Public Health and Public Safety Sub-Commissions. Also all publicity releases will have to closely support this policy.

Comments by Chief Commissioner: The Chief Commissioner commented that the Italian Government is not giving the cooperation it should. This may be due in certain cases to political insecurity of certain Ministers. It will presumably show improvement with the coming of a broader-based and more secure government. We must realize however

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Comments by Chief Commissioner: The Chief Commissioner commented that the Italian Government is not giving the cooperation it should. This may be due in certain cases to political insecurity of certain Ministers. It will presumably show improvement with the coming of a broader-based and more secure government. We must realize however the manner in which the Italian Government came into being. Marshal Badoglio with but one clerk initiated this government. They did not bring experienced personnel from Rome. Thus we are dealing with an administrative machine which has been built up with difficulty. We must get everything possible out of them as rapidly and efficiently as possible. It is no surprise that they are not functioning as one would expect a government to function. That does not mean we should not try by all means and methods to get the 'goods' from them.

A recess was called at 1630 and the conference reopened at 1645.

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V. REPORTS BY ANGLO-ITALIAN SECTION.

A. Interior Sub-Commission, Colonel H. V. B. Spicer.

1. There has been the misconception that Interior Sub-Commission is bracketed with Public Health, whereas it deals with the Minister of the Interior outside the sphere of Public Health, Public Welfare and Public Safety. There is almost daily contact with Minister Scelba or his staff. Multifarious matters concerning Prefects, Sindaci and other extraneous matters come up.

2. A course in local government was held between 16-28 March. Officers attended from HQ, ACC and Regions I, II, III, AND V. The interest shown was gratifying and the Interior staff learned much from the students. A second course is in progress.

3. Colonel Spicer with his staff officer has visited Benevento, Avellino, Campobasso, Caserta, San Vittore, and AAI N.Z. Corps Main HQ Liaison Officer. In each place the senior officer was interviewed and with his permission, whenever possible, the Prefects. It was a surprise to find that the Giunta Comunale is actually functioning in Region III and 5th Army areas, even north of the Volturno.

4. Captain E.H. Temple of the Sub-Commission has been on tour in Sardinia since 1st April.

5. Local Government on the lines approved by the Chief Commissioner is alive in Region III. The first meeting of the Giunta Provinciale Amministrative in Salerno Province was attended by officers of the first course as guests. An immense amount of business was done and the citizen members sat for the first time. It is firmly believed that these appointments and opportunities are producing and will produce a better and real feeling of responsibility in the rehabilitation of their country by the men of the people as opposed to career officials, and will play no mean part in stabilising affairs.

6. The Royal Decree in regard to the reconstitution of Local Government is still under discussion with the Minister of the Interior. The Legal Sub-Commission has been consulted and has advised certain amendments.

B. Public Safety Sub-Commission, Colonel P. C. Kirk.

1. Conferences of Regional and Public Safety officers have been held and uniform policies adopted.

2. Rations for Public Safety organizations have been an important item.

3. Regional Commissioners, police and public safety officers are all interested in the clothing and equipping of the police.

4. Contact with the Carabinieri is daily.

5. There have been growing accounts of misconduct of Allied troops.

6. Replacement pools for Carabinieri have been established at Naples & Bari.

7. A tour of inspection is being conducted from a disciplinary point of view in the Guardia di Finanza.

8. Fire control and civil defence are still static.

9. Transport is going forward with a uniform system.

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3. Colonel Sadler with his staff officers has visited [illegible] Campobasso, Oseerta, San Vittore, and ANZIO U.S. Corps Main HQ Liaison Officer. In each place the senior officer was interviewed and with his permission, whenever possible, the Prefects. It was a surprise to find that the Giunta Comunale is actually functioning in Region III and 5th Army areas, even north of the Volturno.

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9. Licensing is going forward with a uniform system.

10. A scheme for de-fascistization in AMG areas has been proposed and will be considered at the meeting tomorrow.

G. Public Health Sub-Commission, Brigadier G.S. Parkinson.

1. The Typhus Board was dispersed. A Hygiene Advisory Board has been set up. The first meeting has been held with discussions of venereal disease, malaria control and sanitation of towns and villages.

2. The Italian Government has been asked to set up a VD Department and to take more vigorous action in dealing with pimps and clandestine prostitution. More

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hospital beds have been provided for prostitutes. There has been a slight fall in the VT rate among troops in Region I.

5. Malaria control is headed by Colonel Russell of the Rockefeller Foundation. A malaria survey of Sardinia has been made, as well as of other known malaria areas. Meetings have been held to ensure uniformity of action and cooperation. We are trying to get the Italians to cooperate as much as possible.

4. The increased rations in hospitals have been much appreciated.

5. A veterinary survey of Sicily has been made which shows that the Italian veterinary service is getting back to peace conditions and that biologicals are being produced in quantity. Directives have been sent out on the immunization of live stock.

6. Medical supplies are coming in regularly and distribution is better. Additional storehouses have been set up in convenient places. More clothing was received and distributed. There is a shortage only of certain items rather than insufficient consignments of supplies.

7. There has been a certain amount of pilfering of Red Cross clothing. Investigations are being made. Drugs have also been stolen in hospitals.

8. Close liaison with the Italian Government has been maintained with the view of eventually setting up a Welfare Department to meet the requirements of the Italian people.

Comments by Chief Commissioner: General MacFarlane inquired regarding forage for army mules in Sardinia. It was not definitely known, but reported that forage had to be shipped from the Mainland.

The Chief Commissioner commended the work of Colonel Russell and the Rockefeller Foundation Institute on the fine results brought forth in dealing with the typhus epidemic.

D. Legal Sub-Commission, Colonel G. R. Brinkn.

1. The Allied military courts have been requested to give to Regional Commissioners the right to review all cases of imprisonment. This is a most important duty, and it is hoped the Commissioners will do part of the reviewing themselves.

2. The Chief Legal Officer in a Region is a key man who can help the CAOs to administer justice. It is noted that a sentence in a country district may not be adequate in a place like Naples, thus good legal advice is necessary in the Regions. As a further aid a book will be distributed shortly, "Justice Without Tears" which will be void of technical language.

3. There are 26 legal officers on loan in Naples. 4000 cases were tried last month. It has been discussed with the Italian Government whereby they will take over more of the legal work in Naples, as these officers cannot be left in this city.

4. The policy of putting across what we desire through decrees has proven satisfactory. The Italian Government is to reproduce in a week to ten days some decrees which we want in occupied territories.

5. The Italian Government has done useful work in getting a pool of judges [illegible] substantial number must be kept for Rome but we

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6. Fascist legislation has been reviewed. Many excellent laws were passed under Mussolini's regime. The bad Fascists laws are being weeded out.

7. A further directive from AFHQ is being awaited as to the requisitioning of Papal property. This is a very difficult question. Previous directives were very conflicting. As soon as instructions are forthcoming they will be embodied in a directive to the field.

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E. Educat on Sub-C mission, Lt Col J. V. Smith.

1. The High school youth organization has shown splendid work and has been very active. A concert to raise funds to further their organization was held in Salerno.

2. An investig tion has begun in universities to see what kind of standards are sprouting underneath the routine.

3. A survey of schools was instituted in Regions III and IV trying to get a picture of what was here when we came and what is to will be here under AMG. We are trying to be constructive in the Italian system.

F. Property Control Sub-Commission, Lt Col C. R. Harris.

1. In Region I the process of taking custody of all Allied property is nearly complete. Also this is true in Region IV.

2. We have reached an agreement with the Italian Government as to the steps necessary to legalize the activities of the Property Control Sub-Commission under Italian Law.

3. A satisfactory agreement on the financial side of properties has been reached whereby the Italian Government will advance necessary funds where the income is insufficient. They also agreed to advance funds in cases where war damage has been caused to properties.

G. Monuments and Fine Arts Sub-Commission, Major E. T. de Wald.

1. The reorganization of personnel has been somewhat of a problem but it is hoped that it will be satisfactorily solved.

2. There was supervision of activities in the field which Sub-Commissions had undertaken. In Regions I, II and III there were a number of monuments and churches needing attention as a result of war damage. Work in Region I is finished and is practically finished in Region II; the difficult problems are in Region III. These are of two kinds: (1) Repair of churches bombed. In the last German raid a very famous Renaissance church was struck and partly demolished. Due to efficient cooperation with Italian officials, repairs were completed in two weeks. (2) Buildings such as the Royal Palace which suffered damage due to looting or misbuilding by troops. A commission was established to take care of such items.

3. Action taken on the recommendations of the Collier Report include the following:

a. Care of National Museum, Royal Palace, San Martino, Pompei, etc.

b. Preparation of draft regarding the Protection of Property of Historical and Educational importance in Italy; submission of it to HQ AFHQ (Adm Sec.); their issuance of it as Administrative Instruction No. 10.

c. The preparation of lists of protected monuments as required by the Administrative Instruction No. 3, Lazio and Abruzzi now in hands of printer. South Italy follows immediately and also Tuscany.

d. The preparation of AFHQ publication on Art in Italy.

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d. The preparation of ..CA publication on Art in Italy.

4. Inspection trips to the most important areas were made by the Director and Deputy Director.

5. In regard to the future we are ready for action as the Armies move forward.

6. This Sub-Commission came into being through the President of the United States and cultural sources in the U.S. and U.K. We are to give first aid to war damage where it happens but we are not just a sweeping up squad. It is our first duty to try to avoid there being damage to works of art.

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H. Vice President of Administrative Section, The Rt Hon The Viscount Stansgate.

1. Lord Stansgate stated his belief that all profit greatly by the Conferences. He expressed his desire to be more fully informed about the activities of the Economic Section since they are the backbone of the whole program.

2. Comment was made on the close contact which could be had with the Italian Ministries due to their advantageous location. We do know what is happening, even though we may know not what the man in the street thinks.

3. Lord Stansgate remarked that he would like to regard the Regional Commissioners as our "eyes and ears." It is necessary to hear from them more than just in the monthly reports. We need their impressions. The Headquarters is trying to build up the morale of the Italian people. The Regional Commissioners should fully inform the Sub-Commissions of the state of affairs as they note them. Lively daily contact is needed.

4. Reference was made to the fact that some directors object to the actions of Ministers in removing prefects. This is another item which should be brought to Headquarters attention.

5. Regarding visits to the field, 43 individuals have been in the field 165 days. We should be very glad to have men from the Regions in to visit Headquarters.

6. It is hoped that we may do something in the direct war effort. We must help the Anglo-Italian relationships and get the Italians' hearts into the war effort.

VI. Closing Address by Deputy Chief Commissioner, Captain Ellery W. Stone, USNR.

Captain Stone stated his belief that it had been a very constructive meeting because many had had numerous critical things to say. This is a healthy sign. Since ACC was created to take the business of government off the shoulders of the C-in-C, if everything were running smoothly there would be no need for us.

Feeding the Italian people was the first big problem. When they are fed they can tackle the cultural and other problems. A comparison of the children to be seen during our first days in Italy with those of today will show what ACC has done of worth.

Cooperation and coordination is needed in the Sub-Commissions. The fault here has been one of the omission rather than commission. There is a need for greater personal contact between those whose problems are similar, and between ACC officers and their Italian opposites.

The work of de-Fascistization is coming along with a decree being passed for the punishing of Fascist crimes.

The Communist Party's stand for cooperation with the King and Marshal Badoglio gives us hope for a broader-based government.

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The Conference adjourned at 1800 hours.

ROBERT E. DOE
Major, A.G.D.
Secretary General

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DSJ 126
28 MAR 1944

SF

REP/dfe

SG 321

27 March 1944

MEMORANDUM TO: Lt. Col. Henry Parkman, Jr., Military Government Section, Allied Force Headquarters, APO 512.

In reference to your undated memorandum, file MGS 337-5, enclosed are four copies of the minutes of the Chief Commissioner's general conference of the 3rd March. Copies of the minutes of succeeding monthly conferences will be sent to your office.

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1 Encl.
Minutes of conference (in quad)

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ROBERT E. DOE
Major, A.G.D.
Secretary General

1 Incl.
Minutes of conference (in quad)

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27 March

file/750

Dep. Chief Commissioner

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PSY 371
19 MAR 1944

HEADQUARTERS ALLIED CONTROL COMMISSION
APO 394

File 730

MONTHLY CONFERENCE 3 MARCH 1944

The Conference was opened by the Chief Commissioner, Lieutenant General Sir Noel Mason MacFarlane at 1100 hours. General MacFarlane summarized the present situation as follows:

1. Move of the Italian Government to the Salerno Area has been completed.

2. The organization of the Allied Control Commission has reached finality.

3. The regions have been altered recently. Salerno Province has been returned to Region 3, and Region 4 now has a sub-region which will deal with Rome working under AMG 5th Army when Rome is reached and so long as Rome comes within 5th Army Area.

4. There has been a reorganization in the Sub-Commissions. The independent Sub-Commissions now are:

a. Telecommunications
b. Army
c. Navy
d. Air
e. War Material Disposal

Allied prisoners of war are now dealt with directly by ACMF.

5. The Public Relations Branch will now be centralized at Main Headquarters, and PROs will go out into the regions only as required.

6. Close contact has been established between ACC PWB and ACMF.

7. The loss of personnel, officer and enlisted, has been a severe blow, which must be faced. There is a ceiling to the allowable personnel and it is final. It is up to ACC to shift the burden to the Italians as rapidly as they can assume it efficiently in order to place Allied personnel where they can be most useful.

8. Typhus control was taken over by ACC from the Typhus Commission as from 20 February.

9. The Italian Government is now a government of ministers, rather than a government of secretaries.

10. General Gazzera will deal with ACC in regard to PW. The Comando Supremo under General Messe would not deal with the service Sub-Commissions, but only with matters on a high level with the Chief Commissioner. All military matters at a lower level will be handled by Brigadier Duchesne at Lecce with General Orlando, Minister of War, and General Berardi, Chief of Staff.

(G.O.C-in-C, General Sir Harold Alexander, arrived at conference at 1113.)

11. The fusion of ACC and AMG has opened possibilities which are not fully realized by many, especially in the field, and there is a definable [illegible]

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(G.O.C-in-C, General Sir Harold Alexander, arrived at conference at 1113.)

11. The fusion of ACC and AMG has opened possibilities which are not fully realized by many, especially in the field, and there is a noticeable tendency not to make use of these advantages. It is important that there be a coherent chain of policy from the time AMG first takes over at the time of occupation to the time when ACC follows in its advisory capacity. As and when the Italian Government takes over, there must be an immediate reduction of Allied personnel who will move to new regions.

12. The question of promotions for American officers is being given all the attention possible.

13. Our main job is to get the maximum in war effort from Italy. AMG penetrates new ground, after which the Italian machine must be made to function under our supervision, and as soon as possible the Italians must run the job themselves with the minimum supervision.

14. The problem of defascistization continually looms up, and there are still

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many people in official positions who have Fascist records. This has been necessary for the smooth running of the country. It is desired to replace these individuals as soon as possible, and for this purpose an understudy is necessary who can be trained to take over the position.

15. The food and refugee problems are still important. A large influx of refugees from the Balkans contributed greatly to this. The Red Cross has given admirable assistance. The Chief Commissioner has asked for more Red Cross personnel to work with refugees.

The only real answer to the "black market" situation, which is common to all countries, is to procure adequate supplies.

16. Executive control has been established through the Executive Commissioner and his section. The Chief Commissioner pointed out that the Sub-Commissions may and should deal with their own representatives in regions and provinces, but their instructions should go through the Regional Commissioners.

17. Political situation.

The policy of the Allied Governments was for the ACC to collaborate with whatever government is in power in order to get the best war effort out of the country. Anything which may impede the war effort must be stopped. At present there is a strong opposition which has no constitutional method of articulation. ACC is keeping in close contact with this opposition giving it every opportunity to present its case to the Allied Governments, who are kept fully informed of the political situation.

The problems at present in the political field can be summed up as follows: (1) there is an intense feeling against the King; (2) the arrival in Rome is not on schedule, and (3) it is unfortunate that the opposition parties were able to organize the proposed ten minute stoppage of work. It is thought this latter problem will be settled amicably.

Political tension and excitement of any sort which would interfere with the smooth running of the government and the war effort should be avoided.

I. REPORTS BY REGIONAL CONTROL AND MILITARY GOVERNMENT SECTION.

A. Regional Commissioner, Region I, Sicily, Lt. Col. A. N. Hancock.

1. Good will has been maintained in the Region. A civil upheaval was threatened by government officials at the time of the changeover, because of objection to the Badoglio Government. These officials were advised to remain in office at least until Rome is reached. These recommendations were accepted as orders.

2. Trouble threatened by electric workers was ironed out without difficulty by ACC. Managers are asking for increase in rates.

3. One serious situation arose when coal was removed from the South side of the Island for operational purposes, leaving trains without fuel.

4. Satisfactory relations exist with Army and Navy.

5. There was an unexpected arrival of refugees, but they were taken care

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B. Regional Commissioner, Region II (Southern Italy), Lt. Col. G. H. McCaffrey.

1. There was no friction or disorder at the time of changeover.

2. The food situation has improved.

3. Crime is down 25% from normal.

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4. Courts in Apulia are unsatisfactory. There have been very few prosecutions against people committing crimes against the Allies.

5. Road haulage is a difficult problem because of lack of trucks and the fact that 1001 GT Coy was handed over with 60 unserviceable trucks. An attempt is being made to get Italians to shoulder more of the responsibility for this transportation.

6. The power situation is not satisfactory.

7. Reduction in personnel has created difficulties.

8. Obstacles have been encountered in moving Headquarters from Matera to Bari. Assistance will be needed from higher authority in order to get suitable accommodations and assistance.

C. Regional Commissioner, Region VI (Sardinia), Brigadier P. K. Dunlop.

1. This region never passed through the AMG stage.

2. The population of Sardinia is just over a million. It is wholely an agricultural and pastoral community. The villages are crowded with Italian soldiers. It is a very malarious region. We must get the Italian soldiers away from the Island before malaria season, or move them to the hills in bivouac if necessary.

3. The political situation is satisfactory.

4. The food situation is now well in hand. A shortage exists of olive oil and sugar. The American Army assumed the feeding of Italian Army on 26 February. Good crops appear to be in prospect.

5. There is much salt and cork ready for export and a little has already been shipped. Island trade with Sicily has been hampered by the Navy's taking over schooners.

6. Prices of consumer goods are going up.

7. There is no refugee problem at present. When there is, it will be principally a shipping problem.

8. Mr. Grady added the comment on Sardinia that fishing and canning will soon get underway.

D. Regional Commissioner, Region III (Campania), Lt. Col. C. Poletti.

1. The transfer of Salerno Province to this region may cause difficulty in administration.

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2. Benevento and Avellino have been visited. Much progress has been made and conditions on the whole in the region are good.

3. Public order in Naples is not very good. The crime rate is high. Some of the Carabinieri scheduled for Rome have been put on duty in Naples to help in dealing with this problem.

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4. A squad of 100 trained men is dealing with the black market problem.

5. A public utility strike threat for higher wages and more food was quelled successfully.

6. On the political side there is the opposition to the King and a similar feeling toward the Badoglio Government. There is a feeling that the Fascists are not being cleaned out fast enough.

7. A primary difficulty in connection with the food problem is that there are too many restrictions on free movement of commerce, which curbs individual ini-

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tiative. It is desired to relax these restrictions if possible.

People are desirous of having a pasta ration in addition to bread. If necessary it would even be satisfactory to reduce the bread ration if a 42 gram pasta ration could be added.

The special rations which have been given by the services to certain groups doing hard labor have brought complaints from other groups. This will have to be ironed out.

8. Regarding crops, the people are asking which products are going to be amassed under the "Amasso System."

9. A special division has been formed for transport. It is planned to begin garbage hauling and cleaning up the debris in Naples.

10. The courts are clogged at present, both Army and Italian.

11. People are asking for a revision of pensions. (General MacFarlane advised that this was being handled by the Finance Sub-Commission.)

12. Relations with PBS have improved.

13. The prostitute situation is being cleared up. Medical treatment is being administered. Prosecutions are being sought. More stringent legislation is recommended to curb this menace.

E. Whitley. Regional Commissioner, Region V (Foggia and Campobasso), Colonel F. L.

1. Headquarters were opened in Campobasso on 15 February.

2. The Region Headquarters is extremely short of personnel, having only 4 clerks. Request the return of personnel which are out on loan to Colonel Kirkwood.

3. The political situation is very good. It is desired to remedy the Bari radio situation, as there have been numerous criticisms by the Italians of the promises made over this station.

4. Supply situation is generally good. The lack of transportation is the principal difficulty. Supply for only one or two days can be amassed in an area, but no commune has been isolated for more than one day in spite of difficulties. The main roads are all open. In this, the Italians are doing a good piece of work.

5. The health situation is good, except in Foggia. There is not enough health personnel and no medical officer assigned. The sewage system in Foggia is very bad. Lack of transport and labor difficulty hindered the getting rid of sewage. This latter item has been overcome. The venereal rate is up. No typhus has been reported.

6. This is principally an agricultural area and planting is progressing.

7. Public safety is generally good; crime consists mostly of minor offenses.

8. Education has not been taken up [illegible]

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8. Education has not been taken up so far.

9. There have been no developments in property control.

10. Legal matters are satisfactory.

11. The greatest problem is black market dealings. A roving patrol is clamping down on this matter. CAOs of other regions have been giving authority to enter Foggia to buy supplies, which has added to the problem in the region.

12. The fuel situation is not serious; there is enough wood for cooking.

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13. The salt situation is now satisfactory, but during the Fall when meat is cured, this will become a problem.

14. General MacFarlane asked when the Regional Commissioner would advise handing over this territory and Region III to the Italians. The Regional Commissioner believed it would be better to keep the region as a military area due to Air Force requirements until all of Italy is liberated.

Colonel Poletti, Region III, stated that he thought it inadvisable to transfer his region at the present time. He believed that handing back the rest of Campania should be deferred until Rome is reached.

F. Eighth Army AMG, Gp. Capt. C. E. Benson.

1. The problem of feeding the Southern part of Campobasso Area could be handled better from the Naples Area.

2. Refugees are a real problem.

3. No typhus has been reported. One small outbreak of typhoid is now under control.

4. There is a question of charging for electric power.

5. Public safety. A close check must be maintained on movements of civilians. Policemen are needed and it would be helpful if some could be borrowed from those reserved for Rome. It is desired that the movement of civilians into Campobasso be stopped.

6. There is no industry in this region, it is almost entirely agricultural. Such industry as there was is located too close to the battle area.

7. 10,000 to 12,000 civilians are working on road construction.

8. No repercussions were caused by the hand over of territory.

9. In regard to finance, banks are being opened up as quickly as possible, and as far forward as possible.

10. Legal and political situations are satisfactory.

The G.O.C-in-C, General Sir Harold Alexander, was introduced by the Chief Commissioner. General Alexander expressed his pleasure at being present at the conference and assured all of his great interest in the Commission's work. He extended his appreciation for the cooperation he had been receiving and the progress which has been made by the Commission.

The conference adjourned and reopened at 1430 hours.

G. Fifth Army AMG, Brigadier General E. E. Hume.

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1. The chief problems are personnel and transportation. The organization has expanded, but personnel have been cut. French speaking officers are needed for liaison with the French Expeditionary Corps.

2. Transportation complicates the food problem.

3. Agriculture is progressing satisfactorily.

4. On the legal side, the principal difficulty lies in dealing with diverse types of troops.

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5. Military arrangements in regard to bridges get priority which sometimes cause civilians to suffer. The Engineers have been very cooperative in this matter.

6. With reference to transfer of territory, Region 3 overlaps the boundaries of the 5th Army, thus coming under the Army Commander as far as territory is concerned.

7. Rome. Carabinieri force already organized is to be taken along. It would be fine to have them work somewhere for the present, but they must not be dispersed, as there are no more to be recruited.

The Rome black market team is now getting training in Naples.

Transportation to Rome will be a big problem. There is none available at present.

H. Refugee Branch (Italians), Lt. Col. L. R. Hulls.

1. It has been endeavoured to keep people from becoming refugees by starting at the front and encouraging them and helping them to stay where they are if possible. When they must be evacuated South, it is done as rapidly and humanely as possible. Lack of transportation has made transit camps necessary. Feeding refugees in transit is difficult. Communications difficulties often prevent word getting through to the areas receiving shipments.

2. 50,000 people have been evacuated to date, 10,000 of these during February. The evacuation of 1,000 per day is necessary in order to keep battle zones and forward lines of communication clear. It will be necessary to absorb still larger numbers in the future. It is best to keep them on the Mainland in order to minimize the shipping problem. The Italians are helping by providing military personnel to run camps.

3. The problem of dispersion is important. Improvement is necessary. Households should be obliged to take refugees. They cannot continue to be thrown together in bunches to look after themselves to the degree in which they have been in the past.

4. General MacFarlane inquired as to the assistance given by the Red Cross. Colonel Hulls replied that they have been giving good cooperation.

I. Displaced Persons Sub-Commission, Colonel Kirkwood.

1. The biggest problem is Yugoslav refugees which were not originally taken into the plans.

2. This job is a continuous one requiring much personnel. The constant changing of personnel has been a great hindrance.

3. There are 9 camps and 2 hospitals at present. 15,000 have been received plus 1000 more on 3 March. 11 000 displaced persons have been shipped.

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4. Only two cases of typhus have been encountered and these were not in ACC camps. Many people are ill. They all require instruction in sanitation and disinfestation.

5. Request is made that CAOs be instructed not to give passes to internees. Passes will be given by camp commandants.

6. People who wish to go out into the community to live must have permission from the Provincial Commissioner, as well as the camp commandant.

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7. The matter of food payments must be settled with Regional Commissioner.

8. General MacFarlane asked Colonels Kirkwood and Hulls whether the Yugoslavs and other refugees were doing their own cooking and looking after their own sanitary problems. The reply was that they were not doing much for themselves.

The question was brought up regarding recruiting of Displaced Persons. General MacFarlane stated that Yugoslavs were not to be recruited from the Italian Army.

J. Executive Commissioner, Brigadier M. S. Lush.

1. The heads of Sub-Commissions are to keep the Regional Commissioners well informed.

2. With reference to personnel, by the end of March we shall have a stationary ceiling of 1222 officers, 611 each British and American.

It is desired that an effort be made to get more men into the field and less at Headquarters.

The Security Branch is now taking over much of the work done by field security officers.

3. Brigadier Lush suggested that "Allied Control Commission" be the name for all of ACC/AMG activities. General MacFarlane said that he would give this matter consideration.

II. REPORTS BY ADMINISTRATIVE SECTION.

A. Interior Sub-Commission, Lt. Col. R. G. B. Spicer.

1. There have been conferences with the Minister of Interior and his staff. Liaison is good. There is an objectionable tendency on the part of the Ministry to remove Prefects and officials appointed by AMG, generally because the Minister feels that the appointees are too junior in rank.

2. A survey of Apulia in regard to local government and officials has been made.

3. Local government has flourished in Region 1. It is desired to establish more uniformity throughout the Regions.

B. Public Safety Sub-Commission, Colonel P. C. Kirk.

1. Public safety must now be conducted on a decentralized basis due to lack of personnel and communications.

2. Visits have been made and will continue to be made to the field.

3. There is a need for more police.

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4. Clothing and equipment have been handled through military channels.

5. Licensing and registration of motor vehicles is being dealt with in Regions I to V.

6. General MacFarlane asked whether it would be better to have the Public Safety work more centralized. The answer to this query was "Yes and No." Some of the activities could be better directed centrally, some could not. A short discussion followed regarding the centralization of control.

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C. Public Health Sub-Commission, Brigadier C. S. Parkinson.

1. Responsibility for typhus control was handed over to ACC by the Typhus Control Commission. There have been between 1400 and 1500 cases. At present there are 700 engaged in the control of the disease. The shortage of soap is a great handicap. If caustic soda could be imported it would be possible to manufacture soap here. A meeting of the Typhus Board brought up the question of relaxation of restrictions on troops. This will be reconsidered at next meeting during coming week.

2. Venereal disease. There is the problem of what to do with prostitutes. 450 are hospitalized at the present moment. Concentration camps have been suggested. A revision of laws and their exact enforcement are needed.

3. Malaria. This Sub-Commission is endeavouring to get an expert to advise on its control. There is a malaria control board. Malaria will be a greater problem this year due to drainage situation.

4. An effort is being made to standardize food in the hospitals.

5. Malnutrition is not apparent, but investigations are being made in schools in Naples and Salerno.

6. An attempt has been made to centralize welfare head in close touch with Labour Sub-Commission. The Red Cross has helped considerably. There is a shortage of personnel in the field, especially in welfare work.

D. Legal Sub-Commission, Colonel C. R. Upjohn.

1. Up to recently the chief work has been concerned with documents connected with the restoration of territory.

2. Italian Government has had some difficulty with Army authorities in some Regions. This Sub-Commission has been ironing out the loose ends to get the situation running more smoothly.

3. The Italian Government has been very cooperative. Decrees proposed by ACC have been made their laws.

4. A new Minister of Justice was appointed.

5. Regarding the state of Italian courts in Apulia, particularly in Taranto and Brindisi, Colonel Upjohn had asked that the procedure be expedited and heavier sentences imposed.

6. In reviewing a large number of cases it has been found that the records are not well kept.

7. There is an urgent need for legal officers in Naples to clear up congested courts.

8. Decrees issued in Apulia were applicable in restored territory. Decrees issued in future by Italian Government could be made applicable in occupied territory if endorsed to that effect by the Chief Commissioner. The Chief Commissioner stated that ACC was about to issue a directive defining rights of Allied Forces in

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450 are hospitalized at the present [illegible] concentration camps have been suggested. A revision of laws and their exact enforcement are needed.

3. Malaria. This Sub-Commission is endeavouring to get an expert to advise on its control. There is a malaria control board. Malaria will be a greater problem this year due to drainage situation.

4. An effort is being made to standardize food in the hospitals.

5. Malnutrition is not apparent, but investigations are being made in schools in Naples and Salerno.

6. An attempt has been made to centralize welfare head in close touch with Labour Sub-Commission. The Red Cross has helped considerably. There is a shortage of personnel in the field, especially in welfare work.

D. Legal Sub-Commission, Colonel G. R. Upjohn.

1. Up to recently the chief work has been conderned with documents connected with the restoration of territory.

2. Italian Government has had some difficulty with Army authorities in some Regions. This Sub-Commission has been ironing out the loose ends to get the situation running more smoothly.

3. The Italian Government has been very cooperative. Decrees proposed by ACC have been made their laws.

4. A new Minister of Justice was appointed.

5. Regarding the state of Italian courts in Apulia, particularly in Taranto and Brindisi, Colonel Upjohn had asked that the procedure be expedited and heavier sentences imposed.

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E. Education Sub-Commission, Lt. Col. Smith.

1. Defascistization of University of Naples was being accomplished.

2. Text books are finally being received which are void of traces of Fascism.

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3. A Youth Commission is exploring to see what can be done for youth to fill the gap left by the abolition of the Fascist Youth Movement.

a. Serving of lunches to school children was under consideration.
b. General MacFarlane suggested a Boy Scout movement, etc.

4. Many school buildings had been requisitioned and their release was required.

F. Property Control Sub-Commission, Lt. Col. C. R. Harris.

1. Region XII has more Allied property than was expected.

2. The Commission now has a list of industrial concerns sequestrated by the Italian Government.

(A question was raised by Colonel Poletti regarding the taking over of German property in newly conquered territories. General MacFarlane advised that any such cases encountered should be immediately reported to higher Headquarters.)

G. Monuments and Fine Arts Sub-Commission, Major de Wald.

1. There had been recent changes in personnel.

2. A slight reorientation of policy is necessary.

a. There should be certain standard rules for protecting monuments and fine arts in Italy.
b. The importance of their protection should be brought closely to the attention of military personnel.

(1) Up to now this has been done by printing of lists
(2) Lists are now being printed in small handbooks. These lists will indicate the monuments in Italy which are to be protected.

c. Italian people are interested in doing what they can along this line.
d. The Public Relations Section can help by giving information to troops.
e. Major de Wald suggested that the officer in charge of monuments and fine arts should be consulted before requisitioning any property which might be of historic or artistic value. Military necessity is recognized as paramount.

General MacFarlane asked if it were true that a black market has started in works of art. Major de Wald said that he had no information.

8 10

H. Vice President of Administrative Section, The Rt. Hon. The Viscount Stansgate, commented briefly on the functioning of his Section. He stated that it was necessary to examine the broad outline of the Italian machine; once this was grasped, then the details would fit in easier. To get this picture, day to day information

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III. REPORTS BY ECONOMIC SECTION.

A. Industry and Commerce Sub-Commission, Colonel W. Evans.

1. Industries which could be reestablished to care for essential civilian needs and not hamper the war effort have been promoted. Chief among these is the clothing industry.

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2. It has been desired to start soap manufacturing, but caustic soda cannot be obtained. This has been on requisition since September. There is no surplus in the United Kingdom.

B. Labour Sub-Commission, Colonel J. R. Bain.

1. The only real labour difficulties have arisen from the amount of food available to the workers. We cooperate with the Food Sub-Commission to determine which workers shall be given the midday meal which was authorized by AFHQ. The difficulty has been to limit such distribution. Additional groups of workers have asked for consideration. There should be no discrimination in the distribution of food. The recent trouble over the question of issuing a midday meal to the public utilities workers of Naples has been settled so that a serious threatened strike was avoided.

2. The demonstration "token strike" staged for Saturday, March 4, political in nature, can probably be quelled without difficulty.

3. There has been excellent cooperation with the Italian Government and a number of decrees embodying the basic principles announced by AMG and ACC have been drafted by the Italian Ministry of Labour and submitted to the Labour Sub-Commission for approval. It is believed that these matters will become Italian law very shortly.

4. The question of an increase for Government pensioners, a matter which this Sub-Commission initiated last October, is now in the hands of the Finance Sub-Commission for final determination.

5. A number of important wage studies are now being made, of which the first, the hemp industry, has been completed.

6. The experiment initiated in Sicily involving a new form of registration for unemployment is continuing and will soon be completed. In essence, the new system builds up "live registers" and links up registration with the payment of unemployment benefits.

7. A number of trips have been made and conferences held with Italian officials connected with our Regional and Provincial Labour officers.

C. Agriculture Sub-Commission, Major W. A. Hartman.

1. More labour must be employed in the future.

2. Farmers have been confused with the Fascist policy in regard to agriculture. No uniformity or good policy had ever existed up to the present time.

3. Some difficulty and change of plans may be caused by a shortage of fertilizer.

4. Emphasis was placed on making the Italians more conscious of the necessity for forecast and planning.

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4. Emphasis was placed on making the Italians more conscious of the necessity for forecast and planning.

5. There is a problem of varying prices, which must become more uniform for the essential needs of the farmer.

6. It was stressed by Major Hartman that more than 50% of the physical resources and 50% of the labour in Italy are engaged in agriculture.

Forestry

7. All Italian personnel possible have been utilized in forestry, but it is difficult to find experienced Italians in this field.

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8. Timber is being harvested as near to where it is to be used as possible to conserve transportation, which is already a major problem.

9. The Italian Minister has been asked to get reports which will enable the planning of a timber program for the coming year. A survey of resources is being made.

Fisheries

10. This Sub-Commission is working closely with the Fisheries Section of the Ministry with a view to central control of fisheries.

D. Food Sub-Commission, Lt. Col. W. J. Legg.

1. The overall supply situation is better in the base areas. Twenty days supplies have been amassed in certain areas. There is no anxiety. The whole situation on the West Coast is favourable

2. There is a problem in connection with the handling and safeguarding of food supplies.

3. A uniform ration scale has been approved for hospital patients.

4. The present rationing system requires modification.

5. A shortage of olive oil exists.

6. Transportation is insufficient to meet requirements.

7. Under the new ration scale it will be possible to issue a ration of pasta and raise the total ration near to the requirements set by the Public Health Sub-Commission.

8. The following improvements can be noted since the 1st of February:

a. Bread ration has been raised.
b. A sugar ration has been made available to Italy.
c. There is an overall distribution of dried vegetables.
d. It is hoped to make a distribution of cheese or meat and soap within the next month.

9. It is planned to issue new ration cards to remove the problem of fictitious ration cards.

E. Public Works & Mines Sub-Commission, Lt. Col. L. A. Jenny.

8.9

1. Military highways. We have relieved the armed forces as much as possible in taking over roads and bridges. We must get the Italians to do the job. Difficulties have been encountered in regard to paying civilian labor. This was taken up in conferences with the Finance Sub-Commission. 5th Army outlined a program for wages and also food menus for employees. In ACC's use of civilian labour no food is given. When groups are working side by side and being

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2. Electricity rationing. We have had many conferences and the problem is well in hand. The armed forces agreed that it was their responsibility to see that the electricity was supplied but they have asked ACC for personnel to look after the matter. A decree must be issued to authorize rationing. The question was taken up with the Legal Sub-Commission. A decree is now ready to be presented to the Government. The armed forces must also reduce their requirements. Immediate results are not visible.

3. Utility rates. This is an involved problem and conditions are uncertain at the present time.

(1)

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F. Finance Sub-Commission, Colonel A. P. Grafftey-Smith.

1. Colonel Grafftey-Smith has had discussions with the Minister of Finance regarding the method of taking over Region 1 and 2.

2. Arrangements are being made for a repayment to AMFA in Sicily.

3. The revenue side is not bright. There is a general feeling that all the big tax payers have gone, and the tax-collectors are apathetic.

4. With regard to government finance, postal savings bonds will soon be on sale.

5. Banks are coming along well and bankers are cooperative.

6. Administrative Memorandum No. 95 was mentioned. The question was brought up as to whether Italian Army will pay certain agencies. A voucher system is being installed.

7. With reference to the accounting for supplies, the Finance Sub-Commission has consulted other Sub-Commissions interested. They are examining the desirability of setting up an Italian organization to work at the warehouses; the question is in regard to the Italians' capability. As for the policy to be followed in accounting for military supplies, the Finance Sub-Commission is trying to find out from AFHQ exactly what they need.

G. Internal Transportation Sub-Commission, Colonel S. A. Fitch.

1. Rail. Military authorities still have control. ACC should take over railways in Sicily as soon as possible. Movements on Mainland have been better. A bid for transportation is often made and then the interested party fails to get his goods to the railhead at the proper time. It is requested that this situation be remedied by Regional Commissioners.

2. Roads. Progress is not as rapid as desired. Transport which was handed over was not in operating condition. Also it is thought to be best to postpone for awhile the turning over of transportation to civilian agencies.

3. Schooner. A good movement of loads has been made. Registration of schooners has been an interference.

H. Shipping Sub-Commission, Mr. Ian Campbell.

1. With further reference to the registration of schooners, this is helping check up on the black market shipping.

2. Several deep sea ships have been put into operation. It is hoped to get another six into operation in the next few days.

General MacFarlane asked whether this would help to get troops out of Sardinia. Mr. Campbell replied that broadly speaking it would.

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I. Electric Power Mission, Colonel J. P. Growdon.

1. The demand is increasing for electric power; and the supply is definitely limited.

2. Plans for supplying power to Rome are underway.

3. The theft of wire has been a serious obstacle by hampering the work.

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J. Vice President of Economic Section, Hon. Mr. Henry Grady, concluded the reports from his Section. Mr. Grady remarked that since the small schooner matter is really for Internal Transportation Sub-Commission, the Shipping Sub-Commission at present is without a field.

A study has been made of the general question of inflation and the factors bringing it about. Mr. Grady stated that he was not satisfied with the manner in which currency valuation was worked out, and he wishes to present the matter to Combined Chiefs of Staff. The whole matter requires careful study.

Regarding prices, wages and rates - these matters should not be dealt with by the Sub-Commissions as far as taking action, however they may make recommendations.

A report is being compiled on the working of the Section which will show what has taken place.

IV. REPORTS BY INDEPENDENT SUB-COMMISSIONS.

A. Telecommunications Sub-Commission, Colonel J. L. Henderson.

1. Naples and other provinces are to be included in the internal and external postal services.

2. Foreign mail services are now established which puts liberated Italy in communication with many countries. There are PW services with Great Britain, China and Russia.

3. The Italian Government has telecommunications into Naples from Salerno.

4. There is the problem of two groups of employees working side by side, part paid by the Government and part by the military.

5. Communications to Palermo and Cagliari have improved.

B. War Material Disposal Sub-Commission, Colonel J. T. Zellars.

A survey of Italian war materia has been made and arrangements made to procure all materials which we can use.

C. Naval Sub-Commission, Commodore M. Palmer.

1. Figures are being compiled giving the strengths required for the actual jobs being done.

2. The question has been considered of the desertion of 5 Italian sailors to the Yugoslav Navy.

D. Army Sub-Commission, Brigadier C. C. Duchesne.

1. Ceiling for Italian Army is now set at 500,000 men. We are within

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D. Army Sub-Commission, Brigadier C. C. Duchesne.

1. Ceiling for Italian Army is now set at 500,000 men. We are within 3,000 of the limit. Rations for Italian Armed Forces are handled at the moment by the Allied Forces issuing to them through books of the ACC. This Sub-Commission has not touched nor attempted to touch the rationing in Sicily or Sardinia.

2. Clothing and boots are beginning to come in.

3. At present the Army Sub-Commission is handling program for ACMF.

4. There are three divisions on the Mainland, one of which is a combat division.

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5. The problem of shipping troops from Sardinia has been taken up.

6. The civilians employed by the Army have their pay based on administrative instructions.

E. Air Forces Sub-Commission, Air Commodore E. M. Foster.

1. The Italians have shown very fine cooperation.

2. An average of 700 sorties per month have been flown. It is hoped to get this up to 1,000 when the weather improves.

3. The Coastal Wing has done much useful work, especially in rescue missions. Bomber Transport Wing has been used for dropping personnel and supplies in the Balkans. There are a few aircraft for evacuating wounded. Work on the whole is satisfactory.

4. This Sub-Commission must rely entirely on wreckage and salvage as sources for spare and repair parts.

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The Conference adjourned at 1800 hours.

Robert E. Doe

ROBERT E. DOE
Major, A.G.D.
Secretary General

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Enclosure 2

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ACTION AFHQ. INFO COMMUNICATIONS ZONE ETOUSA AND DELTABASE AND ALCOM ROME

TOP SECRET.

Clearance now obtained from French authorities for party of PRINCESS OF PIEDMONT. Our cable S-79464 dated 17 February 1945 refers. Please notify border crossing point soonest.

DEPT

Copy No 1 - INFO-ACTION: Chief Commissioner
" " 2 - INFO: A/President
" " 3 Chief Commissioner
" " 4 Executive Commissioner
" " 5 Political Section
" " 6 File

857 -

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