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ACC

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ACC REPORTS
MAR. - SEPT. 1944

TO	INIT	DATE
COL. CHAPMAN		
COL. YOUNG		
LT. COL. WILCOX		
MAJ. LUCKMAN		
MAJ. WOLFE		
MAJ. H. GIBSON		
MAJ. HARVEY		
MAJ. BALLANCE		
CAPT. POWELL		

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CONFIDENTIAL.

HEADQUARTERS ALLIED COMMISSION,
APO 394

MONTHLY REPORT

SEPTEMBER 1944

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PART IV - Political Section, and Public Relations Branch, Navy Sub-Commission, Army Sub-Commission, Air Forces Sub-Commission, Communications Sub-Commission, War Material Disposal and Italian Prisoners of War Sub-Commission. Pages 30 - 35

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This report is now so ancient that there is little reason for circulating it.
17 Nov. 1944.

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PART I.

AMG FIFTH ARMY.

1. At the beginning of September AMG Fifth Army had ten Provincial Commissioners and their teams in operation on the Arno, with a wide front to cover, and about twenty new communes were opened up. SIENA Province was turned over to Regional administration on 5 Sept and the commune and city of LIVORNO was handed over to the P.C. shortly afterwards, the AMG Army team being withdrawn for duty further North.

2. Among new communes occupied later in the month was PISTOIA, entered by AMG on 15 Sept and found to be considerably damaged. Later the communes of FIRENZUOLA and S.GODENZO were occupied. Both towns have been completely destroyed.

3. Towns along the Arno Valley between PISA and FLORENCE had largely been evacuated during the last weeks of August, but many inhabitants have since returned to their homes. There are many minefields in the area, much of the harvest has been lost and considerable unemployment exists.

4. The food situation is generally serious: local resources are poorer than was expected and a large proportion of the wheat harvested has been spoilt by war and weather and is unfit for consumption. But food in small quantities is reaching the bulk of the population.

5. There has been much political activity during the month, especially in FLORENCE. The patriot problem is synonimous with politics: they are the bone of contention between various the political parties. Attempts made to recruit patriots for the regular Italian Army have not been very successful: patriots wish to join the Army in organized bodies rather than as individuals.

6. Carabinieri for the Northern Regions are arriving satisfactorily.

7. AFHQ is making arrangements with the Transportation Sub-Commission for the formation of Truck Companies to haul civilian supplies.

8. PISA was under intermittent shell fire until 28 Sept. Inhabitants of the city, estimated at about 15,000 persons, were all North of the river and in view of the water shortage all entry into the town was temporarily stopped by a ring of police posts. Later the supply improved and many people returned to their homes. Patriots, who co-operated well, were duly disarmed and public order was good. The famous leaning tower suffered a few unnoticeable chips.

9. Conditions in FLORENCE improved noticeably when the Germans had withdrawn from the Northern suburbs. The sanitation of the city, which was in a terrible state when the Allies entered, is now in hand. Law and order are good and all hospitals are functioning normally. Schools are to reopen on 2 October. A committee formed of prominent persons deals exclusively with Anglo-American nationals. Two hundred homeless Southern Italians are being evacuated daily. The food supply to the city is still unsatisfactory.

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10. Political interest in the city centres around the conflict between the Prefect and the Committee of National Liberation: AMG support is being given to the former. The city has attracted many visitors, including the Lieutenant of the Realm, Togliatti and the Prime Minister, and a host of unauthorised persons.

AMG EIGHTH ARMY.

11. The month has seen little change in the area administered by AMG. Eighth Army. The Province of PERUGIA was handed over to LAZIO Region. AREZZO will shortly pass to TOSCANA Region.

12. Most of the new territory occupied comes into FORLI Province of EMILIA Region. The mountain regions present no unusual administration problems but the coastal belt has suffered very badly in the fighting. The destruction in parts is as great as that in the LIRI Valley and the approach of winter will cause considerable hardship to the population.

13. The neutral Republic of SAN MARINO was entered on the night of 20/21 [illegible]. This situation had unusual features and considerable preparations had been made to handle it in a way that would give the least possible offence to the sensibilities of a neutral nation. It was pointed out to the Captain Regent of the State that Allied troops had been forced to enter the State to pursue the enemy who had violated its neutrality and it was the intention to evacuate all troops as soon as operations permitted.

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14. Proclamations 1 and 2 were not posted but a copy of Proclamation No.1 was handed to the Captain Regent.

15. The Republic was found to be well stocked with food, but 40 tons of supplies were nevertheless sent in as soon as conditions allowed. 12 loaded trucks were standing by at the time of entry but owing to heavy rain the roads were temporarily impassable. This food was distributed mainly to refugees, of whom there was a large number. The State has normally a population of 18,000 but above this were 80,000 refugees, mainly from RIMINI. It was a considerable problem and great credit is due to the Republic for the organisation it had set up to deal with it.

16. Both electricity and water supplies were disrupted but water trucks were loaned as a temporary measure.

17. Damage otherwise was slight except for the roads, which had been destroyed.

18. RIMINI, when entered, was very seriously damaged. The town was empty of civilians who had mainly dispersed in SAN MARINO and along the coast. Emergency measures had to be made to house and feed the returning civilians (needed for military labour) until they could be distributed among the habitable buildings left in the town.

19. In nearly all cases of towns liberated during the month, Committees of Liberation have been formed which have rendered great assistance in reforming administration. The Committees have been representative of nearly all Parties and have appeared less interested in the existing Italian Government than in restoring local administration on a non-political basis.

20. A fairly substantial (1700 tons) stock pile of flour has been built up from local grain milled in the area. Lack of electric current is still a limiting factor in the milling, but recent rains will allow water mills to operate more freely from now on.

21. The lack of warehouse accommodation, owing to destruction, is a great handicap in the amassing programme. Harvesting was held up by operations and much grain lays until it was wet; owing to lack of warehouse accommodation much will be lost.

22. It was presumably due partly to this factor that the administration during the German occupation distributed grain for the whole of the coming year to consumers, who will be able to turn, dry and store the individual allotments. Varying amounts were allotted; the present indications in FORLI Province are that grain was distributed to a considerable portion of the population to last till next August in a basic ration of approximately 400 grammes of grain per day, with approximately 550 grammes for workers.

23. All Provinces report the chief shortage to be salt and olive oil. Salt is, of course, particularly important in the pig farming areas where farmers cure their

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23. All Provinces report the chief shortage to be salt and olive oil. Salt is, of course, particularly important in the pig fanning areas where farmers cure their own bacon in Nov/Dec.

24. The immediate agricultural problem in the forward areas is unfortunately insoluble. It is the inability of the farmer to get on to his land at all, due to its being either in an area of operations or else mined.

25. Unemployment is considerable in the manufacturing areas of AREZZO Province and will not be solved until power is available in the factories.

26. Refugees during the month have not presented serious problems. There are, of course, large numbers of civilians in the coastal belt from PESARO Northwards who are not in their own houses but distributed somewhere in the countryside. With the slowing down of the advance at the end of the month and the breaking of the weather, these displaced civilians may cause a considerable problem. As usual at this time of year, the refugee problem is entirely dependent on the speed of advance and the ability of the Army to find sufficient billets without disturbing local inhabitants.

27. Very considerable destruction of bridges and roads has occurred throughout the area, and if large areas are not to be isolated this winter when Bailey bridges are withdrawn, construction programmes will be heavy. Regional Public Works officers are aiding reconstruction.

28. Very few patriots have been met, and none who can be described as organised bands. There has been local difficulty in disarming some of these, particularly in the coastal belt.

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SICILIA REGION.

29. The political atmosphere remains unchanged, though the Separatist movement has shown an increase of strength and activity. There is a widespread spirit of laissez-faire and the administration generally makes little or no effort to improve the situation or to enforce the law. Political and personal feelings carry too much weight and officials appear to be afraid to take necessary steps for the common good or in the interests of the war effort. Many changes have taken place recently in higher grade appointments and it is hoped that these may lead to improved results. Subordinate local administration generally is ineffective, a fact which became most obvious in connection with the Granai del Popolo. Everything is dominated by the food situation and prices of foodstuffs in the markets. Food is short and prices of many normal items are very high.

30. The internal security situation is delicate and the operations of armed bands are increasing. At the same time public security and police forces are suffering from reduction in numbers and no improvement in armament or equipment. Their morale among a well-armed population cannot be high. Much praiseworthy work, is, however, carried out in many of the country districts, particularly in dealing with acts of banditry.

31. The present food situation is comparatively satisfactory. Almost all stocks of AC tinned goods have been handed over to Italian agencies as from 30 Sept and the distribution of three months rations of sugar was completed early in Sept. But with the failure of the grain collection the future cannot be regarded with equanimity.

32. Road transportation continues to be a serious problem, due almost entirely to lack of tyres and spare parts. It is quite obvious, however, that vehicles are frequently used for unessential purposes and large numbers of vehicles bearing no proper registration marks can be seen on the roads. The police take no action and a state of affairs is allowed to exist which should not be tolerated in any law-abiding country.

33. The Granai del Popolo has been disappointing. The local target figure of just over 3 million quintals, which it was estimated would have fed Sicily up to the next harvest, is generally admitted to have been too high, but 50% of this total has not been reached. Since the middle of September the return of grain has fallen off alarmingly. Voluntary collection of grain has, to all intents and purposes, practically ceased. Only when force is employed do small quantities come in. It is hoped to extend this system but the small forces available make this extremely problematical and every day that passes makes their future task more difficult, as more grain goes into hiding. It is to be remarked, also, that even these special forces are not above suspicion.

34. The popular opinion that the price for grain is quite unremunerative still holds and, in existing circumstances, farmers prefer grain to money.

35. The proposals concerning an additional indemnity for Italian workers that have appeared in the press have added to the difficulty of maintaining industrial

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34. The popular opinion that the price for grain is quite unremunerative still holds and, in existing circumstances, farmers prefer grain to money.

35. The proposals concerning an additional indemnity for Italian workers that have appeared in the press have added to the difficulty of maintaining industrial peace among labour.

36. The public works programme is proceeding without serious difficulties and about 112,000 workmen are employed in public works in the MESSINA Province.

37. Lastly, plans have been prepared for the repatriation of refugees to the mainland when it becomes possible, and efforts are being made to improve the conditions of those who must remain during the winter months.

SOUTHERN REGION.

38. Southern Region was set up on 28 August. Its tasks, as indicated to officials and Press by the Regional Commissioner, are threefold: firstly, to satisfy the operational needs of the Allied Forces in all things concerning civilians and to prevent civilians interfering with the war effort; secondly, (subject to safeguarding the first task) to hand back to the Italian authorities as much as possible of the work which was previously done by AC; and thirdly, to help the Italian authorities in their new duties and to reduce dishonesty, inefficiency and delays to a minimum. Leading Italian authorities were informed of these tasks and a similar announcement made in the Italian press. During the month progress in all tasks has been satisfactory.

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39. The operational needs of the Allied Forces have been met wherever possible. To augment the supply of potatoes to the Armed Forces, the block was reimposed in the NAPLES area. No.5 District supplied six officers with cars to "finger up" producers. The controlled supply was materially increased as a consequence. Questore and CC.RR assisted the Military Police in a round-up of deserters and a fairly satisfactory bag was secured. Normal day-to-day assistance to Allied Forces was rendered in all Zones to the apparent satisfaction of local commanders. In Naturally, Relationships with the French Forces are improving. Strong Representations to the new French Provost Marshal in NAPLES and through him to his Commander, have resulted in a welcome abatement of Ghoum activities. A joint Italian-French organisation, set up to purchase sheep in Calabria, worked both amicably and successfully.- to everyone's surprise.

40. The gradual handover of AC functions to the Italian authorities proceeds. Reception, warehousing and distribution of AC foodstuffs have been handed over to Consorzii; bids for rail transport are now largely through Italian channels. Except in NAPLES Commune AMG, the Legal, Finance, Public Health and Public Safety Sections now work largely through Italian channels. Public Works and Utilities, Industry and Commerce, and Property Control, continue to do a great deal of detail work, partly because Allied interests are directly concerned and partly because the provincial organs of the corresponding Italian Ministries have not yet been set up. The decree for the new Transport Organisation (ENAC) has been published, but its functioning must wait for the appointment of Directors by the Government. (The organisation is naturally unpopular and special police methods are planned to force it on the trade). The Property Control Decree is expected in a few days. The Provincial Offices and Chambers of Industry and Commerce are still apparently in the planning stage. The Epuration Committees continue to wait for the appointment of Presidents by the Italian Government. The sooner the Committees are formed the better, as they will be a welcome curb on Fascist-baiting and on the accusation of innocent people; semi-Fascists will know where they are.

41. In performing their tasks, Italian authorities eagerly seek AC assistance. They are prepared to do the work, but prefer that the responsibility should continue to be, at least nominally, AC's. All fear what will happen after we have gone, and an AC "request" is a convenient alibi to political opponents. It is probably desirable that this should continue until the Italian Government is strong enough to give proper support to its local representatives. If support is not accorded, essential services might deteriorate to a dangerous level through sheer inanition. When the remaining Provincial organisations are set up, the machinery of local government in Italy will in many ways be more highly organised and more comprehensive than in most Allied countries. What is lacking is driving power and this must inevitably be found by AC until the Government can supply it.

42. Throughout the Region Communists are showing markedly increased activity. At the instigation of the local Communists, peasants in the VOLTURNO area have threatened to recapture by force the land appropriated by the Fascist Government for the O.N.C. farms, and stories of hidden machine guns are current. (Fifty additional CC.RR have been drafted into the district). There are rumours in FOGGIA that the Communists are acquiring arms, but no confirmation has been obtained.

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43. Apart from the Communists' activities, the people at large are outwardly docile as ever. On the surface there is little prospect of widespread disturbances; below the surface there is no doubt some discontent and some subversive organising, but it is hard to gauge the extent of the one or the success of the other. CC.RR officers are worried and have expressed fears at the consequences which may arise from the loss of the 1,200 CC.RR withdrawn from the Region during the month. The position will be watched.

44. The Italian Government Refugee Committee is apparently getting into its stride. Properly organised repatriation movement is increasing and the arrangements show improvement, but earlier advice of movements is needed. Unfortunately, many people are not content to wait; patience is becoming exhausted and unorganised movement is on the increase. Unauthorised refugees are dammed back by the "Restricted Line" and tend to accumulate in NAPLES and FOGGIA. Efforts will be made to disperse these accumulations, but concerted efforts to deter unauthorised movement seem called for and are being placed in hand in this Region.

45. The wage structure of the Region is [illegible]. There are so many means of paying illegal wages with impunity (piece-work, premiums, "loans", bargain buying through subsidised cooperatives, under-the-counter pay checks, free meals and the like), and the standard of living which can be supported by the legal wage is so [illegible] low, that any real control of the wage structure is fast becoming impossible. Once "black market" wage rates are established it is well-nigh impossible to reduce them.

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An early fulfilment of the promise of substantial legal increases all round seems the only solution, but the miserable wages paid to state employees should have special treatment first.

46. On general questions the following comments can be made. Political activity during the month was in general slight and apathetic. As regards food, shortage of transport throughout the Region was the main difficulty that faced the food supply authorities. The total grain amassed in the Region at the end of September was satisfactory, but not outstanding. During the month FOGGIA road blocks impounded 21 military vehicles, mostly French and Italian, engaged in the black market. As regards crime conditions, the general situation throughout the Region was satisfactory.

LAZIO-UMBRIA Region.

47. On 21 September PERUGIA Province came under Regional control, completing the final handover of Regional territory from the Armies. At the end of September there were three Provinces under the Italian Government and four under AMG but it was planned to hand over two more Provinces, (RIETI and VITERBO), to the Italian Government during October.

48. In the Provinces there has been little or no change in political tendencies, the Communist Party still being the one showing the most activity. In ROME also the political situation remains much the same.

49. Considerable progress has been made with the provision of postal facilities in all but PERUGIA Province and a much better understanding has been reached over the control of civilian movement. The food situation is serious: but the shortage of sugar could probably be overcome if something could be done to satisfy the pasta and oil demands. In ROME available rationed foodstuffs have been distributed to the population but the ration scale continues low.

50. Industrial reactivation in ROME continues to be restricted for lack of electric power and coal supplies, and it is now often necessary to unblock rather than block the materials used in industry. Industry does not play a big part in the Provinces, except in TERNI, but such as there is gives an encouraging picture.

51. Water available in ROME is now about 95% of the pre-war total but it has to cater for a larger population than in pre-war days.

52. Projects for State and military roads in ROME area which have been approved include 108 bridges in permanent construction and 24 contracts for maintenance. Expenditure approved for Public Utilities includes Lire 120,000,000 for new houses and 38 bridges on other than State and military roads. In the Provinces the shortage of materials is still causing concern. Housing and communications give the most anxiety and even a small allocation of cement would help. Housing is a little more hopeful in the CASSINO area. Some progress was made in mine clearing and a batch of volunteers picked up 2,000 in a week shortly [illegible]

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53. There were no serious crimes in ROME apart from the CARETTA incident, the disturbance to CARUSO's grave on 30 September and rioting among prisoners at REGINA COELI Prison.

54. There has been no change in public health during the month. In the Provinces there is the danger of anaemia as an aftermath of malaria, caused by a lack of fats and meat.

55. The trend in the movement of refugees in ROME began to swing towards the exodus during September. The programme of dispersal was a planned scheme of rehabilitation rather than haphazard dispersal, as in August. All the refugees who were sent from ROME went back to their home communes or Provinces. Two [illegible] Casarme in ROME were taken over solely for refugees. There is a very urgent need for blankets at refugee camps in the Provinces.

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56. Provincial motor pools are going ahead and VITERBO has nearly 150 vehicles available. Bus services, on a restricted schedule, are gradually opening up.

57. Property control in ROME is now very much concerned with the operation of businesses.

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58. Deposits in the Banks continued to increase during the month and the general banking situation is satisfactory.

59. Approval is awaited for the issue of supplementary rations to Allied nationals in ROME but otherwise the general situation as regards Displaced Persons has been static.

60. The exhibition of Masterpieces of European Painting in the Palazzo Venezia raised the sum of Lire 821, 044,25.

ABRUZZI-MARCHE Region.

61. Political activity has been at a minimum during the past few weeks, owing perhaps to the harvest. The Communist Party has been the most noticeable and articulate.

62. The Italian administration, despite the changes made among the senior officials, continues to function smoothly and well. Those officials are still in need of the encouragement given by AMG officers but it is thought that they will soon be able to stand on their own feet.

63. Amassing of grain proceeds very satisfactorily, though the people in grain-producing Provinces are shortly expected to protest against the 200 gram ration, compared with the 300 gram ration in Southern Italy. There is justification for this as they have already collected three-quarters of the target amount which represents one-sixth of the total amount collected in liberated Italy.

64. The lack of olive oil and salt is [illegible] another cause of dissatisfaction but this is likely to be rectified during the coming month. The olive harvest is reported to be good and if the fiscoli are forthcoming the oil situation will be much easier than at present.

65. The potato crop produced in the AVEZZANO district has been given such prominence lately that the farmers now have an exaggerated idea of the importance of their product. It is anticipated that the matter will be dealt with satisfactorily during October, since the main part of the crop will then have been dug and collections thus made easier.

66. The repair and reconstruction of roads and bridges is proceeding as fast as the problems of labour, supply and transportation can be surmounted.

67. The question of housing for devastated areas is urgent.

68. Electricity remains a problem which is not easily overcome, though every effort is being made to improve on the existing arrangements.

69. Mine clearance presents an almost hopeless situation and deaths continue to be reported. One Italian mine clearing company has been transferred from the PESCARA-CHIETI area and one company is left. In one commune alone there are 150,000 mines and there is only one company left to deal with them.

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70. The Public Safety Section report that the Region is practically free from serious crime.

71. Health is good and there have been no epidemics.

72. Those schools not rendered unusable will be opened as from 1 October, as far as possible. The screening of teachers is near completion.

73. In the devastated areas the return of the population is presenting a great difficulty. These people are brought from the South by the Italian Army who continue to carry hundreds of civilians in their vehicles.

SARDEGNA Region.

74. During the month of September the new Prefects have had an opportunity to settle down to work and all three are at present satisfactorily carrying out their duties.

75. The High Commissioner's staff is also beginning to take shape under Signor CATTENACI. It is still too early to give a considered judgement but the changes in the administration have already been a decided help to us.

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76. The main preoccupation of the month has been the reduction in the workers' food ration, due to take effect on 1 October so as to bring Sardinian workers into line with the rest of Italy. At least 200,000 workers will be affected and in some cases the reduction is considerable, 150 grams of bread per day in the case of miners for example. PWB, under M. D'AGOSTINO, has helped with a carefully worked out radio and press campaign. The radio talks were followed by published notices and by the actual announcement of the new ration scales on 26 September. On the same date the Regional Food Officer held a good meeting with seven Labour leaders, representing 40,000 workers, including 11,000 miners. He explained the situation to them and made known small concessions in the way of additional soup powder, dried vegetables, etc. It will not be possible to say how the change affects the situation until next month. Only two food demonstrations occurred in September.

77. Giuseppe SARAGAT, the Italian Socialist Minister, and CORBI, Under-Secretary of Merchant Marine, visited SARDINIA during the month and made several speeches. They also paid a courtesy visit to the Regional Commissioner and, as far as can be seen, the effect of their visit to SARDINIA has been beneficial and they showed a good understanding of the help given by the Allies. Emilio LUSSU has again visited the Island and has also been attending a number of meetings. He appears to be a visionary and is swayed by the last group of workers he happens to have visited. This month it was the CAGLIARI salt workers. He painted a very grim picture of the bad conditions under which these men worked and compared them to galley slaves of 3000 years ago, finishing up with a plea that they be given more boots. These men do not work in a salt mine but in open salt beds where the salt has been evaporated out from sea water. There is nearly always a cool breeze and the work is not unduly hard, the only troublesome feature being that those who are bare-footed suffer, to some extent, from the salt in contact with the skin of their feet. A small issue of shoes has bee made to them but the conditions under which they were said to be working were unduly exaggerated by LUSSU.

78. One of the enemy agents dropped by parachute over SARDINIA has escaped and one wireless transmitter has not been located. A ninth agent was dropped on 27 September and fortunately rounded up at once.

79. The case of the Penal Settlement at ASINARA is being taken up by the High Commissioner and arrangements are being made for the repatriation of a number of prisoners who have completed theirsentences.

80. The Regional Engineer left SARDINIA on 14 September and an Italian Engineer, Sig. BUTTINI, is in charge of Public Works. This is an experiment.

81. The storms on 18 September caused the loss of one of the regular Courier Aeroplanes. 16 persons are now reported missing but it is believed only 2 bodies have been recovered so far. The missing include Lt.Col.HESSNER, Major KNAUER and three Italians, FUMA, GORDANO and SARIENNA, all from AC.

82. 22 Italian Government officials taking a census for the Demographic Industrial Survey are in SARDINIA and have been distributed to selected communes throughout the Island.

TOSCANA Region.

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TOSCANA Region.

83. The Province of SIENA reverted to Regional control on 4 September and the Province of LIVORNO on 5 September, making a total of three Provinces out of nine under the Regional Commissioner..

84. On 20 September the Island of ELBA reverted to Regional control. The Officer Commanding the French Forces is styled Deputy Military Govenor of the Island. The fact that only part of the French Garrison has been withdrawn (and incidentally this has been partly offset by the arrival of nearly 200 other French troops) increases the difficulty of administration.

85. Political reaction and popular opinion is mostly concerned with Communist activity against the alleged Fascists. The Communist Party is the best organised of any and many of members (who were formerly Patriots) are armed.

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86. Incidents where Italian personnel, employed directly or indirectly by the United Nations, were concerned, caused some amusement. A woman employed by NAPLES C.I.S. who toured much of the Region without any permit, was found in possession of 150 pairs of good leather shoes. Three Patriot officers, bound for ROME, had 700 pairs of silk stockings, also jewellery, and were illicitly carrying mail. Lastly a clerical gentleman had collected 20 motor tyres.

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87. Provincial Local Government is generally complete in GROSETTO and SIENA. In LIVORNO Sindaci or Giunta are established. Provincial Government is proceeding reasonably satisfactorily.

88. The food situation is satisfactory in GROSSETO and SIENA. In GROSSETO the scarcity of fuel and transportation difficulties have inevitably a deleterious effect on the general food situation.

89. The situation as regards Public Safety is for the moment satisfactory. The first essential is to build up the morale of the various police services.

90. Functioning of AMG and Italian Courts is satisfactory. There were three serious offences in AREZZO Province, shooting and killing, shooting and wounding, and assault and wounding of Allied soldiers. "Political" murders have occurred in SIENA and FLORENCE. Conduct of Allied troops is, in the main, fairly good. Considerable criticism of the behaviour of French troops in ELBA has been made.

91. Distribution of medical supplies is proceeding satisfactorily. There have not been sufficient to stock pharmacies, but enough essential drugs are now available for hospitals. Most civilian hospitals within Regional jurisdiction are now functioning almost normally, and where supplies permit the special hospital food rations are given.

92. 37 cases of malaria were notified during August.

93. Opening of schools has been postponed to 16 October. In SIENA Province preparation of premises has been taken in hand. In GROSSETO it is hoped to have most schools functioning by 1 November.

94. Refugees do not now constitute a great difficulty in this Region, but saturation point has been reached in SIENA and AREZZO Provinces. GROSSETO Province.

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PART II.

CIVIL AFFAIRS SECTION.

1. Defascism. The preliminary stage of organising the machinery to carry out defascism is drawing to its end. It has been necessary to draw up the decrees, form the courts, recruit the personnel, judicial and clerical, draw up rules of procedure and the like. Now the machine is beginning to turn over, as it is run in it will be possible to accelerate.

Defascising is carried out under four heads:

(a) The punishment of Fascist crimes, that is, acts contrary to the old constitution. The first trials are commencing. Caruso has been tried and executed and several other trials are scheduled for October.

(b) The removal of Fascists from the administration of 126 "trial" commissions, 61 have been established. Over 600 cases are already in hand of which nearly 3300 have already been referred to "trial"; a large number of persons are suspended pending trial. The cases of senior grades of officials are being given priority.

(c) The recovery of improperly gained riches. Nearly 1500 cases are already under investigation. The property involved in one group of 20 persons alone exceeds 47 million pounds.

(d) Recovery of the property of Fascist organisations. No overall figure is available yet but in ROME alone property to the value of nearly ¾ million pounds has been recovered.

LOCAL GOVERNMENT SUB-COMMISSION.

2. Prefects and Officials. Arrangements have been made with the Ministry of Interior for the election of suitable Prefects for provinces not yet liberated. To overcome the shortage of personnel the Ministry, on the recommendation of this Sub-Commission, have promoted a number of Vice Prefects. Many changes and transfers of junior officials have been made to strengthen the Italian Administration in AMG provinces where staff vacancies have been reported.

3. Local Government.

(a) GROSSETO (3-7.Sept). A representative visited GROSSETO Province and conferred with the the Provincial Commissioner and his staff, as also with the Prefect and Vice Prefect, on local government problems. He also conferred with the President and members of the Deputazione Provinciale on their reorganisation and functions.

(b) LUCCA, PISA, PISTOIA, TERNI and RIETI (22-27.Sept). At the request of 5 Army an officer visited the first three Provinces for the purpose of ascertaining the state and condition of the Italian Civil Administration [illegible] Provincial Commissioners. Visits were also

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(b) LUCCA, PISA, PISTOIA, TERNI and RIETI (22-27.Sept). At the request of 5 Army an officer visited the first three Provinces for the purpose of ascertaining the state and condition of the Italian Civil Administration and to advise the respective Provincial Commissioners. Visits were also made to TERNI and RIETI with the view of ascertaining the position of Local Government there. The Provincial Commissioners and Prefects were interviewed.

4. Reorganisation of Rome City. The Sub-Commission conferred with the Ministry of Interior and with the Finance, Legal and Public Works Sub-Commissions on the proposed draft decree for the reorganisation of ROME City. A new draft has been drawn up. In view of the importance of the administration of ROME the usual relationship between it and the Province is to be modified. This should be to the advantage of the City.

5. Defascism. Personal contact has been made with the members of the Epuration Commission. Detailed instructions for the compilation of reports as to its work and progress have been given to it. Public Safety and Public Health Sub-Commissions, whose epuration activities are co-ordinated by this Sub-Commission, have been instructed similarly.

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PUBLIC SAFETY SUB-COMMISSION.

6. Formation of New Regions. During the month Public Safety officers have been withdrawn from Southern Regions and formed into Regional teams to occupy the industrial north. On 25 September a meeting was held at 5 Army HQ when the newly appointed Regional Public Safety Officers discussed with Army Public Safety Officers plans for policing the Northern Regions.

7. Strength of Police. Efforts are being made to increase the strength of the Police forces by incorporating Italian troops into the CC.RR, by securing the release of prisoners of war, and by a recruiting campaign.

8. Guard Duties. In order to make the fullest use of trained police personnel, instructions have been issued that in the future no policeman will be used for guard duties or any kind of work other than regular police duties. Those already employed will be withdrawn after 14 days notice.

9. Public Order. Public order has been well maintained, with the exception of one ugly incident in ROME when CARRETTA, a witness at the trial of CARUSO, ex-Questore of ROME, was mobbed inside the Palace of Justice. He was seised, beaten, thrown into the TIBER and finally strung up by his heels outside Regina Coeli Prison. The police failed to control the situation, although present in sufficient numbers. A full enquiry by the Italian Government is proceeding. Disturbances have also occurred in Regina Coeli Prison, ROME, owing to overcrowding and delay in bringing prisoners to trial before Italian Courts. Order has now been restored and steps taken to avoid any repitition.

10. Police Morale. On 22 September the Commanding Generals of the CC.RR and GG.FF and the Director General of Public Security, Minister of Interior, attended a meeting presided over by the V.P. Administrative Section to discuss measures for raising the morale of the police. Briefly it was agreed to establish closer contact between officers and men, to encourage initiative and esprit de corps, to obtain cooperation of the Press and to carry out impartial investigations into complaints against police and award exemplary punishments. Every assistance is being given to increase rations and procure uniforms and equipment for the police.

PUBLIC HEALTH SUB-COMMISSION.

11. Personnel. Col.Paul F. RUSSELL, Head of the Malaria Control Branch, has left for another Theatre. His work, especially in combatting malaria, was outstanding.

12. Political.

(a) The Public Health Division of the Ministry of Interior has completely reorganised its Central Staff.

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10. police parade. On 2C September the Commanding Generals of the G3.FR and G4.FF and the Director General of Public Security, Minister of Interior, attended a meeting presided over by the V.C. Administrative Section to discuss measures for raising the morale of the police. Briefly it was agreed to establish closer contact between officers and men, to encourage initiative and esprit de corps, to obtain cooperation of the press and to carry out impartial investigations into complaints against police and award exemplary punishments. Every medal may be given except for instances of torture and pressure uniforms and equipment for the police.

PUBLIC HEALTH SUB-COMMISSION.

11. Personnel. Col.Fred H. MARSHALL, Chief of the Malaria Control Branch, has left for Caserta Thursday. His work, especially in combatting malaria, was outstanding.

12. Political.

(a) The Public Health Division of the Ministry of Interior has completely reorganized its Central Staff.

(b) A pool of doctors is available in ROME from which individuals may be selected to go forward areas as Medical Officials. A diary scale for these officials has been fixed.

13. Public Health.

(a) The typhoid epidemic in NAPLES is subsiding. A small outbreak of typhoid in SALERNO is being energetically dealt with.

(b) Smallpox in recent months continues to decrease. 115,270 vaccinations have been performed during the month. No cases of smallpox have occurred in NAPLES.

(c) The Malaria Control programme in Italy in 1944 has effectively kept this disease in check throughout the liberated provinces, in spite of a high epidemic potential, disorganized health service and serious lack of transport and supplies.

(d) The Hygiene Demonstration Unit will go on tour during October and November.

(e) The Italian Government has been requested to clarify the position regarding medical supplies for soldiers hospitalized for more than 30 days.

(f) The tuberculosis mortality figures for ROME have increased between 1938 and 1943. It is anticipated that the 1944 figures will be found greater than those of 1943 but will, none the less, be not as large as the figures for 1916.

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(g) For the first eight months of 1944 the infant mortality rate for ROME was 133.4, as compared with 92.6 for a similar period in 1943. It is gratifying to note, however, that the August rate dropped to 148.7 from 221.3 in July. The rate for September was 89.9 per 1000. The lowest since January 1944, and lower than September 1943.

14. Veterinary.

(a) Foot and mouth disease tends to spread, but the output of vaccine is showing a satisfactory increase.

(b) Hog cholera is expected to decrease with the onset of winter. 19,000 doses of vaccine have been distributed to date.

(c) Large quantities of hog cholera anti-serum and virus have been handed over to the Yugoslav Medical Commission for use in YUGOSLAVIA.

15. Medical Supply.

(a) 600 tons of medical supplies were received at the end of September and all requisitions should shortly be filled satisfactorily.

(b) A National Wholesale Druggist Association has been formed to act for the Italian Government for the distribution of medical supplies to the Provinces of liberated Italy.

16. Welfare Branch.

(a) The Opera Nazionale Maternita' ed Infancia is experiencing difficulty in maintaining its activities due to lack of funds.

(b) Many institutions which afford relief to destitute and helpless persons are hard hit because their incomes have decreased, or remained constant while the cost of living has increased. They find great difficulty in obtaining money to balance their deficits.

(c) The British and American Red Cross personnel are performing invaluable service in this Branch.

LEGAL SUB-COMMISSION.

17. Italian Branch. The activities of this Branch cover:

(a) Reorganisation of the personnel of the Italian Magistracy in AMG/ACC territories is proceeding.

(b) The publication of decree abolishing the death penalty in the Penal Code.

(c) The adjustment of jurisdiction over petitions for Pardon and Conditional Liberty.

(d) The preparation and settling of decree providing for the continuity of Italian responsibility in the matter of sequestration of Allied property.

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18. Office of Chief Legal Adviser. The following are being examined and/or prepared:

(a) Draft of decrees dealing with "Sanctions against Fascism".

(b) Preparation of first draft of new Restoration documents.

(c) Consideration of problems of a Petroleum Section of AFHQ, with particular reference to AGIP and AMIC.

(d) Consideration of duties and functions of Property Control. 151

19. Office of Chief Counsel. In the course of the month:

(a) General Order No.33 (petrol cans and other military property), No.34 (Wage Adjustments) and Notice No.4 (petrol cans) have been prepared.

(b) A directive in respect to Enemy Partisans is under preparation.

(c) Preparations of Opinions on Scope of Armistice in hand.

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(d) An opinion with respect to limitations imposed by Proclamation No.4 (Revised) on payments of benefits is also in hand.

20. Chief Judicial Officer. The work for month of September was of routine nature; review of cases has continued.

In espionage cases, 4 cases have been submitted for confirmation or commutation of death sentences; in 2 other cases sentences of 10 years have been affirmed.

Four cases have come up for review in which charges have been laid against Italians, left behind by the Germans, who were provided with explosive and demolition equipment for sabotage purposes. In no case yet reviewed has any such person committed or attempted to commit any act of sabotage. Charges are therefore laid under Proc1.No.1, Part II, Art.IV(5) for possession of explosives. Sentences have ranged from 10 to 2 years.

EDUCATION SUB-COMMISSION.

21. Courses. The courses of study, prepared under the auspices of the Education Sub-Commission last year, have been modified and are being issued in revised form.

22. Elementary Text Books. The very large printing project for elementary school text books (totalling about five million copies) has been launched.

23. Secondary School Text Books. There being a great variety of these, the main problem has been analysing and classifying them as approved, approved with specified pages removed, and ordered confiscated. A Ministerial Commission, aided by the Sub-Commission, has completed this work for books available from ROME south and is publishing a list of 213 books to be confiscated (in addition to the great number of purely Fascist books), 586 books approved minus certain pages and 4,117 books approved.

24. New Directives. The directives for the opening and functioning of schools on a non-Fascist basis, first prepared last year in Sicily and gradually amended, have been issued in enlarged form for use in the Northern Regions.

25. Survey. The survey of Italian Education is making progress, is revealing interesting data and bids fair to become a major contribution, not only to Italian education, but to an understanding of it in other countries.

26. Translations. In consultation with the Minister, the Sub-Commission is undertaking the selection and supervising the translation of a series of books to acquaint Italians with the organization, purposes, methods and problems of education in the United States and Great Britain and soon it is hoped Russia

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27. Field Work. Italian Government territory is now almost wholly self-operating. The LAZIO-UMBRIA and MARCHE-ABRUZZI Regions are largely organised. TOSCANA is being organised, Province by Province, as the Armies move forward. Preparations for EMILIA and VENEZIA are complete. Summer sessions, where held, wound up during September and all was in readiness for opening schools generally during October.

MONUMENTS, FINE ARTS & ARCHIVES SUB-COMMISSION.

28. LAZIO-UMBRIA Region.

(a) The exhibition of European Masterpieces had an attendance of 47,305 people during the month. Proceeds from entrance fees and sale of photographs amounted to 1,022,310,25 Lire. The balance to date after expenses were paid is 821,044,25 Lire, for use for projects on repairs of monuments.

(b) Budget submitted of 14,118,000 lire for the most urgent repairs in the Region.

(c) Inspections of ALATRI, FERENTINO, AMELIA and UMBRIA.

(d) The anti-aircraft protection was removed from the Arch of Constantine.

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29. ABRUZZI-MARCHE Region. Detailed inspections were carried out in the Provinces of CHIETI, PESCARA, CAMPOBASSO, and AQUILA. Funds advanced for repairs in the ABRUZZI amounted to 1,773,153 Lire. Further estimates of 1,223,000 Lire were submitted. Many repairs were initiated and completed in the Provinces of AQUILA, PESCARA, CHIETI and TERAMO. Report made on German vandalisms and thefts in the Region. ANCONA and LORETO, repairs initiated.

30. TOSCANA Region. An unusual situation obtained in TUSCANY because of the military situation. A division of control for work was established between Army, Regional and MG officers. The work consisted of:

(a) Location, examination and safeguarding of deposits of art.

(b) Visiting monuments and giving first aid.

(c) Coping with problems of movement control, supply and transportation.

All deposits around FLORENCE have now been seen with the exception of one. Repairs for monuments in the Region have been planned and many have already been completed.

31. AMG Armies.

(a) Initial report on the condition of monuments in RIMINI received.

(b) Large scale first-aid measures taken with regard to the Campo Santo at PISA.

32. Archives.

(a) The Ministry of the Interior has taken control of archives in Italian controlled territory.

(b) The archives of the Supermarina have been restored to the Ministry of the Marina. Fascist industrial archives and Mussolini's Archivio Ordinario are stored in the Palazzo Venezia.

(c) Archives at VELLETRI being recovered from the debris.

33. Various.

(a) Report made on German and Italian activities in relation to works of art in Italy.

(b) Check-up on movable works of art in LAZIO almost complete.

(c) With acquisition of necessary materials progress is being made in compilation of long overdue photographic record of damage and repair to monuments.

(d) Report on war-damaged monuments in CAMPANIA published in NAPLES by Dr. MOLAJOLI, Superintendent of Galleries.

PATRIOTS BRANCH.

34. The formation of the Italian National Patriot Committee under the Presidency of

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PATRIOTS BRANCH.

34. The formation of the Italian National Patriot Committee under the Presidency of the Prime Minister, with General ORDONE as the Executive Head of the Patriot Office, should mean the beginning of the handover of the patriot problem to the Italian Government.

35. Intelligence reports are being collected from all sources and disseminated to HQ of Regions going to Northern Italy. The idea is to give such up-to-date and last minute news to Regions that, in the event of a sudden collapse, all Regional and Provincial Commissioners will have a clear and helpful picture on the conditions which they may expect to find.

36. It is important to record that in the majority of cases arms are not being handed in, except in very small numbers.

37. The number of recruits who have joined the Italian Army from the Patriots have been remarkably low - under 400 in all from July until the end of September. The patriots themselves display no eagerness to volunteer.

DISPLACED PERSONS & REPATRIATION SUB-COMMISSION.

38. General. On 23 September the Internees and Displaced Persons Sub-Commission and the Italian Refugee Branch were amalgamated under command of Colonel C.B. FINDLAY. The name of the new Sub-Commission is "Displaced Persons and Repatriation Sub-Commission". D.P. & R. Sub-Commission now deals with all Allied National Refugees and Italian Refugees, also with repatriation of Allied Nationals from Italy and Italians back to Italy.

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39. Medical.

(a) Food Supplements - ROME. 1475 Allied Nationals with medical certificates are receiving food supplements in ROME. Many others not receiving extra food are anaemic and under weight. These factors diminish resistance to winter's chills and it is hoped that extra food will soon be available.

(b) Health. A sharp outbreak of measles occurred in two camps, each with over a thousand children. A new 50 bed hospital at POGGIARDO was opened. This epidemic is now thought to have died down, and should not assume serious proportions in the absence of large numbers of fresh unimmune arrivals. All possible measures were taken regarding quarantine, etc., but intelligent co-operation is beyond many refugees. Mumps is also occurring in a mild form. Protection of almost all children against diphtheria by immunisation has already been carried out.

40. Records Bureau. A total of 58,118 displaced persons are recorded in the Records Bureau. Of this number the location of 44,527 is known. The balance of 13,591 have been in Italy within the past year. These records represent 66 nationalities. During September 365 enquiries as to welfare and whereabouts were received and 211 replies made to enquirers.

41. Finance.

(a) Relief Payments. Emergency payments were made by the Polish Military Mission, the Royal Yugoslav Delegation and the Greek Ambassador to several hundred heads of families from funds advanced by this Sub-Commission. Beginning October these payments will also be made by the Banca d'Italia.

(b) Currency Conversion. There is still no action on the repayment of funds to the refugees who went to PALESTINE in May and to the UNITED STATES in July

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PART III

ECONOMIC SECTION

AGRICULTURE SUB COMMISSION.

1. Reconstruction of Italian Agriculture, Forestry and Fisheries Control

(a) Some of the Directorates of the Ministry of Agriculture are beginning to show that they may eventually function effectively in controlling and directing agriculture. The development of initiative and forcefulness is, however, slow.

(b) Progress is speedier in the field offices. Many of the compartmental and provincial inspectors are finding their feet and are anxious to do constructive work. Proceeding further North there seems to be less of the cowed condition to overcome, but it is surprising to what extent some of the officials in the South have recovered self-confidence with the help and backing afforded them by A.C. agricultural officers in the field.

(c) The olive oil amassing decree was followed up during the month with a price decree for that important commodity. It is considered that while a blanket price to cover costs in all regions was difficult to arrive at without unduly raising the cost of the ration to consumers, the price as fixed, at nearly four times the 1942 price, amply covers cost to producers in nearly all regions and there is, consequently, no possible excuse for evasion or black market dealing. The Ministry of Agriculture has been asked to work out a full plan of campaign.

(d) Progress of the Granai del Popolo scheme continues good in many areas in spite of the usual difficulties, lack of transport, etc., emphasized in previous reports. By the end of September the total collection amounted to 8,451,203 quintals or 73% of the 11,600,000 quintals most recently estimated that will be amassed. The previous target figure, based on Regional Commissioners' local campaigns, had been 13 million quintals. The harvest collections compare favorably with Fascist years, when it is remembered that the Allied-sponsored Granai del Popolo has operated in the immediate rear of intensive military operations.

(e) All regions and AMG 5th and 8th Armies, also the Italian Ministry of Agriculture, have been informed that the National price of wheat grown in 1944, based on lire 900/1000, shall be effective in recently occupied areas in Italy, including LAZIO, ABRUZZI, MARCHE, TOSCANA, EMILIA, LIGURIA, PIEMONTE, LOMBARDIA and VENEZIA, for all wheat delivered after Allied occupation. Stocks of usable wheat found in Consorzio warehouses upon Allied occupation, and which were delivered under contract with the Republican Government but not paid for, will be paid for on the basis of Republican Government's contract price. Any

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blanket price to cover costs in all regions was difficult to arrive at without unduly raising the cost of the ration to consumers, the price as fixed, at nearly four times the 1942 price, amply covers cost to producers in nearly all regions and there is, consequently, no possible excuse for evasion or black market dealing. The Ministry of Agriculture has been asked to work out a full plan of campaign.

(d) Progress of the Granai del Popolo scheme continues good in many areas in spite of the usual difficulties, lack of transport, etc., emphasized in previous reports. By the end of September the total collection amounted to 8,451,203 quintals or 73% of the 11,600,000 quintals most recently estimated that will be amassed. The previous target figure, based on Regional Commissioners' local campaigns, had been 13 million quintals. The harvest collections compare favorably with Fascist years, when it is remembered that the Allied-sponsored Granai del Popolo has operated in the immediate rear of intensive military operations.

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(f) The production plan for agriculture, forestry, and fisheries for 1944-45 has been completed. It deals with many aspects of planning in considerable detail and is for the whole of Italy, province by province. It will be discussed by officials from all Liberated Italy, who will meet shortly in ROME for the first time since the invasion of Italy and the plan will form a hard core for detailed programs and procedures.

(g) It is proposed to follow up the Granai del Popolo film with one illustrating the democratic features of Italy's new agricultural organization. There should also be a brief news film as a follow-up on the Granai del Popolo film and an olive oil amassing film. The difficulty will be to procure transport for PWB.

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2. Forestry

(a) Approval of the Sub Commission was given to a Decree placing Administrative Committee and Commands of the State Forests under the jurisdiction of the Director of the Royal Forest Corps.

(b) The Forestry Directorate of the Ministry is beginning to make its presence felt, even in AMG areas.

3. Fisheries

(a) This Division has succeeded in getting a decree promulgated establishing an organization charged with the responsibility of distributing fishery requirements. Under the direct control of the Ministry, it will have storage places at major fishery centers and so simplify transportation problems.

(b) Steps are being taken (a) to establish amassing centres wherever there is production so that proper allocation of supplies may be made as between local consumption and major consuming centres; (b) to allocate nafta strictly on the basis of quantity of fish unloaded.

(c) At the instance of this Sub Commission, Flag Officer Western Italy, R.N., granted further relaxation of present restrictions on fishing.

COMMERCE SUB COMMISSION

4. Materials Division

(a) General

During the month a survey of Materials Control procedure disclosed a considerable improvement in the operation of the Control system.

A comprehensive plan for administration of the Controlled Materials system for AMG territory was approved and passed to AFLRS for comment and agreement before being sent out to AMG Region and Army HQs. This proposed plan was to be submitted to the AFLR(I)B meeting on 7 October 1944.

(b) Tobacco

Up to the last week in September 315 tons of tobacco had been shipped by rail, against the month's bids for transportation of 800 tons made on behalf of the Tobacco Monopoly, and accepted.

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800 tons of raw tobacco were loaded at GALLIPOLI, providing a 4 months' supply for factories at PALERMO and CATANIA which had been closed on account of lack of raw materials.

The Monopoly is being assisted in the procurement of the raw materials needed for the production of cigarette paper.

10 tons of damaged flour was provided for the Tobacco Factories as a substitute for starch.

(c) Matches

Permits have been obtained from the Armies for both C.I.F. and Unione Fiammiferi, to send representatives to North Italy for the planning and reconstruction of damaged plants.

The experiments which are being made in the S.A.F.F.A. Plant with hemp-thread and stearin are likely to be soon completed.

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With the higher production of the match factory at NAPLES it will be possible to raise the present ration of 25 matches per person monthly to 50 matches, thus reducing the black market traffic.

SICILY and SARDINIA have now obtained supplies of matches sufficient for two months.

(d) Requirements and Releases Section

September releases to AC from LMS, HQ AAI, continued to provide more liberal contributions towards civilian requirements.

Discussions took place between this Section and officials of the Ministry of Industry, Commerce and Labour with a view to passing over to the Ministry the work of reporting and freezing controlled materials, and receiving and screening civilian demands.

(e) Paper and Printing Ink

The Newsprint situation should be relieved by arrival of 347 tons in NAPLES and 150 tons in CATANIA. SICILY should now have two months supply.

The Printing Ink situation continues to be satisfactory.

(f) Textiles, Shoes and Clothing

Textile mills at PRATO and LUCCA were visited. Approximately 400 mills of various capacities are located in this area.

First delivery of one thousand rubber soles and heels for repairing salvaged boots has been completed. PIRELLI Company production is now placed at 600 soles and heels per week.

5. Fuel Section

Arrangements have been made to allocate to the Italian Government supplies of POL in bulk for SICILY, SARDINIA and Southern Italy (Southern Region) leaving it to them to sub-allocate to Provinces, and categories of users, effective 1 November 1944. This allocation was formerly carried out by Petroleum Section.

6. Price Section

Activity during September consisted of participation in the work of the

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6. Price Section

Activity during September consisted of participation in the work of the Price Committee and further efforts to assist the Italian Government in establishing an effective system for handling prices, but progress in this latter direction continues to be slow.

7. Foreign Trade Section

(a) Towards the end of September shipping facilities improved and October should see considerable movement in goods which have been accumulating for export.

(b) Letters were interchanged with the Ministero dell'Industria del Commercio e del Lavoro, establishing agreement to the re-activation of the Istituto Nazionale per il Commercio Estero (ICE) as the executive organ of the Italian Government responsible for export trade development. 151c

(c) Discussions are in progress by which payment of Italian exporters would be undertaken by the Bank of Italy, and warehousing, forwarding and loading of export goods would be done entirely by transport agents under agreement with AC and the Italian Government.

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(d) The timber supply situation for box making for the citrus fruit export programme at last shows some improvement.

(e) Meetings have been held with the Italian Ministry of Agriculture and Ministry of Industry, Commerce and Labour to discuss centralised organisation of the Silk Industry. Meanwhile CALABRIA continues to produce, and silk cocoons from Turkey have been imported in order to maintain output from the filatures now working.

(f) Hemp experts have been reduced - it is hoped temporarily.

(g) Requests from Allied countries have been received for, or offers made by Italians of the following new commodities:- alcohol, cork, mercury, iron ore, manna, cloves, snuff, tobacco seed and wheat seed, juniper berries cement and pyrites. Almost 100 varieties of vegetable seeds are now being procured and shipped, or stockpiled for shipment to liberated countries. Preliminary enquiries on marble have been made.

FINANCE SUB-COMMISSION.

8. On 29 September the Minister of the Treasury, SCIBNI, released to the press a long review of the financial position of the Treasury. In this review he estimated the deficit for 1944 - 45, in the thirty provinces now under the Italian Government, at 50 billion lire. The gross indebtedness of the Treasury had risen from the 406 billion lire given by BARTOLINI in his speech on 30 June, 1945, to 725 billion lire at the most recent date.

9. As indicated in the August Report of the Finance Sub Commission, the Italian Government decided to lower both the rediscount rate of the Banca d'Italia and rates on Buoni del Tesoro Ordinari. By Ministerial Decree, effective from 11 September, the Banca d'Italia's rediscount rate was reduced from 4½% to 4%. Another Ministerial Decree reduced each rate in the schedule of maturities of BTOs by ½%. This change also was effective on 20 September, 1944. The new rates are:-

1 and 2 months bills	-	2.75% per annum
3 and 4 " "	-	3.25% " "
5 and 6 " "	-	3.75% " "
7, 8 & 9 " "	-	4.25% " "
10, 11 & 12 "	-	4.50% " "

10. The Corte dei Conti is now well established and competently maintaining all the controls within its legal powers. For many years past, under the Fascist Government, this State office was not permitted to exercise the

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10, 11 & 12	"	-	4.50%	" "

10. The Corte dei Conti is now well established and competently maintaining all the controls within its legal powers. For many years past, under the Fascist Government, this State office was not permitted to exercise the full controlling powers over expenditure that were contemplated when it was first established and when its duties were originally defined by statute. Changes in the law during the past two decades had the effect of whittling away the real power of control, so that the office became a mere rubber stamp. The original powers are now restored and the Corte has already shown that it will become the most powerful single instrument of effective budget control.

11. The war profit's tax revision became law with thepublication in Official Gazette No. 56 on 16 September 1944 of Decree Law, 10 August 1944. No. 199. Draft decrees have been received covering proposed revisions for the Imposto sull'entrata (Turnover Tax) and for Imposta Successione e Donazione (Succession and Gift taxes). These are being considered and have been the subject of interviews with the Minister and the Direzione Generale concerned. It is clear that the Italian Government has at last realized the importance and urgent necessity of increasing State Revenue. They are tackling the question of tax revision in a most energetic manner.

12. During the twenty days ended 10 September 1944, the Bank of Italy

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lost currency from its reserves to the amount of 575 million lire, despite large outpayments of lire by the Allied Armed Forces to the public. Preliminary reports indicate a further decline of 600 million lire during the ten days ending 20 September, reducing the global reserve to about 5.2 billion lire. As of 30 September the total reserve had fallen to 4.2 billion lire. The drain is concentrated in notes of large denominations. More than 1 1/4 billions of currency have been shipped from the Bank of Italy in ROME to branches of the Bank of Italy north of ROME since 5 June 1944, and the drain shows no indication of slackening. In fact, it has proved necessary to deposit 368 million lire in new AM lira currency in the Bank of Italy. It appears that the working-class and the middle-class are withdrawing their savings in a futile competition with each other to buy food in the black market, which holds its gains in the form of currency. Rural regions are also taking some of these funds.

In view of the resulting stringency of the Banca d'Italia currency position it becomes necessary to reverse the former policy of opening the banks as soon as possible. It is obviously undesirable that AM lire should be used on a large scale to pay off Italian depositors. Public expenditures and financing of crops are adequately provided for under Proclamation No. 4, prior to the opening of banks for general withdrawals.

13. Under amendments to General License No.32A, dated 29 August 1944, the limit of 50 dollars a month placed on remittances from the United States to any individual or household for living expenses was increased to 500 dollars per month. The amended license also provides for payments to be made in the additional provinces of ROME, FROSINONE, LITTORIA and CAMPOBASSO. Remittances from blocked dollar accounts may be made only to a citizen of the United States who has a beneficial ownership in the said account. Specific licenses will be granted by the Treasury Department for sums in excess of 500 dollars per month through existing "AF" accounts upon adequate justification. In no instance will a license be granted for transfers from Blocked accounts in the United States belonging to, or beneficially owned by, persons in Italy who are citizens of nations against which the United States has declared war.

14. Steps were taken whereby the Italian Government, through the Ministry of Agriculture, established the office of Direttore Generale dell'Alimentazione, which assumed direct charge of co-ordinating and controlling all phases of the supply of essential foodstuffs. The Direttore Generale appointed Federazione dei Consorzi Agrari as the distributing agent throughout Italy. Through this action an organisation was established for handling imported foodstuffs. The plan went into operation on 1 September for the large Southern Region, and will be extended to forward areas on

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15. Pursuant to HQ AC G.O. No. 45, para XIV, which became effective on 1 October 1944, the Property Control Sub Commission was transferred to the Economic Section and made a division of the Finance Sub Commission, to be known as the Property Control Division. Henceforth it will perform its duties as a division of Finance Sub Commission. Prior to such amalgamation the Acting Director of the Property Control Sub Commission was authorized to re-open negotiations with the Italian Government, looking to the return to that Government of the responsibility for the care and custody of Allied property in transferred territory. Such negotiations had been in suspense since April pending a decision on questions of policy. The first of the new meetings was held with the Minister of the Treasury and other officials on 23 September. Rapid progress was made and by 28 September draft decrees had been prepared and discussed and agreement reached upon all the important points. On 30 September a draft decree was handed to Legal Sub Commission for examination.

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FOOD SUB-COMMISSION.

16. A survey was completed of available imported supplies in Italy in relation to the extended areas liable to be fed. This showed that a reduction in the total consumption was necessary due to the lack of concrete information with regard to the resumption of imports of these supplies.

17. To achieve this, as from 1 September the existing ration scale, with the exception of bread and salt, would be issued only to towns of 50,000 and above, but retaining the existing special ration scales universally. It is appreciated that this plan is not ideal, but it was the only logical solution in view of the existing supply situation.

18. The inequality of the bread and pasta ration as between the South and Central Italy has had careful study during the month. Uniformity of ration - with an upward movement of the ration scale in Central Italy being the aim, rather than a reduction in the South - necessitates a program of increased imports of cereals during the winter months. Because of this and of the need for the importation of other basic foodstuffs to ensure a reasonable ration scale for the entire population, a new program of imported food supplies was prepared in considerable detail for submission to AFHQ. As a result of this program being taken to Washington by Brig. Gen. O'Dwyer, the Director and Statistician of the Food Sub Commission were called to Washington to support the estimates submitted.

19. The feeding of ROME continued to cause anxiety. The bread ration of 200 gram daily, the authorised ration of meat, dried vegetables, soup and salt was issued plus an issue of 550 grams of pasta. No sugar was available for issue due to late arrival of expected supplies and the olive oil ration was carried forward to early October due to transportation difficulties. In addition to feeding the ordinary population of ROME, supplies were made available to Communal and Industrial Kitchens feeding 280,000 people daily, to 25,000 Hospital Patients and to other special classes. In addition an average of 650 tons daily of non-rationed foodstuffs were brought into ROME.

20. The problem of the supply of areas devastated by war and the difficulties of transport being increased by the winter rains, had to be faced. Southern FROSINONE and LITTORIA, badly battered in the early advance, were given a special allocation of food, but supplies of vital commodities such as fats etc. do not exist. Some areas likely to be isolated during the winter months

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21. No supplies having been set up for North of the PISA-RIMINI line until November by A.F.H.Q. a special milling and rail program was set up to move [illegible] flour at the rate of approximately 250 tons per day, with other supplies in proportion, to provide a stockpile for a possible rapid advance North of the PISA-RIMINI Line before November.

22. Local Resources. As a result of action by A.C., a new administrative instruction was issued by A.F.H.Q. during the month, which limits the amount of local produce to be purchased by the Armed Forces. If carried out to the letter this will make a far greater amount available for civilian needs at this vital time.

23. The tomato processing season is nearly over. Final figures are not available, but due to competition by the black market processors for fresh vegetables, and the extreme shortage of fuel, the target figure of 2000 tons will not be reached.

24. To conclude, the month has been one of tackling the problem of supplies to recently occupied areas, and of planning for the feeding of the whole of Italy during the coming winter.

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INDUSTRY SUB-COMMISSION.

25. Foreword.

During the past month considerable progress has been made in the transference of detailed executive work from the Sub Commission to the Italian Ministry of Industry, Commerce and Labour. By the end of the month steps were being taken and details being worked out to hand over to Italian governmental administrative control most of this Sub Commission's main interests, more especially the fertiliser, soap making, paper making and cement industries. It was decided that the Italian Ministry would create small committees for each of these industries which would be responsible for this transfer of control. The committees to be presided over by a respresentative of the Ministry and to consist of two or three representatives of the industry in question. Under the proposed plan detailed executive work will be done almost entirely by the Italians themselves, this Sub Commission's responsibilities being virtually confined to the screening of requisitions for necessary imports of raw or repair materials, and to endeavouring to solve the transportation problems involved.

The regular weekly conferences with the Ministry were continued throughout the month and were found to be of increasing value, but it was felt that the Minister was evincing a stronger desire for complete independence of action. Some divergencies of opinion between the Minister and the Sub Commission arose over the question of the selection of personnel for some industrial administrative posts. It can, however, be recorded that the past month has shown a steady growth in the administrative power of the Ministry, which, with the growth of a more efficient communications network, showed evidence of its ability to handle, day to day executive problems.

26. Governmental Decrees

During the month the Governmental Decree for the control of the hemp industry and manufactured products thereof received Cabinet approval, and was duly published. Steps were taken to ensure similar action in NAPLES which, of course, remains AMG territory.

It is regretted that other decrees which have been pending, such as those for the control of the leather industry, and dealing with the position of the Ente Zolfi Siciliani have not yet been published.

27. Administration

This month has once again seen considerable progress in the recruitment of qualified personnel, and the policy has been consistently followed of arranging for newly recruited personnel to spend some time at HQ before their

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This month has once again seen considerable progress in the recruitment of qualified personnel, and the policy has been consistently followed of arranging for newly recruited personnel to spend some time at HQ before their transference to their selected assignments in the field. The Sub Commission's plans for adequate representation in all the forward areas are now nearing completion and it is pleasant to be able to record that recent recruitment has reached a very high standard of technical qualifications for future tasks.

Arrangements were completed to carry out the recommendations of the Manpower Reorganisation Committee. The Sub Commission put forward a detailed plan giving immediate implementation to the Committee's recommendations.

At the beginning of the month, the Coal Section of the Transportation Sub Commission was transferred to this Sub Commission and now forms the Coal Division.

28. Conferences

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During the month a personal investigation was made of the problems to be solved prior to the resumption of production by the Soda Solvay Works at

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ROSIGNANO, thereafter a conference was held with General HAMBLEN, D.C.A.O., HQ., AAI. as a result of which permission was obtained from Fifth Army for immediate repairs to be commenced to the 36 Kms. of pipeline running from the salt mines to the works, despite the fact that the pipeline is laid for a considerable length along route No. 68, which is still in operational use for military traffic. A meeting was also held with the D.C., M.P.S. in SOLVAY who undertook to send a reconnaissance party to study the problem of the restoration of railway traffic from VADA into the works at ROSIGNANO, and promised the Sub Commission every assistance in the repair of the one bridge that is destroyed in this area. Following these meetings and other action, it is hoped that this important unit may be able to commence production at the beginning of next year.

29. Industrial Activities.

The month under review has witnessed the liberation of important industrial areas in Tuscany. Almost before the dust of battle had settled, officers from Industry Sub Commission entered the area to carry out preliminary investigations into conditions. At first sight the outlook is grim, damage has been severe, but a reasoned appreciation is not immediately possible, and an appraisal of potential recovery must be deferred until stock has been taken, a process now being carried out.

LABOR SUB COMMISSION

30. Labor Relations, Laws and Regulations

(a) The important news of the month was the visit and tour of Delegates from American and British Labor Unions, the Delegates were Mr. LUIGI ANTONINI, American Federation of Labor; Mr. GEORGE BALDANZI, CIO: Mr. WILL LAWTHER, British Federation of Miners Union; Mr. TOM O'BRIEN, British Trade Union Congress. A tour through Southern Italy and SICILY was followed by a general Trade Union Congress in ROME and afterwards the entire group visited the fighting front.

It was very clearly defined to the Italian Trade Union movement that real progress could be made only through freedom from political influences; but that any possible help, moral or otherwise from the U.S. or Great Britain would be dependent on whether progress was made in line with fundamental principles of democratic free procedures.

(b) This Commission instituted a survey inspection of the Ispettorato dell'Industria e del Lavoro and of the Regional Labor Offices. One person full time has been assigned to deal with problems of the Ispettorato del Lavoro.

(c) The important problem of recognition by the Italian Government of [illegible] Provincial Labor Offices set up initially by AMG was pursued with

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(c) The important problem of recognition by the Italian Government of Regional and Provincial Labor Offices set up initially by AMG was pursued with the Minister of Labor.

(d) The Decree-Law on the Suppression and Liquidation of Syndical Organizations has been considered by this Sub Commission along with the Finance and Legal Sub Commissions and the position of AC has been formally forwarded to the Ministry.

31. Wages, Hours and Labor Conditions

(a) The Sub Commission prepared and submitted a proposal to the Wages Sub Commission of the Labor and Wages Control Committee AAI for the revision of wage scales for the employees of the Armed Forces. After approval by Labor and Wage Control Committee, the Resources Board concurred with the scale becoming operative 1 October 1944.

(b) Action was also taken on wage increases for employees in private industry. Negotiations were carried out between this Sub Commission, Economic Section and the Minister of Industry, Commerce and Labor.

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(c) This Sub Commission approved with qualifications, in conjunction with Finance Sub Commission, the problem of the Italian Government on wage increases for Government employees.

32. Social Insurance, Benefits and Training

(a) Close liaison has been maintained with the 5 major Social Insurance Institutes and considerable help has been furnished by this Sub Commission to further the work of Field Inspectors of the Previdenza Sociale, Malattia and Infortuni.

(b) Recommendation was made to the Minister of Industry, Commerce and Labor for the appointment of 2 co-Commissioners for the Casse Maritime Meridionale at NAPLES.

(c) Considerable attention was paid to the problem of tying in the administration and fiscal control of the various Casse Mutue Aziendali (Factory Mutual Assistance Sickness Funds) with the national system of the Istituto Nazionale Assistenza Malattie.

(d) The long discussed plan of providing social insurance covering Italian workers employed directly by the Allied Armed Forces has now been formally approved by the Government Agencies and the Local Resources (Italian) Board of AFHQ.

33. Southern Region Summary

(a) Syndicates are still in existence in APULIA although it is hoped that passage of the new Decree on abolition will correct this situation very shortly.

(b) Several wage increase agreements have been approved by the Labor Sub Commission.

(c) An estimate of unemployed workers in NAPLES for the month of August was 61,838. There is practically no unemployment in the southern part of the Region.

34. LAZIO-UMBRIA Region Summary

(a) Nominations have been made for Provincial Labor Directors in the Provinces of VITERBO, RIETI and PERUGIA.

(b) Tremendous pressure has been brought to bear by organized labor groups on the Italian Government for increased wages.

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(d) The long discussed plan of providing social insurance covering Italian workers employed directly by the Allied Armed Forces has now been formally approved by the Government Agencies and the Local Resources (Italian) Board of AFHQ.

33. Southern Region Summary

(a) Syndicates are still in existence in APULIA although it is hoped that passage of the new Decree on abolition will correct this situation very shortly.

(b) Several wage increase agreements have been approved by the Labor Sub Commission.

(c) An estimate of unemployed workers in NAPLES for the month of August was 61,838. There is practically no unemployment in the southern part of the Region.

34. LAZIO-UMBRIA Region Summary

(a) Nominations have been made for Provincial Labor Directors in the provinces of VITERBO, RIETI and PERUGIA.

(b) Tremendous pressure has been brought to bear by organized labor groups on the Italian Government for increased wages.

35. TOSCANA Region Summary

(a) Steps have been taken to establish a Regional Labor Office in FLORENCE, Provincial Labor Offices already having been set up in GROSSETO, SIENA, LIVORNO and FLORENCE.

(b) Constructive work has been done with the aid of the Labor Sub Commission in the registration of labor and tying in the granting of housing and ration privileges with actual employment in the LIVORNO area.

(c) There is considerable evidence of political activity on the part of the Camera del Lavoro in each Province.

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PUBLIC WORKS AND UTILITIES SUB COMMISSION

36. General Observations

Lt. Cols. HENRY and LAPPER went to AMERICA on 22 September (re Supplies,

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plant, materials, equipment, etc.).

37. Italian Public Works Dept. (Genio Civile)

Relations with Minister of Public Works (Italian Govt.) improved. Has now a better grip of his Department (which still remains lamentably defective). Remaining Engineer Officer withdrawn from SARDINIA, leaving responsibility with Genio Civile, and similar action contemplated in SICILY shortly. Analysis of organisational defects of Genio Civile summed up in letter to Minister of 20 September.

38. Defascistization

Major PALMIERI of Legal Sub Commission is satisfied with progress made (special duties in this connection) and has advised Ministry of Public Works Commission as to speeding up activities. Close contact maintained with Major PALMIERI.

39. Reconstruction of War Damaged Italian Cities

Ministry of Fine Arts and Monuments wish that no reconstructional changes likely to alter character of old Italian Cities should be made without consulting them and Director General Monuments, Italian Government. All Regional Engineers notified.

40. Ports (salvage of sunken ships)

Prime Minister approached by Chief Commissioner re taking over of non-operational salvage by Italian Government. No decision yet reached as to whether Ministry of Public Works to be responsible, or Ministry of Marine.

41. Road Conditions

Sub Commission has established a "Road Reports Bureau" to collate experiences of touring officers with information already in possession.

42. Railways (Bridges, permanent way, etc.)

Transportation Sub Commission will continue to be responsible for this class of war-damage.

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43. Land-reclamation, Flooding, Bonifiche Works

Reports received from Eng. Div. 5th Army AMG concerning ARNO and SERCHIO Rivers and likelihood of winter disasters (see para 6 of August Report re Pontine Marshes, and PO Valley). Problems later in PISA plain, likely to be wider in scope. Project (50 million lire) Pontine Marshes now in hand.

44. Eruption of VESUVIUS (March 1944)

Special inspection carried out by Acting Director and Regional Engineer (Southern Region) in September preventive measures can not be effective this winter. Projects prepared by Genio Civile (120 million lire) probably unsound.

45. War Damages (Buildings, etc.)

Minister instructed Chief Officers of his Department throughout Central and Southern Italy to make complete inventory of war damage in Provinces and Communes.

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46. Utility Companies

Gas, Water and Electricity Coys continue to ask advice and assistance in various routine (and many extraneous) matters. Applications for permission to increase charges to consumers continue.

47. Public Utilities (Emergency Services)

Strikes reported at NAPLES and south thereof by employees of Societa' Meridionale di Elettricita' and Gas Companies. Conference held at Southern Region HQ 26 September to discuss plans for setting up substitute operational agency to keep essential services going.

48. Capital Expenditure. July 1944 - June 1945.

In 7 Provinces recently returned to Italian Government Minister notified probable expenditure of 1,700 million lire exclusive of 233 ML arising out of VESUVIUS eruption, war damage to buildings, and numerous other matters.

49. Highways, Bridges and Public Works

(a) New contracts in September amount to 72 for Military Highways and bridges and 99 for miscellaneous works.

(b) Sub Commission asked by Military Districts (Br.) and Peninsular Base Section (Am.) to take over many additional highways and bridges. Special bridge problems discussed in main report.

(c) Housing. Repairs proceeding very slowly. New Decree under consideration. Estimates prepared for construction of new housing units in 9 communes LAZIO-UMBRIA Region. Costs outrageously high and protests made; but Minister stated he was satisfied.

(d) Transport. No improvement - about 50% of vehicles unserviceable. POL supplies still inadequate.

50. Personnel (Allied Officers)

Limited at HQ to 13. Total number employed in HQ and Regions 67. 3 American Civilian Engineers joining shortly.

51. Electrical Division

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51. Electrical Division

(a) Increase in Italian civilian engineers. Research and survey work over wide areas in hand.

(b) New A.F.H.Q. Memorandum No. 49 of 5 October 1944 of very great importance, setting out this Sub Commission's heavily increased responsibilities.

(c) Power-output reports furnished to all interested Army Engineers. General situation very serious.

(d) Special position and difficulties regarding power plants in ROME explained.

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(e) One object of Senior Officers visit to U.S.A. to obtain electrical generating equipment for Italy.

Regional Reports

51. SICILIA Region.

Urgent works required by Navy at MESSINA. Bridge construction works slowed

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down. Road surfaces serviceable. Increased accommodation in prisons available.

Hydro electric situation fairly good.

Some transport difficulties eased by re-opening of PALERMO - MESSINA Railway.

52. SOUTHERN Region

Sanitary and housing conditions in BENEVENTO bad.

Roads in CAMPOBASSO show progress. Out of 135 Communes many without water. Some arrangements made.

Roads in CATANZARO show good progress.

Water supply in REGGIO polluted. Repair works on 6 aqueducts and water-supply systems in COSENZA, CATANZARO and REGGIO inspected.

NAPLES City - many works in hand.

Consumption equal to supplies allocated (electricity).

Gas Company (NAPLES) maintaining some supply under existing conditions. Miscellaneous repairs proceeding satisfactorily.

Transport problems remain acute. (Roads and bridges.) Good progress in BARI District; water and electricity supplies satisfactory. Gas ~~supply~~ inadequate. Reports from CATANZARO similar to those from BARI.

53. LAZIO-UMBRIA Region

Projects approved in September amounted to 30 ML. Funds regularised to complete bridges and other works begun without estimates and proper authority. Amalgamation of ROME Region and Region IV completed. Fair standard of roads maintenance reported. Progress in Bridge construction moderate. Housing projects blocked by lack of clear directives from Italian Government.

Mines-clearance proceeds very slowly.

Building repairs proceeding.

Water supply faulty (ROME City) inherent defects; apart from war-damage.

54. CENTRAL MARCHE Region

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Mines-clearance proceeds very slowly.

Building repairs proceeding.

Water supply faulty (ROME City) inherent defects; apart from war-damage.

54. ABRUZZI-MARCHE Region

Boundary between Districts 1 and 2 (Military) moved forward.

Regional Engineer complains Genio Civile staff inadequate and unsatisfactory.

13 out of 50 bridges on Route 16 repaired, and 26 under reconstruction. Highways works proceeding slowly. Approval obtained to urgent repairs to public buildings.

Water supplies being restored.

Electric power strictly rationed.

55. SARDEGNA Region

Clearance of CAGLIARI City 80% completed. Arrangements in hand for limited supply of gas. Electricity satisfactory. Water supply still critical. Transport situation unsatisfactory.

56. TOSCANA Region

Regional Engineers' activities, owing to forward movement, considerably ex-

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tonnage. Very large program of bridge reconstruction anticipated.

Electric power situation FLORENCE serious.

General public works schemes in hand, also repairs to damaged hospitals.

Responsibility for flood control handed over to Regional Engineer, Armies have promised assistance with transport and equipment. Inspector General (Public Works) Tuscany reported to be of great assistance.

FLORENCE City, 90% of normal water supply now available.

57. EMILIA Region

(a) Enemy causing great damage to roads, bridges, water and electricity plants. No active work possible.

58. PIEMONTE and LIGURIA Regions

No active work possible.

59. LOMBARDIA and VENEZIA Regions.

No active work possible.

SHIPPING SUB COMMISSION

60. There has been no salient feature to report as regards shipping matters in the month under review. Considerable satisfaction, however, can be taken from the undoubted fact that the programming machinery of A.C. requirements for Italy has resulted in an orderly examination of this with the authorities at A.F.H.Q., and it can be stated that all these requirements, so far as their movement by sea is concerned, have been covered. This has been done in consultation with the Shipping Authorities at A.F.H.Q., and has on occasions required the use of Allied tonnage for SARDINIAN coal and phosphates, and the use of one large British vessel for the carriage of wine from the APULIA district to the ROME area.

61. It is early to make any comments on the new method of handling schooners, but it can be reported that the machinery is working efficiently. The Schooner Control which sits in NAPLES and which is represented by the Mediterranean Shipping Board, A.C. and CO.GE.NA, is gradually getting some order out of a certain amount of chaos, and is directing the schooner fleet under their auspices towards the civilian needs as required by the A.C.

Some slight criticism has been made that the numbers of schooners available for civil needs has not reached the stated total of 27,000 tons. This is accounted for by the fact that all the schooners which were visualised as being

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62. The port of CIVITAVECCHIA has been handed over to civilian authorities 151. It the Army and Navy, and will be utilised for importations for the ROME area. It was disappointing to find that most of the gear and dock equipment had been removed, but this has been put right by the Services as a result of meetings which took place in ROME between the interested parties.

Considerable pressure is being put on the respective authorities to ensure that the railroad from the coal berth at CIVITAVECCHIA is put in order at an early date, as on this will depend to a great extent the supplies of coal to

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ROME during the winter months.

It is also satisfactory to note that considerable success has rewarded the efforts of the Italian contractors engaged at FIUMICINO, and it is conceivable that at an early date this will result in another means of supplying the city.

63. The Financial arrangements between the various authorities for payment for services of Allied and other shipping still remains under discussion, and considerable ground has still to be covered before clarity on this point is achieved. It is hoped the next report will give a statement showing at least views of the various authorities on how the financial matters should be administered.

TRANSPORTATION SUB COMMISSION

Railways

64. Rail development has again been able to draw closer to the fighting troops. There has been a considerable increase in freight traffic backloaded from forward areas, thus making best possible use of rolling stock. Such traffic includes wheat, lignite and salt.

65. Plans are in hand for the preparation of advance rehabilitation schedules based on priorities to be indicated by the Italian authorities.

66. The Decree for increase in rail rates and fares has been dealt with and is likely to become law in the near future.

67. On the movements side, officers from AFHQ have been detailed to A.C. for the purpose of taking over rail movement work, releasing A.C. officers for other specified duties in the field.

68. All engineering works have continued and further examination of lines are in hand.

69. In SICILY, proposed coal reduction is likely to cause considerable difficulty and a great burden on road transport which it is not in a position to meet. Suitable action is being taken to meet the needs of the Island objectively.

Work in the field has continued to progress and develop, and field officers have been maintaining their [illegible] high standard of efficiency.

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Shipments, Ports and Warehouses

Shipments

70. Tonnage was allotted for all available bids of A.C. forecast. A 5000 ton ship was allotted for wine from PUGLIA. Barrel shortage will limit purely wine movements to 5000 tons a month. Centralisation of shipment bids through A.C. Headquarters is a considerable handicap.

Practically no bids arrive from SICILY or Southern Regions. Existing instructions are not being followed nor chain for bids arranged. All A.C. shipment bids for September were accepted by AFHQ to be carried by schooners or other ships. The specific allotment of schooner tonnage to Civil supplies is still only 15,000 tons DW of the smallest and most expensive schooners. During the month were allotted 10,000 tons DW schooners and 3500 tons coasters carrying in all 8000 tons.

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Ports

71. The Port of CIVITAVECCHIA has been handed over for civil use. Rail served berths for coal and civil supply ships are being arranged. Gear for the discharge has been obtained from Army sources.

Warehouse and Forwarding Section

72. The above Section is being taken over by this Section of the Transportation Sub Commission on 1 October.

Roads

73. Two complete G.T. Companies (Italian) and 250 American vehicles have been provided by AFHQ in order to alleviate the present critical shortage of transport. It has been decided to organise these companies and vehicles into a QM Truck Battalion.

74. Five additional officers have been assigned to this Sub Commission.

75. E.E.A.C. is not yet in operation and its policy is meeting with stiff opposition from interested parties. It is hoped, nevertheless, that it will be given a fair trial. In AMG territory the FLORENCE Plan of organising civilian transport is proving very satisfactory.

76. This Sub Commission has now accepted responsibility for maintenance of all A.C. vehicles, both military and civilian. A complete plan is being put into operation.

77. Both the Super and Lancia Garages in ROME have been fully booked for work on repairing cars etc., during the current month.

78. Tyres, as ever, are a sore problem. Bitter disappointment was experienced when it was found that a large quantity had been erroneously consigned to us. There is reason to believe, however, that atonement for this will be made in the near future.

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PART IV.

POLITICAL SECTION, PUBLIC RELATIONS BRANCH
AND INDEPENDENT SUB-COMMISSIONS.

POLITICAL SECTION.

1. There was a good deal of tension both in the matter of internal and foreign politics during the month. Principal matters of note were the drive for workers' and state employees' subsidies, the recriminations and occasional acts of violence of the Left and Right and the persistent appeals from all parties for material and moral aid from the Allies.

2. The Socialist Party manifesto (7 September) is a good example of the more extreme programme. After a declaration of faith in the general principles of socialism and internationalism, the socialists made some very specific demands. Of the Allies they asked Lease Lend, demobilisation of AC, the right to make a greater contribution to the war through both the patriots and regular troops, and a statement of reassurance on the Allies financial policy. Of the government they asked immediate attention to the unemployment problem and immediate elections of provincial and communal officials. The manifesto ended with an allusion to the forces of reaction and the readiness of the workers to reply with "revolutionary violence" to any challenge from such forces. These, including political rights for women, are in general the demands of the Leftist parties, although not always voiced with such brusqueness. To them may be added the pressing for some kind of expropriation of the latifundia - the Christian Democrats advanced a tentative plan on 12 Sept and the Communists have been urging occupation at least of untilled lands by the peasants as an emergency measure and without waiting for a governmental decree. On the foreign policy side it may be said that the Socialist programme represents only the minimum of Italian demands: Croce's speech, asking that Italy be classed among the victor nations and accorded full autonomy and parity, received almost universal approval.

3. Repeated reports of violence in the Southern Provinces on the part of Communists and Socialists came in throughout the early days of the month. The Leftists parties have steadfastly denied any activity of the sort and indeed on the best documented occasion (the breaking up of a meeting in CALTANISETTA Province when hand grenades were thrown and the speaker wounded) it was the Communists who were the victims. The outstanding act of violence during the month was the lynching of [redacted] (19 September) who was to be a witness at the CARUSO trial. This was such a shocking affair that there were rumours for a day or so that the government would fall and the extremist parties, though professing sympathy with the people who, they claim have seen too much delay in punishment of Fascists, did somewhat moderate their tone. Even at the highest point of tension, however, there was no real thought of upsetting the government, and the rather unrealistic outcry for a "Committee of Public Safety" died away completely when, on 26 September, the six parties again bound themselves in a public declaration to work together, settle their differences en famille and postpone discussion of radical reform until the liberation of the whole country and the ensuing Constituent Assembly. The fact that the CARUSO trial was held with dispatch and efficiency and speedy justice was done (as well, perhaps, as the lack of any workable alternative for the BONOMI Government) placated the

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4. The Council of Ministers, meeting on 24 September, took up the matter of subsidies for workers and state employees and made concrete suggestions which, it is

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understood must now be considered by AC. It also ordered the preparation of electoral lists for elections in the communes (these lists are based on the regulations of 1919 and do not provide for women voting) and set up an Inter-Ministerial Price Control Board. Meeting again on 29 September the Ministers listened to SOLERI's report on the Treasury. It was a report admired by all for its honesty and integrity but it brought out very clearly the fact that Italy has a mounting deficit and a currency circulation out of control of the Government.

PUBLIC RELATIONS BRANCH.

5. News Production. Daily releases to the Allied, neutral and Italian press on a variety of subjects, including summation of the Grand del Popolo, German tortures in Via Tasso, civilian movement, food, export of silk, arrival of penicillin, Italian Red Cross, olive oil amassing, etc.

6. Press Arrangements. PRB officers supervised arrangements for Allied correspondents covering the CARUSO trial and execution and also figured in helping quell the disorder on the first day of the trial. Arrangements were made with the Italian Government insuring Allied coverage of other high Fascists brought to trial.

7. Press Conference. Arrangements made for meeting of Allied correspondents with the Anglo-American Labour Delegation at the Grand Hotel.

8. Journalists.

(a) Italian. 15 more accrediting cards issued after screening. Interviews arranged with Sub-Commissions.

(b) Allied War Correspondents. Interviews arranged and briefing given. Aid continued to "March of Time" film unit.

(c) Allied Political Correspondents. Trip arranged with conducting officer to cover inauguration of new mayor of FLORENCE. Work progressed in taking over former MANCHOUKUO Embassy and setting up as Political Correspondent's Mess and billet.

(d) Neutral Correspondents. Weekly briefings held. Foreign Press Association expanded to include substantial number of Allied correspondents, with direction now passing from hands of neutrals to council of journalists elected by accredited correspondents in ROME.

9. Relations with Italian Government. Major recommendations made on Italian film and radio industries and creation of Italian news agency. Epuration activities of Sottosegretariato per la Stampa followed and checked.

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10. Meetings Attended. Economic Section, Weekly Conference, Allied Publications Board, PWB Propaganda Directive Conference, SIEM. Forward AC conferences.

11. Propaganda. Suggestions and assistance given PWB concerning patriots, olive oil amassing and extent of Allied supplies and aid given to Italians.

NAVY SUB-COMMISSION.

12. Ships of the Royal Italian Navy continue to be as fully employed as their state of readiness permits. An average of four cruisers are ferrying troops from CAGLIARI to NAPLES. Destroyers and smaller vessels are fully employed on escort duties, minesweeping, etc. Work is proceeding well in the dockyards of TARANTO and BRINDISI where Allied and Italian naval and merchant vessels are being repaired and docked in increasing numbers.

13. Considerable attention is devoted to economic problems such as the control of hemp, including the production of an adequate supply of raw hemp to meet requirements for finished products necessary for the war effort.

14. A conference was held at CASERTA to review the policy for shipbuilding. The present policy that the facilities should be used for repairs in the interest of the immediate war effort was reaffirmed, with the additional agreement that there is no objection to building small coastal vessels under 1500 tons, tugs, barges, and schooners, provided that material and machinery can be obtained without detriment to the war effort.

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15. An endeavour is being made to formulate a policy and plans for non-operational salvage. The President of the Italian Council of Ministers has been requested officially to designate either the Ministry of Marine or of Public Works as the agency to plan and coordinate non-operational salvage work, including actual salvage operations.

16. Agreement has not yet been reached between MEDBO and the Labour Sub-Commission as to the proper agency for hiring Italian merchant seamen. MEDBO contends that this is a function for the Italian Port Captaincies, but the Labour Sub-Commission proposes that all hiring should be through the Controlled Labour Offices.

17. The disposal of vessels of Italian ownership captured from GERMANY by the Allies after the Armistice with ITALY has again been raised through the Italian Ministry of Foreign Affairs. The Italian view is that the CUNNINGHAM Agreement entitles them as co-belligerents to the return of these vessels to Italian control.

18. Numerous other problems involving supplies for the Italian Navy, the control of movements of Italian naval personnel, arrangements for transport of persons and equipment, censorship regulations, accommodation, etc., have been handled.

LAND FORCES SUB-COMMISSION (M.M.L.A.)

19. The call-up of the 1915-1924 classes in ROME continued during September with a view to completing outstanding commitments for Allied Units. Both specialist and non-specialist personnel were recruited. Up to 10 September only 670 reinforcements had been dispatched. This low figure was due to the fact that many men were exempt from Military Service because physically unfit, or for compassionate family reasons, or because of business and agricultural commitments.

20. The C.I.L. was withdrawn from the line. Rail transport at the rate of 800 personnel and 100 tons of stores a day was arranged from ASSISI to VAIANO. Personnel and stores were also moved by road in vehicles of the C.I.L. The reorganisation of the C.I.L. into two Combat Groups commenced as soon as all units had been concentrated in the PIEMONTE area. These groups are now re-designated the "LEGNANO" and "FOLGORE" Gps. The move of units of the "FRIULI" Combat Group from various points to the SAN GIORGIO concentration area was completed. The training of instructors of the "FRIULI" Group in British weapons was completed and on 19 September the training of instructors from the "LEGNANO" and "CREMONA" Gps commenced. On 26 September MMLA's outline plan for the reorganisation, training and equipping of the Italian Combat Force was sent to AFHQ, AAI, MMLA Log. and Ops. i/c BLUS. On 16 September the Italian Combat Groups became a British responsibility.

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(a) Italian Armed Forces under British Command - BR-ITI.

(b) Italian Armed Forces under United States Command - US-ITI.

(c) Italian Armed Forces under the Command of the Theatre Commander through the Italian Government - ITI-ITI.

The responsibility for maintenance would rest with the Allied or Italian Command according to the above categories. MMLA would be responsible to the Theatre Commander for the coordination and supervision of supply to all categories of the Italian Armed Forces through the Italian Ministries.

1500

AIR FORCES SUB-COMMISSION.

22. During the month of September there was considerable increase in fighter activity, despite a deterioration in weather conditions, and an average of 18 sorties a day has been maintained.

23. Supply dropping is still being carried out by the Bomber/Transport Wing and during the month over 145 tons of arms, ammunition and food were dropped over YUGOSLAVIA.

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24. The move of the Italian Air Ministry to ROME made it apparent that the subject of manpower would have to be dealt with by the ROME Office of the Air Forces Sub-Commission. At the present moment the full figure of 9,000 personnel for employment with the Allies does not seem to be in demand, and some 300 men are waiting to be posted to Allied Units. At the same time a steady influx of personnel from liberated territory continues, together with a corresponding number of discharges necessary to maintain the total ceiling strength of 31,000.

25. The question of an increased ration for operational crews is still under consideration. It is hoped that some decision will be reached in the near future. M.A.A.F. Rear are being pressed for this.

26. Sanitation in the Italian Air Force is improving, and the Italian part of the Station at LECCE has recently been commended by the American Medical Officer in charge of the station.

27. On the whole affairs in the Italian Air Force remain settled and morale is high. The dissatisfaction in respect of the re-employment of personnel who were in hiding in ROME has now decreased. The cream of these have now been taken into the Air Force and a number of them hold very important posts.

28. Defascism is still most unsatisfactory but this cannot be blamed on the Italian Air Force who, at any rate, appear to be more than ready to get on with the job and anxious to get rid of the majority of the Fascist senior officers.

29. The most satisfactory aspect of the month is the increase in fighter serviceability. This is the fruit of protracted efforts of the Engineer Staff of the Air Forces Sub-Commission and the Technical Staff of the Italian Air Force.

COMMUNICATIONS SUB-COMMISSION.

30. Telecommunications.

(a) Telephone. The towns of LITTORIA, VELLETRI, FROSINONE, TERRACINA and VITERBO have been connected to the main telephone system. On the East side of Italy the towns of TERNI, RIETI, AQUILA and TERAMO have been interconnected, though there is still no connection from that side to the main system. Local services have been restored in several more towns.

An inter-urban board has been reconditioned and is being installed in FLORENCE in readiness for service.

(b) Telegraphs. Telegraph service is now available to the same towns as those in para 30(a).

The telegraph cable from ROME to SARDINIA has been restored to the Italian authorities.

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An examination of Italian Government facilities on foreign cablegrams and an investigation of their cipher systems have been started by an expert commission from LONDON.

31. Postal.

(a) Postal services have been restored in the additional Province of RIETI.

(b) A special 25 word postcard service has been set up between FLORENCE and the interned postal zone.

(c) Direct despatches to SPAIN and PORTUGAL were introduced in lieu of circulation via LONDON.

(d) The NAPLES-ROME carriage of mail has been transferred from road to rail.

(e) Linking up with the restricted civil mail service established in liberated FRANCE has been investigated and it is hoped the service will open shortly.

(f) Foreign correspondence totalled well over 3 million items.

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32. Censorship.

Internal censorship of mail and telegraph communications has now been discontinued in all Provinces South of the ROME-AQUILA-CHIETI line, except in NAPLES, FOGGIA, BARI, BRINDISI, TARANTO, CAGLIARI, PALERMO and SIRACUSA. All these censorship stations are, or shortly will be, under Italian control, except NAPLES and FOGGIA.

WAR MATERIALS DISPOSAL & ITALIAN P.W. Sub-Commission.

33. War Material Disposal.

(a) In the early part of the month requests for permission to recover derelict vehicles and material continued to pour into the Sub-Commission Approval to recover was given in certain cases and the recovery of vehicles both derelict and those hidden and held by unauthorised persons continues.

(b) The Sub-Commission have been responsible for the return of a number of such vehicles to the Italian War Department.

(c) A number of conferences were held with CIC to evolve a scheme for the location of trucks and tyres which were hidden and held illegally. This work is proceeding and although the recovery to date has been small there is no doubt that in time a considerable amount of material will be brought to light.

(d) Arrangements were made with the War Department whereby vehicles which had been repaired by private individuals and firms could be used by those individuals and firms for a certain period providing they were being used in connection with AC activites.

(e) The railway service in ROME reported certain railway car loads of stores in the sidings in ROME and steps have been taken to dispose of this material to Italian Governmentdepartments and the different authorities whom it may interest.

(f) A reconnaissance was made of the FLORENCE area, where it was discovered that a considerable quantity of Italian material was in general being misused and wasted.

(g) The whole question of safeguarding and recovering Italian material was studied and it was proposed to the Services Sub-Commissions that a proper Italiansalvage unit should be formed. The Air Force Sub-Commission said that the Italian Air Force had already formed a salvage unit. It was decided to consider increasing the strength of the Italian Air Force Salvage units and putting all recovery work into the hands of these units, under the direction of the War Material Disposal Sub-Commission. The Italian Under-Secretary of the Ministry of War, General CAVALLO, agreed that the War Department would provide all specialist

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34. Italian Prisoners of War.

(a) The work of this branch of the Sub-Commission continues to increase. The requests for repatriation have more than doubled during the month and questions as to why certain P.W. have not yet returned continue to be received in large numbers.

(b) The difficulty of employing Italian officer P.W. in North Africa was raised and the Italian Government has agreed to accept these officers and find employment for them upon their repatriation.

150.

(c) During the month the situation as regards repatriation was greatly improved. A large number of sick and wounded PW arrived in Italy to be cared for by their own people, and a number have been repatriated to fill official and other civil appointments. Repatriations have averaged over thirty a day and for October plans for a total of one hundred a day have been approved and the necessary shipping space allotted.

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34. Italian Prisoners of War (Cont'd).

(d) In accordance with an itinerary arranged by AMMG a visit of inspection to Italian PW co-operator camps in Italy was made by members of the Italian High Commissioner for PW's staff, including General DAPINO. An officer of the Sub-Commission accompanied them, representing the AC. The report made by General DAPINO to General CAZZERA and the Italian Government left no doubt that these Italian co-operators were living in every case under similar conditions to the soldiers of the Allied Armies.

(e) A number of decisions have been reported during the month, permitting co-operators to make allotments of money to their families, leave in which to visit them and allowing for the repatriation of all P.W. over sixty years of age and those over fifty years old who have been a P.W. for two years, etc. Arrangements were also made for improved mail services and the dispatch of books to P.W. camps throughout the world. Two thousand copies of Basic News in Italian were sent daily to North Africa for P.W. and a broadcast programme from Radio ROME announcing the names of P.W. repatriates was arranged.

(f) The Italian P.W. question continues to be a delicate one and as AFHQ have decided that all repatriations of Italian P.W. must be approved by and come through the AC, careful liaison with the Italian Government through the High Commissioner for P.W. is necessary.

Ellery W. Stone

ELLERY W. STONE
Commodore, USNR
Acting Chief Commissioner

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

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CONFIDENTIAL

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

MONTHLY REPORT

AUGUST 1944.

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CONFIDENTIAL

Public Safety Sub-Commission

Folio for action information

	INIT.	DATE
D. P. S.	[illegible]	3/9
D. D. P. S.	[illegible]	[illegible]
Ex Officer	[illegible]	[illegible]
POLICE	[illegible]	30/9
[illegible]	[illegible]	1500
[illegible]	[illegible]	[illegible]
Prisons	[illegible]	1/10
Fire & C. D.	[illegible]	[illegible]
Regn & Licensing	[illegible]	4/10/43
Adm. Officer	[illegible]	2/10

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CONFIDENTIAL

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

Ref/498/CA.

28 September 1944.

MONTHLY REPORT FOR AUGUST

General Remarks

1. July was the harvest month. Normally August is the first month in which results can be seen from the Ammassi or, as it is now called, the Granai del Popolo. Collection of grain has proved moderately satisfactory although no Region is within close range of its target. But there are signs that the results will be better than normal and that the measures taken to make the country more self-supporting than usual will have some success.

2. It is natural that great attention should be paid by journalists and visitors to the situation in ROME. Here is the capital city, articulate and not very well fed. But compared with other cities in the line of advance, ROME has fared probably better and taking into account the almost complete absence of destruction of buildings, the Romans through their swollen Press, both Italian and Allied, complain too loudly. It is true that the present ration in ROME is not a generous one. It is nevertheless enough to live on and considering the difficulties of importation all that can be expected by the Romans under the circumstances. They have suffered little and are by no means starving nor homeless nor lacking in many of the amenities cut off from most of the great cities in Europe.

3. There are three other problems which are to the fore. Here in ROME it is easy to forget the numerous daily casualties occurring in the country districts from the presence of many thousands of mines strewn about the fields and the paths and the sides of the roads. Victims are found among the farmers and the road workers and the ordinary villagers. Attempts have been made to organise mine clearance companies from the Italian Army without success, chiefly due to lack of equipment. Except for the initial clearance by the Allied Armies in their advance nothing has been done to rid the country of mines which are a danger to life and a check on reconstruction far worse than any temporary shortage of food in ROME. It is hoped that the Italian Government will soon have civilian detachments trained in mine clearance.

4. In the devasted areas already referred to it is apparent that the Italian Government will not have time to rebuild or repair houses for the many thousands of homeless people before the winter sets in. Various improvisations are being considered but it is likely that a large scale evacuation of population will be necessary under a billetting scheme.

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5. Transportation difficulties are constant and pressing, and it is feared will increase with the advance of winter. The country has considerable resources of its own transport, but much of it is immobile through the absence of spare parts, and especially tyres. This is a problem for which no real solution has been found; it is aggravated as time passes.

6. In the forward areas there has been little advance and A.M.G. Armies have been able to turn more attention to local government, harvesting and the like. Food and transport remain difficulties, not only in forward areas, but particularly in the harvest Regions where it is only with great difficulty that the grain can be taken from the threshing floors to the depots. Lack of POL again creates a difficulty in threshing grain.

1505

7. Great progress/..

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7. Great progress has been made in placing upon the Ministries of the Italian Government more responsibility, especially in the fields of agriculture, industry and commerce. The Ministry of the Interior also has shown progress in the appointment of prefects and other local government officials. Epuration moves slowly but Commissions of the Italian Government are being set up to deal ministerially with this problem.

8. The Shipping Sub-Commission has instituted a new scheme for the better employment of schooners in aid of civilian supplies. Schooner transport has been woefully short im the past due to operational needs, but it is hoped that this natural and very necessary coastal traffic will soon be set in motion, ther by avoiding the necessity of road and rail transport.

9. August saw the amalgamation of three A.C.C. Regions, II, III and VII, in the south of Italy into one Region with Headquarters at NAPLES. This new Region was called Southern Region and was organized in zones instead of Provincial Teams. The Headquarters of the zones, which consist of a varying number of Provinces, are located where Allied Military concentrations or installations exist. A considerable saving in personnel was made available for the Northern Regions by this amalgamation. At the other end of Italy the advance of the Armies renders control more difficult. This was overcome to a certain extent with the holding of fortnightly meetings at SIENA for forward Regions and A.M.G. staffs of Armies. These meetings proved a great success.

10. All the above problems and many others were fully ventilated and discussed at a Regional Commissioners' Conference held for the first time in ROME on August 22nd when, under the chairmanship of Captain Stone, the meeting was privileged to be addressed by the Supreme Allied Commander. The Italian Press was admitted for the first time and dealt fully with the points discussed. This has resulted, it is believed, in a better appreciation of the work of the Commission and the many problems with which it has to deal.

1745

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PART I

R.C. & M.G. Section

AMG FIFTH ARMY.

1. Owing to the almost static military situation there is little to report. It is the first halt since the Garigliano and to compare it is to remark on the reduction of both transport and personnel.

2. There are now only 47 officers, of whom five are in hospital. 17% of transport has been written off, all of it military vehicles, and the prospect of more failing owing to old age leaves a most disturbing situation.

3. GROSSETO Province was handed over to the Region VIII as from midnight 8 August.

4. In LIVORNO the situation is still unsatisfactory as the town remains evacuated on orders of the military authorities. At the moment only about a thousand civilians are working on military installations in the town. However, electricity, water and sewage are now functioning.

5. With military operations still confined south of the river the situation at PISA shows no change.

6. The harvest has been the main preoccupation and its gathering has proceeded very satisfactorily. To facilitate payment for its collection the banks were opened in LIVORNO and Southern PISA Province on 7 August and there were further openings in the Corps area on 21 August. All demands for POL for harvesting were met.

7. Refugees have been handled effectively with the co-operation of the Refugee Branch. The policy of the retention of refugees as near to their homes as possible is being pursued, only a few having to be evacuated to Corps area.

8. Patriots are behaving well and have been found useful for many duties including the handling of refugees. Certificates are still being issued but only a small proportion of the claimants receive them.

AMG EIGHTH ARMY.

9. At the beginning of the month the Provinces of SIENA, MACERATA, ANCONA, PERUGIA, AREZZO, and FIRENZE were being administered, but operational movement of the Armies resulted in SIENA and FIRENZE being handed over to Fifth Army AMG on 21 August. MACERATA was handed over in the normal course of events to Region V on 18 August.

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10. The beginning of the month was notable for the occupation of the City of FLORENCE, which was first entered by the AMG team on 4 August. An extraordinarily difficult state of affairs prevailed, for at that time the enemy still occupied the northern half of the city. Only one bridge over the Arno was intact and that was heavily mined and in the city was a population of 410,000 in great distress. Sporadic shellfire and sniping continued even after the enemy withdrew on 11 August. Despite all difficulties supplies were taken in an administration set up without delay. Great help was rendered by Patriots in mopping up snipers and patrolling the city. As already mentioned this city was later handed over to FIFTH Army AMG.

11. Many small townships were entered, some much damaged, the area most effected being in the vicinity of the Gothic Line, where devastation is on a scale comparable with that in the area of the Volturno.

12. The new area occupied covers some of the richest agricultural land in Italy. Harvesting is completed so it has been unnecessary to import flour but milling has been done under great difficulty. Electrically driven mills are nearly all at a standstill and August was a period when a shortage of POL occurred.

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13. Public Health is generally good and there are no epidemics, but the almost total lack of serviceable civilian ambulances makes the evacuation of civilian casualties almost impossible. This problem was paramount at FLORENCE where the civilian hospitals were for some time inaccessible and casualties had to be taken elsewhere. The Army obligingly loaned some ambulances for a time and with other improvisation casualties were dealt with, but the problem remains generally unsolved.

14. Refugees were handled as a routine and nothing unusual occurred. It is estimated that the total number evacuated during the month was 17,700.

REGION I (SICILY)

15. In this Region the collection of grain has been the chief concern during the month of August. At the beginning of the month a sullen indifference everywhere confronted grain collecting officials, and everywhere a defeatist attitude on the part of Italian officials was present. Dissatisfaction with the price, the natural disinclination of the Sicilian to part with his wheat, the appeal to his cupidity, which successful black market operations would make, all join together to make "Granai del Popolo" a difficult assignment. There is, moreover, a lack of vehicles for officials responsible for grain collection which is seriously hampering the campaign. Every possible step is being taken to get the local Italian administration to rectify this. There is no place for complacence. It will be extremely difficult to amass enough grain to ensure the full ration for Sicily until the next crop season. But results appear better than was at one time anticipated.

16. The new ration scale has been authorised. It provides 200 grams of bread per day and 550 grams of pasta per week per person, or the equivalent. 2700 metric tons of sugar were received during August and a three months ration will be distributed early in September - remainder to be kept on hand.

17. Popular opinion revolves around and depends upon food. Some discontent has existed during most of August over the food ration. An increase in the ration was announced to come into effect on 12 August but it was not possible to increase it until 18 August because of the slowness of the amassing of grain.

18. Some activity of the Separatists has continued, with occasional meetings, but no violence. Political parties continue to be active. It is believed that the Christian Democrats will benefit by the fact that one of their members, Aldisio, has become the High Commissioner for Sicily.

19. 17987 quintals of potatoes have been amassed.

20. Sufficient sulphur oil and caustic soda are on hand for a two months ration of soap, but additional sulphur oil is necessary to maintain this soap ration.

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21. 7043 tons of steam coal and 7000 tons of Sardinian coal were received.

22. The electric power situation for the Island is improved owing to the completion of the PORT EMPEDOCLE plant.

23. The health of the Island population continues to be well above the average. There is some increase in infectious diseases and in typhoid and malaria. Amoebic dysentery shows a decrease. Vigorous action is being continued against V.D. by treating those found with this disease.

24. All Communes with refugees from the mainland have been visited during the month. Refugee camps at SIRACUSA and TAORMINA have been closed and the staff cut to the minimum. Both camps can be reopened at short notice, when repatriation begins, and will be used as staging camps.

25. The railroad outlook has greatly improved with the reopening of the standard gauge railroad lines over the Island. The necessary movement of grain and food can now be ensured, subject to deliveries of coal. The gaps in the railroad lines between PALERMO and MESSINA, between MESSINA and CATANIA and the SIMETO Bridge between CATANIA and PALERMO, have been completed and were opened to traffic on 28 August.

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REGION III (CAMPANIA)

26. There was comparatively little political activity during the month, Bonomi's speech on armistice terms resulting in pessimistic rumours among the civilian population. On the other hand, Churchill's farewell speech was most favourably received. In the City of Naples Unione Femminile Italiana was organized, a women's organization demanding equal suffrage rights for women.

27. The ACC Provincial Offices in AVELLINO and BENEVENTO were closed respectively on 17 August and 27 August.

28. The olive oil ration continued at 200 grams (about 7 ounces) per month and there was much dissatisfaction expressed in the Province of SALERNO and in the City of NAPLES on its distribution. Toward the end of the month fruits and vegetables, potatoes in particular, became scarce in the City of NAPLES. The Prefect of the Province of NAPLES had issued two decrees regulating the shipment of potatoes and other vegetables and fruit, but was required by an order from HQ ACC to rescind these decrees, with immediate effect in the NAPLES market, both in reduced supplies and in higher prices. Deliveries of grain for manufacture of flour were on the average 150 tons per day less than the amount required.

29. 2,000,000 candles (weight 100 tons) were produced for ROME. 429 tons of hemp and hemp products and 2 tons of silk were shipped to the United Kingdom. Prospects appeared good for meeting the quotas for collection of wheat for the Granai del Popolo.

30. Crime showed a further slight decrease. Prison population declined to 8150, from 8600 a month earlier.

31. Smallpox showed a decrease of over 45% in the Province of NAPLES and presented no problem in the other Provinces. Typhoid fever persisted throughout the Region and reached epidemic proportions in the City of [redacted].

32. Uncontrolled movement of individual refugees into the City of NAPLES from the south caused a problem. At one time during August there were almost 1200 refugees living in and about the railroad station in the City of NAPLES under deplorable sanitary conditions.

33. Cash held by banks reached a total of 1,600,000,000 lire, compared with 1,000,000,000 lire in January and deposits reached a total of 22,600,000,000 lire, compared with 5,000,000,000 lire in January.

34. Region III was merged into Southern Region on 28 August 1944.

REGION IV (LAZIO)

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REGION IV (LAZIO)

35. On 1 August Rome Region was absorbed and Region IV was in control of its full complement of territory with the exception of PERUGIA Province, which is still under Army Control. On the 15 August the Provinces of FROSINONE, LITTORIA and ROME came under Italian Government jurisdiction.

36. It was becoming evident during the month that the food situation in ROME City was serious and that the shortage was not due to teething troubles which would cure themselves. It is not proposed to ventilate here an extremely complex problem which is being fully explored by competent authorities but malnutrition is evident. At the same time the importance of ROME as a capital city should not obscure the difficulties which exist elsewhere in the Region. In the Provinces the supply situation is only fairly good when compared with ROME. By any other standard it is serious, as the population is not predominantly food producing and growers find the attractive prices of the ROME market hard to resist.

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37. Returning to affairs in ROME, during the month 6358 tons of rationed food were distributed in addition to the daily flour ration of 306 tons, whilst other produce amounted to approximately 700 tons daily. The latter is only about 50% of the normal supply.

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38. The largest acqueduct carrying ROME's water supply was permanently repaired, electricity continued on a strictly rationed basis and a gas service of 1½ hours daily was commenced.

39. The state of crime is low but there is an increase in thefts of vehicles.

40. Sponsored by Monuments and Fine Arts Sub-Commission an exhibition of Masterpieces of European Paintings was opened on 27 August. Proceeds, after expenses have been covered, are being devoted to the restoration of Italian national monuments damaged by war.

41. In the Provinces the collection of grain is fairly good though hindered by a POL shortage at the beginning of the month. Prospects for oil and wine are good.

42. This Region includes the devastated area of CASSINO and its neighbourhood, where, it is estimated, there are 25,000 homeless people. Despite every precaution these people have drifted back and whilst suffering little hardship during the summer months, their housing during the winter will be a great responsibility for the Italian Government. A large scale evacuation may be yet necessary.

43. In this area mine clearance is also a serious matter. Despite every endeavour no assistance could be obtained other than that provided by two Italian Mine Clearance Companies, ill trained and equipped. Little impression has been made on the thousands of mines awaiting removal before large areas can with safety be approached.

REGION V (MARCHE, ABRUZZI E MOLISE)

44. On 31 August Campobasso Province was divorced from Region V and taken under the wing of the newly formed Southern Region. CAMPOBASSO is now Italian Government Territory and according to reports already the old type of intrigue and improper influence are being used in making Provincial appointments. MACERATA was handed over to the Region by AMG EIGHTH Army on 19 August. At the beginning of August the ANCONA team was set up, and at the end of the month the PESARO team was in operation. The last two Provinces are, of course, still under the jurisdiction of EIGHTH Army AMG.

45. The main activity in the Region during the month has been the harvest. This is coming in faster than it can be dealt with. Already over 1,000,000 quintali have been collected and there is every hope of reaching the quota during the next few weeks, always providing that ANCONA - PESARO collections have not been destroyed by the incidence of war.

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46. Two Provinces - AQUILA and CHIETI - are deficiency provinces in grain, but these deficiencies are being met from ASCOLI-PICENO and CAMPOBASSO. Very considerable dissatisfaction is expressed at the fact that provinces such as MACERATA should be placed on a lower flour and grain ration than certain deficiency provinces in the South of Italy. It has been quite impossible to enforce this lower ration and it is a source of considerable embarrassment to AMG Officers.

47. In the AVEZZANO District there is an exportable surplus of approximately 50,000 tons of potatoes. These are sold by the Consorzio at 600 lire per quintal, but when purchased direct from the farmers, on what appears to be an organised black market from ROME, up to 1800 lire is paid. Strenuous efforts are being made to stop this but the CC.RR are lax and diffident in their dealings with this type of malefactor.

48. Communications, which were bad throughout the Region owing to the fact that for the best part of nine months a battle took place over it, are improving. For instance, in CAMPOBASSO Province up to the time of handing over to Southern Region, 100 bridges have been built since last September. It is imperative that this work should have priority in this mountainous district, the highest in Italy, against the coming of the snows, or else there will be great difficulty in distributing supplies.

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49. In this same area there must be at least half a million mines, and an average of 18 casualties daily are being reported. Two mine disposal companies (Italian), which arrived were so short of equipment and transport that they have been of very little use.

REGION VI (SARDEGNA)

50. The High Commissioner has shown himself co-operative. He is faced with a major task of considerable difficulty, as he has to prepare to reduce the ration scales. Sardinia has never conformed to the scales laid down in the rest of Italy and unfortunately, when the basic ration was increased in July from 150 grams of flour daily to 240 grams, the opportunity was not taken to correct the higher Sardinian scales. The already generous Sardinian workers' scales were, in fact, increased. As there were ten food demonstrations in July and seven more in August, the prospects now of reducing the ration scales without trouble, in spite of the good seasonal food outlook, are small.

51. Politically the scene is one of frustration as there are seven parties and they all participate in the Government with a result that the smaller factions are over represented and so there are no majorities in the committees. It is in these circumstances that the value of ACC officers is apparent for they stand disinterested behind this instability.

52. The beneficial effects of the reduction of the Italian Army in the island have been felt but a reservoir of transport will ultimately be missed.

53. After the reasonably satisfactory results of the first treason trial it is hoped that there will be no further procrastination over other important trials which are pending.

54. Health has been satisfactory in spite of a disquieting upward trend of malaria earlier. The figure for the month of July of approximately 500 cases compares with 2,400 for the previous year, which is very satisfactory.

55. A Boy Scout camp has been held, the first for many years, thanks to the enterprise of the Roman Catholic Church.

56. The Island, as is known, has escaped major war damage and its remoteness from operations has left the people ignorant of the immensity of the Allied war effort. Its possibilities are great especially with regard to its mineral wealth. The moment is one of hesitation and the Sards are looking to the Allies for leadership.

REGION VII (CALABRIA)

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REGION VIII (CALABRIA)

57. As elsewhere politics are one of the principal subjects discussed, but no noteworthy action occurred. Remarkable certainly were events in the small village of CASTROVILLARI which was declared a republic by the Sindaco. This unusual situation was countered by appointing a new Sindaco, whereupon the republic collapsed.

58. The food situation in this Region is good and stocks on hand will last until 10 October.

59. With the virtual termination of the vegetable and fruit season prices show a tendency to rise. As an example meat has increased in price recently from 100 lire per kilo to 120 lire per kilo.

60. A comparison of the ordinary retail price of certain commodities and their corresponding black market price may be interesting:

Commodity	Normal price, lire p.Kg.	Black market price, lire p.Kg.
Bread	L. 5.00	L. 50 - 60
Olive Oil	" 32.50	" 90 - 100
Cheese	" 115 - 135	" 200
Sugar	" 20.00	" 180 - 200
Flour	" 5.00	" 150

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61. Transportation is difficult both for food supplies and miscellaneous traffic, although this Region has the advantage of road, rail and sea transport. Road vehicles are insufficient for requirements and there is a shortage of railway trucks. 550 tons of ACC traffic and 400 tons of Italian civilian traffic was handled by the railway as compared with over 15,000 tons of military supplies. 170 tons of fertilizer at MATERA have now been awaiting transport for over a year.

62. At the end of the month the value of all contracts let for work on military highways, including bridges, amounted to L.31,634,000 of which L.10,000,000 has already been spent. Road maintenance is unsatisfactory due to lack of material and the wherewithal to transport it.

63. The Minister of Public Works visited CALABRIA during the month and directed that national aid for the reconstruction of war damage to dwellings would cease.

64. Public utility projects recommended are to cost L.1,320,812 and include four contracts for the repair of sewers and two for the repair of aqueducts. The electricity supply is being severely curtailed.

65. Public health is good and there is nothing unusual to report.

66. Public safety shows a satsifactory situation and an increase in the efficiency of the police service. Crimes of violence have decreased and the perpetrators of five recent murders were all arrested within a short time.

67. Region VIII was merged into Southern Region on 28 August 1944.

REGION VIII (TOSCANA)

68. Up to the end of August only one of the nine Provinces which make up this Region had passed to Regional control. This was the Province of GROSSETO, which w was handed over by FIFTH Army on 9 August.

69. Public morale is good and while it is not easy to sense the drift of public opinion there appears a general feeling of relief that "the war has passed". If the food problem is successfully solved there is unlikely to be much difficulty in TUSCANY.

70. Within GROSSETO Province every commune with the exception of GIGLIO has a properly constituted Giunta. Provincial Local Government will be complete and working by the first week of September. Strong teams for the Deputazione and the Giunta have been chosen and appear to be generally approved.

71. Amassing is going well.

72. Agitation against the daily wage for unskilled labour of L. 65 a day continues;

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72. Agitation against the daily wage for unskilled labour of L. 65 a day continues; a demand for at least L.80 a day is supported by the Camera del Lavoro. The usual 70% increase has already been granted.

73. Some Patriots have been rearmed in GROSSETO to assist the Carabinieri to comb out Fascist bandits in the hills near MONTE AMIATA.

74. All schools will be ready to function for the regular autumn session. Defascistization is practically completed.

75. Road surfaces are generally good. PONTE MUSSOLINI (Route 1), just South of GROSSETO, is likely to fall in the first flood, while the bridges over the CANALE DIVERSIO and the ALBEGNA are not well constructed. If any of these bridges become unsafe the only alternative to PONTE MUSSOLINI is the bridge at ISTIA and difficulties in its construction are being encountered. If Route 1 is cut, the shortest way to FOLLONICA and the North would be via Route 74 and via SCANSANO, both narrow hilly detours.

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INTERNEES & DISPLACED PERSONS SUB-COMMISSION.

76. This month 628 Maltese were repatriated to TRIPOLI, about three and a half million lire being converted for their use.

77. There were no evacuations of Yugo Slav refugees to Middle East and only 1397 of them arrived at BARI from Yugo Slavia.

78. Brickfield Camp, TARANTO was lent to 52 Area for the accommodation of 1500 French, mainly from Alsace and Lorraine. Their history is curious; conscripted by Germans they were taken prisoner by the Russians, to be released by the intervention of Gen. De Gaulle. Then repatriated through Persia and marooned in Italy.

79. A detailed survey of the Southern Camps has been made with a view to UNRRA taking them over, with the exception of BARI. If this project is approved UNRRA will provide staff thus releasing Internees and Displaced Persons Sub-Commission personnel for use in the North.

80. Problems of ventilation, inoculation, feeding, water supply and sanitation need careful supervision. With the exception of children's diseases the record of the Sub-Commission is a good one. Dealing with refugees, many of whom have suffered years of hardship, necessitates a standard of hygiene which cannot be relaxed.

81. The Children's Summer Centre, FIUGGI, is operating successfully and has been expanded to 75 beds.

82. Record Bureau: At the present time a total of 48,533 Displaced Persons is recorded, of which the location of 41,181 is known. 63 nationalities are represented.

83. Finance: Relief payments in the form of loans to certain Allied Nationals have commenced. Payments have been made to several hundred Poles and Yugo Slavs and it is expected the same facility will exist for Greeks shortly. The Czechoslovak Mission has expressed a desire to participate. Norwegians continue to receive their payments through the Swiss Legation.

84. Prefects have been notified by the Italian Government that relief payments will be made by them through Ente d'Assistenza to all ex-Internees on the basis of 30 lire to the head of a household and 20 lire for each additional member not living in Allied Camps. Those in Allied Camps receive 25 lire and 15 lire respectively.

ITALIAN REFUGEE BRANCH.

85. Movement of Refugees:

Received in Main Transit Camps	-	13,847.
Dispersed through Main Transit Camps	-	10,156.

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Dispersed through Main Transit Camps	-	10,156.
To Rome	-	8,717.
Local Communes	-	1,383.
Miscellaneous	-	56.

Received and dispersed through forward camp - 7,544, of which 1,625 were absorbed in GROSSETO Province, and 5,919 were dispersed locally.

In addition approximately 25,000 were dispersed by Army AMGs.

86. Main Camps:

(a) Aversa Camp. Transferred to Follonica Camp. Thus Aversa Camp became entirely a camp for Displaced Persons.

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(b) Cesano Camp. This was handed over to Region IV. The camp staff and stores were used to set up two camps in EIGHTH Army area. One for 3,000 at CASTIGLION FIORENTINO and one for 1,000 at S. MARIA DI ANGELO (Near Assisi).

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(c) Cine Citta Camp. Our section of this camp was handed over to Region IV and the camp staff and stores used to set up a camp at FOLLONICA in Region VIII.

(d) Foggia Camp. This camp was closed and arrangements made through AAI to move it to ANCONA by sea.

87. Dispersal Area: Refugees in the South are still extremely restless. Many are arriving in NAPLES and other important towns, causing serious congestion. Some of these travellers are authorised by AMG, or Sindaco; some are without authorisation of any kind.

88. The repatriation of refugees, i.e. return to their homes of war refugees and of people who fled from the Allied Armies, is under M. ZANIBONI, Minister for Refugees. The numbers of war refugees, i.e. people who have become homeless because of the war, have shrunk considerably. More than 75% of the persons passing through our hands are repatriation cases, i.e. people wishing to return South to their homes. Of these, some had been moved North by the Germans, but the majority had fled in an attempt to avoid the advance of the Allied Armies.

PATRIOTS BRANCH.

89. To achieve closer contact with the new Northern Regions when they assume control of their territories a forward echelon has been established in FLORENCE.

90. The Italian Government has set up an Italian Patriot Committee under the Chairmanship of the Prime Minister to handle the Patriot problem. The Committee includes representatives of the Ministry of War, the Ministry of Press and Information and the Presidency of the Council.

91. Intelligence Teams for Regions IX, Piemonte, Liguria, XI and XII have been formed for the purpose of collecting and collating information on German occupied Italy. Detailed information is being supplied about industrial works which it is hoped to save, locations of bands and their leaders, and the activities of Patriots.

92. Patriot Representatives of the CLN and Military Centre Groups are carrying out their task of distinguishing between genuine and bogus Patriots in the Army areas and in Regions IV and V. In practice this work is carried out in cooperation with the Communal and Provincial Patriot Committees. Certificates are being awarded and it is hoped that in the rear areas this work will be concluded [illegible]

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93. The work of re-establishing Patriots in civilian occupations has progressed on the whole more slowly than was hoped. However, Communal and Provincial Patriot Committees are everywhere in being and they are being encouraged and exhorted by every means in the power of this HQ. In FLORENCE it was found that the Patriots were by no means eager to accept civil employment at once. It must be said that in the forward areas increasing difficulty is being experienced in inducing Patriots to hand in all their arms. This matter is engaging the serious attention of the Allied authorities.

94. Arrangements have been made to establish seven Patriot camps to receive Patriots on their way South to the Italian Army Recruitment Centres or to their homes. In Regions IV and V owing partly to the time which has elapsed since the territory was liberated, very few Patriots have volunteered to join the Italian Armed Forces. Arrangements are being made to make it possible for any Patriot in this area who may desire to volunteer to be given another chance to do so. In FLORENCE, through the courtesy of MMIA, arrangements have been made to make possible recruitment on the spot of up to 1000 Patriots.

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95. Patriot camps, which will be established at suitable roadheads, will be operated by Italian Patriots. Most of the necessary equipment is being provided by the Italians. Rations will be on the refugee scale. The problem of securing motor transport to be used in connection with these camps has presented some difficulty but it is hoped that empty Allied lorries and trucks returning from the forward area can be used to transport these Patriots.

96. The Italian Liaison Section is carrying out its routine activities of daily contacts with the two recognised Patriot organisations, the Italian Home Office, War Office, Air Ministry and High Command.

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PART II

ECONOMIC SECTION

LABOUR SUB-COMMISSION.

1. Labour relations, laws and regulations:

(a) The Decree Law concerning suppression of the Fascist Syndical Organisations and liquidation of their respective patrimonies is under further consideration.

(b) This Commission has given instructions concerning "what to submit", "when to submit" and "how to submit" to the Italian Ministry in regard to future legislation proposals.

(c) The delegations from the British Trade Unions Congress and the delegation of American Labour Unions are now viewing the Italian Labour Field.

2. Wages, hours and labour conditions:

(a) To bring about uniformity in the industrial family allowance schedules, a proposal for adjustment and a slight increase is now being discussed with the Italian Ministry.

(b) Much confusion exists among workers and employees as to the dates and payments for National holidays. A formal request has been made to the Italian Government for a clarifying new Decree Law.

(c) Prices have risen so much more rapidly than have wages and there has been such ineffective control over black market activities. Some suggestions and the course of action that should be taken in the wage adjustment field have been submitted.

(d) The small Labour Commission staff was again called upon to perform multitudinous Labour duties at Headquarters and in the field, with the Armies moving up and new territories being occupied.

(e) Manpower shortages have been reported and are being investigated wherever complaints are made.

3. Social insurance, benefits and training:

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3. Social insurance, benefits and training:

(a) This Commission with the concurrence of the Finance Sub-Commission has agreed to the proposed nominations of Commissioners for various Social Insurance Institutes.

(b) On the matter of "epurazione", Dr. Livio Malfettani, functionary and commissioner of the "Istituto Malattie" was suspended pending the outcome of a normal hearing with respect to charges of fascist activity filed against him by the High Commissioner.

4. Statistics, manpower and registration problems:

(a) The commencement of a Labour Statistical Service has been inaugurated and will provide useful information for the future.

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(b) Tentative plans for an enquiry into unemployment have been prepared. A report was also prepared on cost of living in Italy.

(c) The proposals for the increase of salaries of State employees presented by the Italian Government have been under study, alternative proposals are being prepared.

(d) Several wage agreements, the most important being that of the Sicilian sulphur mines, were examined and reports prepared upon them.

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5. Region I Summary:

(a) A strike occurred at the beginning of the month at the Imera Group of sulphur mines CALTANISETTA. After a short talk with the workers, work was resumed.

(b) The Labour and Wages Control Committee investigated the question of raising the wage of unskilled labour, a report was submitted to the Allied Forces Local Resources (Sicily) Board and accepted.

6. Region II Summary:

(a) Complaints have been received from all the Provincial Directors that no funds have been provided by the Ministry for salaries and office expenses since the end of June last.

(b) The Communist Party is very active, particularly in the "Camera del Lavoro".

7. Region IV Summary:

(a) Registration and classification of unemployed workers continued (approximately 2511 persons were placed during the month).

(b) Much difficulty has been experienced because of military units leaving the area before paying civilian employees.

(c) The disparity between cost of living and income levels increases. Insufficient supply to serve the demand due to inadequate control of distribution transportation is indicated.

8. Region V Summary:

(a) There are people in this part of Italy who are making money but generally they are the fascist landowners who get a high price for their commodities in the legitimate market and a much higher price in the black market. If wages are to remain fixed, the price of consumers goods must be fixed, and it is of no value to say "our legal price is such" when there is nothing on the legal market to buy.

9. Region VIII Summary:

(a) Reports that the labourers were receiving wages of 80, 90 and 100 lire per day, were reliable and widespread. A few hundred persons are involved at present and they will have to accept the reduction, particularly since in the adjoining province of LIVORNO the Army is trying to get 12,000 labourers at 65 lire per day.

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(b) In GROSSETO Province the Trade Union organisation movement is making rapid advances.

FINANCE SUB-COMMISSION

10. Direct suspension of Italian personnel by the Finance Sub-Commission terminated in ROME on 15 August when full administrative responsibilities were assumed by the Italian Government. Files and information have been made available to the various ministerial committees which are now charged with defascistization duties. Supervision is exercised over such committees, who render progress reports to the Sub-Commission. No one previously suspended by ACC is to be reinstated without permission.

11. As has been mentioned in earlier monthly reports, commercial bank interest rates are based on the Banca d'Italia 4½% rediscount rate and this combination of rates necessarily is an important factor in maintaining the high interest rate paid on government borrowings. In preparation for floating a new long-term government loan at a rate lower than 5% when substantially all of Italy is liberated, many discussions have taken place looking toward a reduction of the rediscount rate, commercial rates, and B.T.O. rates. Agreement among Treasury representatives, Banca d'Italia representatives and commercial bankers has finally been achieved and

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it has been decided to lower the rediscount rate and the commercial rate one half of one per cent with a similar reduction to follow shortly in B.T.O. rates. A continuing study of the situation will be made in the hope of effecting another decrease of one half of one per cent within another month.

12. In ROME for the period 1 - 31 August, the excess of purchases of Buoni del Tesoro Ordinarii over payments was 3.5 billion lire. The significance of this development may be realised from the fact that the comparable figure for ROME in July was only 312 million lire.. Net investment in BTOs for all liberated Italy south of the 11 May line (roughly south of the northern boundaries of NAPLES - CAMPOBASSO Provinces), was approximately 2 billion lire; ROME city in one month has almost tripled this figure. It is striking evidence of financial confidence.

13. The total gross revenue collections for the 38 liberated Provinces for the year ended 30 June 1944 amounted to 13,105 million lire as in respect of the 27 old liberated Provinces. The equivalent figures for the first month of the fiscal year 1944/45 are 291 and 228 million lire respectively. The collection result of the newly liberated Provinces is naturally poor, due to almost complete lack of communications in the immediate battle area and in some cases to the destruction of tax offices or the evacuation of office staffs. The results for the 27 liberated Provinces indicate that the improvement in revenue is being well maintained.

14. Two further tobacco factories have been liberated, at FLORENCE and at CHIARIVALLE. Both at present are out of production. The former is believed to be undamaged but access is not permitted at present owing to mines. The latter is badly damaged. The one at FLORENCE produced large quantities of handmade cigars. The two factories produced about 2,500 metric tons of cigarettes annually, sufficient to provide 30 cigarettes weekly for 1.5 million smokers. Owing to the expansion of liberated territory total production is insufficient to provide more than a ration of 20 grams of tobacco (20 cigarettes) weekly to the estimated 7.5 million smokers. A national rationing scheme is now being worked out. Production is being stepped up by longer factory working hours.

15. Expenditure of 50 million lire was authorised for urgent public works made necessary by the flooding of the Pontine and Littoria marshes. Provision had already been made for expenditures for anti-malarial measures in these districts. No clear policy has yet been stated by the Italian Government regarding the repair or reconstruction of war damaged properties or the rehabilitation of devastated areas. In AMG territory, financial control is directed to ensure that any work approved is primarily of military necessity. Much additional work is urgent and vital to the resumption of civilian life; and with the approach of winter the situation becomes acute. The problem is one which cannot fairly be considered piecemeal, and the financial aspect of any programme of national reconstruction is only one of other equally important facets, e.g. the availability of essential imports and the rehabili-

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16. In the state budget estimates for financial year 1st July 1944 to 30th June 1945, the total estimated expenditure is 39,808 million lire for the 22 provinces and 8,485 million lire for the central administration and Rome Province. This latter figure is a revised estimate and shows a considerable reduction in the estimate first submitted. The original budget for the Central Administration and Rome Province was 18,490 million, and after careful examination this was reduced by 10,005 million lire. Thus an economy was effected which almost exactly equals the total estimate revenue receipts for the whole financial year.

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17. Preparations are nowwell under way for the operation of the remittance system in Italy by the Banca d'Italia. It is intended that the Banca d'Italia will eventually provide the entire machinery. However, at first the Banca will serve the area north of the Provinces of ROME, FROSINONE and CAMPOBASSO, for dollar remittances, and the whole of Italy for sterling remittances. Meanwhile approval by CCS is awaited for the Banco di Napoli to effect remittances in the Provinces of ROME (including ROME City), LITTORIA, FROSINONE and CAMPOBASSO.

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18. In centralising as much as possible in the Banca d'Italia the entire remittance plan, it is intended that the Banca d'Italia, rather than AFA, will provide lire on behalf of the Italian Government to effect remittance disbursements, but the foreign exchange proceeds will be subject to Finance Sub-Commission control. Eventually CCS will be requested to channel all remittances to the Banca d'Italia. Italian banks designated by the Banca d'Italia will act as paying agents throughout Italy.

FOOD SUB-COMMISSION

19. The distribution of rationed foodstuffs throughout liberated Italy has continued through the month as before, but the bread ration of 300 grams authorised in July for territory south of the winter line has been maintained. Olive oil and meats have had to be restricted in their issue to large urban areas due to the relative shortage of stocks. Stocks will last on the present basis to the end of this year. If no more imports come in, rationed items will be reduced to flour, sugar, and milk, by the beginning of 1945.

20. To make the local grain harvest go further experiments in mixing flour with barley meal have been carried out successfully, and milling at 95% extraction has made no appreciable difference in the quality of the bread which is being produced.

21. Dried vegetables were withheld from issue during the month so that they might be conserved for winter issue, whenthere is normally not a plentiful supply of fresh vegetables.

22. Particular attention was paid to the feeding of ROME. Transport was easier than in previous months so that full ration of bread (200 grams) olive oil, sugar, meat or stew, dried vegetables, soup, and salt was issued. Milk was made available for hospitals, invalids and babies. Some 160,000 meals were provided daily in communal kitchens. In addition to large imports of fruit and vegetables, some 16,000 tons of grain and miscellaneous items were brought into the city. As a further measure of alleviation, steps were taken during the month to relax restrictions and to increase the amount of market produce that could be brought into ROME on cycles and horse drawn vehicles.

23. Hitherto, too much emphasis has been laid on the quantity of local resources available. The heavy demands, authorised and unauthorised, made on local resources by the Armed Forces has been something of a drain on availabilities. The amount of local resources available has fallen considerably short of estimates so that purchases by the Armed Forces and the serious shortage of all forms of transport have mitigated against distribution on a higher scale of the available supplies.

24. The purchase of sheep on hoof for Indian troops is making a serious drain on the animal population.

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25. ,Discussions have taken place with the Italian Ministry of Agriculture regarding the form and contents of a Decree for the amassing of the new crop of olive oil. Agreement was reached and the Decree has been issued. Prices are now under discussion and it is hoped to issue these early in September.

26. Recommendations have been made to the Economic Section that sufficient imports of wheat should be made to enable the extension of 240 grams of flour equivalent to all Italy as liberated and to furnish supplementary rations to hospitals, refugees, heavy workers, and religious institutions, and that sufficient imports of sugar, dried vegetables, milk and meat to meet estimates forwarded to AFHQ on 10 July 1944 should be arranged.

TRANSPORTATION SUB-COMMISSION

27. Railways: Owing to less spectacular advances by our troops during the latter part of August the long distance between railhead and forward troops has diminished. The west coast railhead has reached CECINA, south of LEGHORN. Rail line 65 has reached AREZZO, and line 87 has railheads at BASTIA and ASSISI. The branch line from this route, FOLIGNO-ANCONA, entered ANCONA at the beginning of September, and line 86 is being extended to MARZOCCA. Work on the section ORTONA-ANCONA has commenced.

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28. Authority has been given for the Italian Government to increase all fares on State and Private railways and the publication of the Decree is awaited.

29. In Southern Italy the REGGIO CALABRIA Railway Division is entirely operated by Italians under the supervision of one ACC Divisional Superintendent. In NAPLES our officer is waiting to take over.

30. An ACC officer has been posted to ANCONA, and others are being nominated for Northern Divisions.

31. Roads: Sixteen new officers joined the Roads Section during August.

32. The Italian Government Decree standardising Road Haulage rates is operating both in Italian Government Territory and Military Government Territory.

33. E.N.A.C. is being formed, and will shortly be in operation.

34. An Italian Truck Coy is hauling from PIOMBINO to FLORENCE. Permission has been asked to form a Truck Battalion of at least three companies.

35. New Regional demands for transport are presenting difficulties.

36. ROME is being fed by the use of civilian trucks only in conjunction with rail transport.

37. A Maintenance Section is being formed, which will be responsible for maintenance of all ACC load carrying vehicles. Spare parts are materialising. The Lancia and Super Garages in ROME are now both controlled by this Sub-Commission.

38. Tyres are still a problem, but information has been received that a consignment is on the way. Repair plants are operating on C-1 tyres drawn from P.B.S.

39. Water: Movement for ACC goods by sea is now incorporated in the overall A.F.H.Q. commitments, and not limited to what can be moved by schooners. Forecasts are required for movement a month ahead. This is done by the use of a standing allotment of schooner tonnage to ACC - 27,000 tons D.W. - then by additional allotment of further schooner or coaster space.

40. The new system for movement of goods by schooner under which all bids are required to come to ACC Headquarters is not sufficiently established to give a criterion of its operation.

41. Allotments of schooners for voyages are made at a daily meeting by representatives of ACC, MEDBO, and COGENA.

42. Coal: During August several Lignite Mines were examined and some will probably

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42. Coal: During August several Lignite Mines were examined and some will probably be restarted. One mine can produce a fuel which will be able to replace the imported coal used at the ROME Electric Plant.

43. Coal destined for the electricity generating plant was transferred to the gas works, which gave gas to ROME on 28 August, a month earlier than was expected.

44. The clearing of FIUMICINO as a coal discharging port was discussed.

45. It was decided that a berth at CIVITAVECCHIA, served by rail, should be made for discharging coal to ROME.

46. Negotiations with the Ministry of Communications for the transfer of the "acceptance, discharge, and distribution" of coal and coke to the Italian Government, under ACC control, have been brought to a successful conclusion.

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PUBLIC WORKS AND UTILITIES SUB-COMMISSION

47. Time was spent in August in preparing, on special orders, a report stating why the Sub-Commission had not accomplished more, indicating obstacles to progress, and what had been done to surmount them. In amplification, reports were also obtained from 10 Regional Engineers, listing actual experiences over about a year. Vehicles for transport of structural materials, always lacking from the earliest days, so continue at the present time.

48. Relations with the Minister of Public Works are satisfactory. Frequent conferences are held.

49. Some of the matters negotiated with the Minister cover :

Organisation of Genio Civile.
Organisation of Cantonieri Gangs.
Contractors with Fascist records.
Excessive cost of works (certain areas).
Defascism (Work of special Commission appointed).
"Bonifica" works.
Financing of projects.
Raising sunken ships in ports.
Establishment of pool of Italian Engineers including electrical specialists, ready to move northwards at short notice.
Careless preparation of projects, and inaccurate estimates, submitted by Genio Civile.

50. The only Public Works officer in SARDINIA is being withdrawn as an experiment, with transfer of responsibility to Italian agency. If successful, the same procedure may be followed in SICILY, or elsewhere in Southern Italy. Schemes costing up to 500,000 lire need no longer be submitted by Italians to Regional Engineers for approval, unless controlled materials are involved.

51. Reports from Region IV show 27 towns with between 25% and 100% houses uninhabitable. Of these 14% are uninhabitable to the extent of more than 60%. A small scheme was approved for re-housing at CASSINO. The Italian Government proposes to set up by Decree a special body to deal with housing (matter still under discussion and negotiation).

52. Following the eruption of Vesuvius (March 1944) a project of over 200 million lire was approved in August; remedial measures to minimise dangers of landslides in the autumn.

53. Officer strength of Sub-Commission as on 31 August was 19 at HQ and 43 in the field (Regional Engineers and their staffs). Since the total establishment

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54. Estimates of war damage to public works and buildings in Italy, recently put at over 2700 million dollars, may have been conservative. A Fund of 600 million lire set up last February (repairs to Military highways and bridges) was raised to 1,000 million lire.

55. Miscellaneous. Considerable information was furnished in August to UNRRA. Position as to ownership of materials of bombed properties is being investigated. If used in the general interest, they would assist greatly in executing adjacent first-aid repairs, without involving transport. Responsibility for raising sunken ships in ports is still under discussion, i.e. Allied Navies, Italian Ministry of Marine, or this Sub-Commission.

56. Electrical: Of the large hydro-electrical stations 50% are totally destroyed and beyond repair. Dissolution of Central Electricity Board in July trebled the work of the Electrical Division of the Sub-Commission. Operation of 60,000 Kw generating plant might save up to 90,000 tons of shipping per month, and reduce unemployment if factories can be re-started. Electrical situation at present is "desperate".

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57. Remarks: Mine-clearance problems extremely serious. Reconstruction of public works hindered. Physical reconstruction and rehabilitation may be delayed for years, unless systematic mine-clearance is undertaken. Bonifica works in POMPTINE MARSHES started in August, to cost about 48 million lire. Problems far greater than these are likely in the PO VALLEY and north thereof, where cities and whole tracts of country may be flooded. Ministry of Public Works pressed very strongly (under instructions Administrative Section) to expedite work of his Commission, dealing with "Defascism". Applications from Gas, Water and Electricity companies continued to be received, seeking to increase charges to consumers.

58. Highways, Bridges and Public Works: In August 83 new contacts put in hand for roads and bridges, and 33 others for miscellaneous projects. Expenditure was 127 million lire, and 59 million on miscellaneous works. Total expenditure (January to end of August) was nearly 700 million lire. Transport vehicles loaned by Armies and in use in Southern Region (military highways and bridges only) were 172, but due to poor condition never more than 50% were available at any one time. No serious difficulties encountered with labour. New system inaugurated under which bulk POL coupons are available to Regional Engineers, for contractors on military works projects. It is hoped by this means to eliminate confusion and shortages of past months. On 31 August 230 bridges were either completed or under construction. Problem constantly increasing in magnitude as Armies move northwards.

AGRICULTURE SUB-COMMISSION

59. The development of power and drive in the Ministry of Agriculture still proceeds slowly. There is difficulty evidently in finding suitable personnel, and the Commission of Epuration, like those in other Ministries, has not yet passed judgement in the case of any of the suspended officials; difficulty also arises from the fact that the Ministry covers the field of Alimentation, as well as Agriculture, Forestry and Fisheries, and the available energy is used in too many directions.

60. August was a month of many Reports. Overshadowing all others in importance, is the Crop Production Plan for 1944-45. At the end of the month the first rough draft of this was submitted to Economic Section. The Report should be completed and printed in English and Italian about 1st of October, and will contain complete Crop Plans for the whole of Italy, Province by Province; estimated farm requirements (fertilizers, insecticides, etc.) for maximizing production from these plans, and estimated minimum required imports. Re-habilitation plans for Forestry and Fisheries are also included.

61. Agriculture: In last month's report, there should have been noted the setting up, by the President of the Council of Ministries, of a Commission on Agricultural Contracts. This was a direct result of pressure brought to bear by this Sub-Commission on the Ministry of Agriculture.

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62. Progress of the "Granai del Popolo" scheme remains reasonably good despite of transportation and other handicaps. Harvest control officers are having to be withdrawn, because transportation is not available for them, and this is bound to have an adverse effect.

63. Good progress was made during the month in the formulation of a Decree to control the collection of olive oil; greater difficulty is being found in arriving at a final price schedule.

64. Forestry: A preliminary distribution plan for charcoal and fuelwood has been circulated in Regions IV, V and VIII; as soon as figures are obtained, a detailed plan will be prepared and submitted.

65. A detailed report, on charcoal production and distribution, was prepared, and covered the charcoal situation in 21 Southern Provinces of Italy, all Sicily and all Sardinia. The report gave recommendations for increasing the production, supplies on hand and the estimated production from July 1944 to April 30, 1945. It is estimated to be 56% of normal consumption.

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66. Fisheries and Hunting: The month of August, saw several important developments in this Division's programme to rehabilitate the Italian Fisheries Industry. With equipment and supplies, requisitioned from U.S. and U.K., arriving at Italian ports, the Division asked the Ministry of Agriculture to form a Government organisation which would distribute the supplies in such a way as to exercise a control of fishing and minimize transportation difficulties. The organization has been set up, and will assist to re-furnish Italian fishing, controlling supplies at just prices, and securing financial credits from Banks. Allocation of naptha and other coal products is based now on the quantity of fish unloaded at market.

67. The Ministry has been asked to revise the procedure of granting Hunting Permits; under Fascism Permits were issued by the Questura only after C.O.N.I., the Sports Federation Headquarters, approved the request. This undemocratic system has been changed, and now the Questura only will be responsible for the issuance of the Permit.

INDUSTRY SUB-COMMISSION

68. Forward: The main objective of the past month's work in this Sub-Commission has been to effect the transference of the executive work from the Sub-Commission to the Italian Ministry of Industry, Commerce and Labour. The following steps have been taken towards this end.

69. Firstly, the representation of the Sub-Commission within the Ministry of Industry, Commerce and Labour has been further strengthened in order that continuous daily liaison may be maintained not only with the Minister himself, but with the various industrial experts working under him in the Ministry.

70. Secondly, regular weekly conferences are now held every Wednesday between the Minister, supported by his experts to advise him on technical matters on the Agenda, and the Acting Director, who has the assistance of the appropriate expert officers of the Sub-Commission. This practice has been found to be very effective both in ironing out difficulties that may arise with the Italian Government and also in accelerating the clearing up of outstanding matters.

71. Thirdly, arrangements have been made by the Italian Government for the selection of individual experts to deal with the more essential key industries - who can work side by side with the officers of this Sub-Commission who may have that particular industry under their control. As yet, however, it has been found impossible in certain situations for this Sub-Commission to hand over all its executive work. An example of this is the cement industry where the military services involved notified [illegible] that they were prepared to hand over various of the less efficient cement [illegible] withdrew their control and at the

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72. Governmental Decrees: Work during the month has been concentrated mainly on three forthcoming decrees by the Italian Government.

73. The first, and the most difficult, was the decree for the control of the hemp industry and the manufactured products thereof. Terms were finally agreed between the Hemp Control Division of this Sub-Commission and the Minister, but the decree has not yet received Cabinet sanction, and negotiations are, therefore, continuing. It is satisfactory to note that new prices were established during the month for the forthcoming hemp crop.

74. The second decree deals with the control of the leather industry by means of a rigid control of the flow of tanning materials to the tanners. This decree has now been agreed between the Government and this Sub-Commission and its publication is pending. New prices for leather were finally agreed and approved, and it is considered that the final settlement of prices will have the effect of markedly increasing the availability of this commodity.

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75. The third decree to be mutally agreed between this Sub-Commission and the Government was the decree regularising the position of the Ente Zolfi Siciliani.

76. Reports: The main report drafted by this Sub-Commission during the month was the first part of the Emergency Programme for Industrial Rehabilitation. This report, which had to be completed within a very short space of time, taxed the energies of all the officers of the Sub-Commission to the utmost. It covered six key industries and outlined the Sub-Commission's programme for the rehabilitation and maintenance of those industries during the calendar year 1945.

77. The second in importance of the reports prepared by this Sub-Commission during the past month was that which was compiled for the representative of UNRRA. This report gives a brief history of the activities of the Sub-Commission since the beginning of the campaign up to date, and enumerated at some length the difficulties which confronted it and the steps taken to overcome them. It also embodied on broad lines the Sub-Commission's proposals for the future.

78. Surveys: Amongst the many surveys compiled by the officers of this Sub-Commission during the past month the two most important are that of the Cellulose Viscose Factory at ROME, where it is hoped that next year both rayon and viscose can be produced, and of the Soda Solvay Works at ROSSIGNANO where the production of caustic soda will be eventually possible on a large scale. The problem of the manufacture locally of carbon bisulphide has been actively studied and a programme evolved for its production, which is in course of implementation.

79. Industrial activities: During the month under review the battle area has remained substantially unchanged, no new centres of industry or important plants have been liberated, and attention has largely been directed to amplifying action already initiated or to completing information previously available only in part.

COMMERCE SUB-COMMISSION

Materials Division.

80. Owing to greatly reduced personnel, especially in Southern Region, great difficulty is being experienced in dealing with current work. It is hoped to assign Italian officials to act as co-ordinating agents in the Provinces.

(a) Leather: Considerable belting has been produced by four factories operating in Regions III and IV. Prof. Enrico Simoncini was appointed Commissioner for leather for all Italy, being responsible for leather operations and control.

(b) Tobacco: No sea movements of tobacco were made during August. The ship "Senio" was procured through efforts of Commerce Sub-Commission to carry a three months supply of tobacco to CATANIA and PALERMO during first week of September.

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80. Owing to greatly reduced personnel, especially in Southern Region, great difficulty is being experienced in dealing with current work. It is hoped to assign Italian officials to act as co-ordinating agents in the Provinces.

(a) Leather: Considerable belting has been produced by four factories operating in Regions III and IV. Prof. Enrico Simoncini was appointed Commissioner for leather for all Italy, being responsible for leather operations and control.

(b) Tobacco: No sea movements of tobacco were made during August. The ship "Senio" was procured through efforts of Commerce Sub-Commission to carry a three months supply of tobacco to CATANIA and PALERMO during first week of September.

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(c) Matches: Arrangements have been completed for the distribution of matches throughout Italy by the national organisation of Consorzio Industriale Fiammiferi (C.I.F.) including all those domestically produced and imported from abroad.

(d) Paper: An AFLR (I) Board meeting, held on 21 August decided to remove from the list of controlled items sheet and rolled paper of all kinds, except printing paper. Newsprint situation continues to be acute. No imports have been received during the period under review.

(e) Textiles, Clothing and Shoes: Jurisdiction over textiles owned by various merchants and held on the premises of the Consorzio Italiano Manufatti was turned over to the Italian Ministry of Industry, Commerce and Labour. Repair rate of salvaged shoes has been increased to 6000 pairs per week during the month. The Pirelli plant has started manufacture of rubber soles and heels.

Resources Section:

81. A method of procedure is in course of preparation whereby the discovery of controlled materials will become the responsibility of the Italian Government in AMG territory.

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Requirements and Release Section.

82. Important materials such as cement, nails and corrugated cases remain in critically short supply. It may prove expedient, after approaching the Director of Works and PRS, to indent for imports to fill essential civilian requirements.

Fuel Section.

83. Owing to the move to ROME it was necessary to invent a modification whereby the existing circulation permits and petrol ration cards could be extended until the end of September. It proved impossible to get permits and ration cards printed in time to issue for 1 September.

Foreign Trade Section.

84. There has been difficulty in obtaining shipping. Quantities of goods are awaiting shipment, but lack of an Export Officer on the East coast of Italy retards all exports considerably. The first consignment of silk cocoons from Turkey has now arrived and will be distributed to filatures for reeling.

Price Section.

85. There is increasing interest on the part of the Government towards standardizing procedures relating to prices. The situation with respect to landed costs of imported supplies is still confused owing to AFHQ being unable to notify us as to landed costs of many items, forcing us to make our own estimates. An inter-ministerial committee has been set up by the Government and it is hoped that this will form a nucleus for more extensive price work in months to come.

SHIPPING SUB-COMMISSION.

86. During the month of August the chief subjects with which the Shipping Sub-Commission was concerned were :-

(a) The alternation in the operation of schooners.
(b) The planning of ACC requirements.

87. (a) As an initial step towards the operation of schooners a meeting was held at which it was mutually agreed that of the total of approximately 60,000 tons of schooners 25,000 tons would be allocated to the R.N.C and Water Transport Companies for Services requirements.

(b) All schooners over 500 tons to be allocated to P.S.T.O. Med. for operation as an addition to the coaster fleet for Services requirements, and small schooners presently utilized by the Navy for harbour [illegible]

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(c) This left a total of some 27,000 tons d.w. of schooners available for civil requirements, under the direction of the Allied Control Commission. In order that a complete control could be maintained as to the cargoes these vessels carried, a Schooner Control Committee was set up comprising a representative of COGEM., a representative of ACC and a representative of the Mediterranean Shipping Board. This Control commenced functioning on 17 August, and up to date has allocated 124 schooners approximating a total of 5,000 tons d.w. cargo, those cargoes being approved by the ACC representative.

88. So far as the planning of requirements is concerned, this has now been presented and is under examination at AFHQ. It totals some 90,000 tons for the month of September, but gives priorities which will probably reduce the quantity considerably below that figure. On examination the Ministry of War Transport has agreed that it will be responsible for the tonnage under [illegible] control for the carriage of timber from Southern Italy to Sicily to make boxes and orange boxes for shipment to the UK. A representative of the Ministry of War Transport will proceed shortly to co-ordinate these shipments.

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89. It is obvious, however, that this programme as presented by ACC will not be possible of fulfilment by ordinary schooner traffic, and a complete examination, therefore, is being made as to what contribution can be made towards it by a reduction in the military traffic or the allocation of outside shipping at the expense of other programmes. It will be several days before clarity on this subject is achieved. The main items, however, continue to be coal from SARDINIA and phosphates from TUNISIA. The Ministry of War Transport in LONDON, under pressure from the Mediterranean Shipping Board, has agreed to allocate five vessels approximately 5000 tons dw. each, which vessels will be utilised for these commodities.

90. As a matter of general interest on the shipping situation, ten Italian steamers have now arrived in GIBRALTAR from SPAIN, and one in CASABLANCA from PORTUGAL. These are being put into a fit state at GIBRALTAR to proceed to South Italy, but it is likely that extensive repairs will be necessary before they are fit for service.

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PART III

ADMINISTRATIVE SECTION.

1. Defascism: The Italian Government has expressed itself as not dissatisfied with the progress that it is making in two spheres of defascism, the punishment of those who have lent themselves to breaches of the old constitution or have obtained benefits improperly, and those who have corruptly obtained material benefits.

2. It has, however, expressed its dissatisfaction with the present method of purging the administration which is based on the individual consideration of each case. It is a lengthy process and includes the suspension of the person whose case is being investigated. An alternative method therefore is being considered to ensure the quick purging of officials.

3. Proposals for dealing with private firms and companies under Fascist control are under discussion.

4. Mine Clearance: A programme for the instruction of civilians in this work has been drawn up by the Ministry of War and approved in principle by this Section. These instructional squads of soldiers will be available on 15 September and will form centres of instruction in areas situated close to the more heavily mined areas. On completion of the instruction at the end of September the students are to be formed into working parties for mine clearance work. Some difficulty is being encountered in procuring the necessary equipment and transportation.

INTERIOR SUB-COMMISSION.

5. Local Government: A summary has been prepared and issued to AMG Armies showing the primary steps necessary to reorganise local government. Italian official appointed to take charge of the Administration of ELBA.

6. Prefects and Officials: Arrangements were continued for maintaining supply of Prefects and other officials who may be required for forward Provinces, including planning for the 45 Provinces still in enemy hands. To meet shortage of Prefects the Ministry has been urged to promote efficient Vice-Prefects and suggestions have been made for transfer of Prefects. New Prefects and other officials sent to ASCOLI, ANCONA, FLORENCE and LIVORNO.

PUBLIC SAFETY SUB-COMMISSION.

7. Policing Forward Areas: Mobile CC.RR attached to Armies have continued their good work in policing newly occupied territory. As they move forward their places are taken by those supplied from replacement centres. A new centre has now been established in FLORENCE to hold 2200 and arrangements are in hand to form another centre at ANCONA. The SCAOs of FIFTH and EIGHTH Armies have expressed their satisfaction at the excellent service [illegible]

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8. Patriots: A good deal of the time of Public Safety Officers in forward areas has been occupied in dealing with patriots. The difficulty has been to distinguish between genuine partisans and undesirable characters who seize the opportunity to form themselves into armed bands, robbing and plundering the country side. By constituting the CC.RR as the law enforcing authority and withdrawing weapons from the patriots, the situation has been kept well in hand.

9. Public Security: Questori have been sent from a reserve pool in ROME to Provinces at the request of Army SCAOs or RCs. Inspectors from the Ministry of the Interior have been despatched to report on public security conditions in SICILY, SARDINIA and SIENA.

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10. Rations, Uniform and Equipment: Complaints that the rations allotted to Finance Guards and Agents of Public Security are inadequate are being sympathetically examined with the Sub-Commissions concerned. The uniform and equipment of all police agencies is still unsatisfactory, especially as regards transport. In spite of these conditions the police carry out their duties loyally.

11. Epuration: Commissions have been set up to carry out the epuration of all Police, Fire Brigade and Prison officials. As yet these Commissions have made little progress. All OVRA officials and agents will be suspended from duty until their cases have been examined by the Public Security Epuration Commission.

12. Prisons: The problem of Italian Military prisoners which threatened to create acute overcrowding in civil jails has been solved. Although Italian Military prisoners will become a civilian responsibility after 30 days imprisonment, they will be kept in military jails. In many districts the prison population is decreasing owing to the expiration of sentences imposed by AMG in 1943. In SICILY, as a result of the special drive on grain collection, overcrowding has increased. The repair work on four damaged prisons is being speeded up. If necessary, stockade prisons will be constructed in SICILY.

13. Control of Civilian Movement: In consequence of the handing over of new territory to the Italian Government, the instructions regarding civilian movement have been revised and consolidated in Executive Memorandum No.77. Civil Affairs Officers, Italian officials and the Italian public have been notified of the existing restrictions.

PUBLIC HEALTH SUB-COMMISSION.

14. General: The Italian Government has undertaken the rehabilitation of hospitals.

15. Supplies: Glass tubing is urgently required for the packing of biologicals prdduced locally.

16. Disease:

(a) Typhoid epidemic at BENEVENTO is being investigated and prophylactic measures have been instituted.
(b) V.D. the campaign continues.
(c) Typhus. The Typhus Control Unit will, during the autumn, instruct local teams throughout Central and Southern Italy in typhus control measures.
(d) Smallpox figures in NAPLES City and NAPLES Province show a definite decrease.
(e) Malaria. The work of the Malaria Control branch has been outstanding

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(e) Malaria. The work of the Malaria Control branch has been outstanding and has resulted, almost everywhere, in a marked reduction of cases as compared with 1943.

17. Veterinary: Foot and Mouth Disease and Swine Fever are both wide spread and steps to combat them have been taken. Supplies of veterinary biologicals have been distributed.

18. Welfare: The Ministry of Interior has increased the rates of assistance to political ex-internees.

19. Health: Infant mortality figures in ROME are high but it is anticipated that the distribution of powdered milk will result in a decrease in these figures.

LEGAL SUB-COMMISSION.

The following is a summary of activities during the month :

20. Office of Chief Legal Officer: Handling of all legal matters connected with restoration of territory on 15 August. Consideration of "Sanctions against Fascism". Examination has been given to the attitude of Italian Military Tribunals at BARI toward trial of cases involving Allied interests. Consideration of duties and functions of Property Control.

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21. Office of Chief Counsel: Preparation of revised proclamations 1, 2 and 4. Revised General Order No.2 and General Order No.32 (agricultural rents). Examination proposed decree for restoration of property and other rights taken away by Fascists legislation on racial or political grounds.

22. Italian Branch: Supervision of the "Epuration" of the Magistracy under the provisions of DLL 159 of 27 July. Contacts with ROME Jewish and Intergovernmental Refugee Committees on draft law to repeal racial legislation. Settling text of draft decree of marriage of members of Allied Forces in Italian territory. Determining the functions of Property Control in relation to the evolution of Italian administration. Extension of Italian Amnesty decree to territories restored to Italian Administration.

23. Office of Chief Judicial Officer: AMG court in Region II condemned Gaudie Martiere to 28 years imprisonment for murder of an Allied soldier and De Birade Michele to 20 years imprisonment for sabotage.

EDUCATION SUB-COMMISSION.

24. Italian Government Territory: This territory has required recently little attention. We are having to help in regard to the large new printing of textbooks (375,000 in PALERMO; 1,120,000 in NAPLES).

25. Region IV: LITTORIA, FROSINONE and ROME Provinces were handed over to Italian Control on 15 August. School lunches were served to 8,757 school children and plans are under way for increasing this number; 546 school administrative officials have been examined for fascism, of whom 175 were suspended. The printing of 1,039,000 elementary school textbooks for Region IV and V was launched. VITERBO, RIETI and TERNI Provinces are on their way to being in as favourable a situation. All school departments are functioning vigorously; many communes opened summer sessions. PERUGIA was visited and preliminary steps taken toward getting the educational machinery to function. Epuration proceeded at the University of ROME and examinations were held. Preliminary work was started at the two Universities in PERUGIA.

26. Region V: Eight Provinces are organized for the reopening of schools. School heads appointed; vetting under way; budgets prepared; directives issued; Sindaci are getting school quarters in shape; Fascist books are being confiscated. Conditions at the two Universities in MACERATA Province were investigated.

27. Region VIII: GROSSETO and SIENA Provinces were organized, defascising is proceeding, plans are completed for re-opening of schools. Preliminary arrangements are under way for the printing of 1,039,000 elementary school textbooks for Regions VIII and IX. The University of SIENA was the victim of an Army requisition.

28. Regions in General: A meeting of Regional Education Officers and the HQ Staff was held early in August. The two most urgent problems now before schools in both Italian Government Territory and Military Government Territory, are the printing and distributing of the millions of elementary school textbooks, and the making of buildings

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PROPERTY CONTROL SUB-COMMISSION.

29. General: On 8 August Insurance Section, Finance Sub-Commission, assumed full responsibility for all Insurance Companies in Italy and PC was relieved of this responsibility.

30. Regions: Reconsignment of properties to owners is going forward at an increasing tempo. Property Control offices in Regions II and VIII were closed and records and files moved to office of RCP, Southern Region. In Region IV, RCP took into protective custody properties of numerous Fascist Organisations. The work of examining and completing records of United Nations' properties is nearing completion. In the FLORENCE area some difficulty was encountered because of operational activities. Much evidence of pilfering and looting was found.

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MONUMENTS, FINE ARTS & ARCHIVES SUB-COMMISSION.

31. Region IV: Inspections of the damaged sites in LITTORIA and FROSINONE Provinces, and VITERBO. In most of these cases repair projects have been difficult to initiate because of shortage of material and labour, both of which are needed by other claims in the devastated regions.

32. Deposits of Works of Art in the vicinity of FLORENCE: Steps have been taken to guard and check over the works of art placed in the deposits in the country South of FLORENCE. There are 23 such deposits around FLORENCE. Eight of these were accessible, the rest were in enemy territory. In FLORENCE, steps have been taken to salvage valuable records from the ruins of buildings mined by the Germans. Italian Superintendents have been organised to assist.

33. Region III: Final arrangements for the handing over of this Regions work to Italian Authorities have been made.

34. Art Exhibition: An exhibition of masterpieces of European Painting was opened in the Palazzo Venezia, ROME.

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PART IV

POLITICAL SECTION, PUBLIC RELATIONS BRANCH AND INDEPENDENT SUB-COMMISSIONS

POLITICAL SECTION.

1. On the 15 August the Provinces of LITTORIA, FROSINONE and ROME (including the capital) were handed back to the Italian Government. On the occasion Bonomi issued a statement, rather sober in nature, in which he asked the Italian people not to expect miracles but assured them that the Government was well aware of the task confronting it and willing to tackle it. It may be said that the Government has indeed worked very hard during the month. The Council of Ministers has met frequently and dealt with some major matters. It has set up a committee for national reconstruction, realising fully that at the moment emergency measures must take precedence over long range planning. It has sanctioned the nomination of special commissioners for "concessionary enterprises affecting the public services or engaged in activities recognised to be of general interest" and on 31 August announced its intention of complying with the request of the CGIL delegates (presented 9 August) to take some action, in cooperation with the Allies, to protect the workers against the rising cost of living. And, in the meeting of 31 August, it avowed its intention to attack the Sicilian question laying plans for "strengthening the administrative apparatus" of the island with a view to combating the Separatist movement and to proceed to "concrete and organic resolution of the latifundia problem". These are only the principal activities; there were the usual routine and administrative matters. Epuration has proceeded with vigor, the most sensational event being the suspension of 309 out of the 420 senators.

2. Party life has also been full and in general events of the month have clarified the aims of the various elements. Noteworthy was the "alliance" of the Socialists and Communists (8 August) who announced a common programme for more active participation in the war, intensification of application of anti-fascist sanctions and protection of the workers against their difficult economic straits and dangers from reactionary forces. Their avowed hope is to bring the Christian Democrats (with whom they are already working in harmony on the labour front) into the pact but the latter have so far not given their assent. The Liberals followed suit, announcing on 13 August their fusion with the old Democratic Liberal party, an old pre-war group of some strength particularly in the South. This fusion is particularly interesting as it brings into the Government representation from a group outside the Committee of Liberation; an action which the Leftist parties view with some suspicion, Nenni calling the Liberal Democrats "a Trojan horse within the citadel of democracy". The young and hopeful Catholic Communists received another blow when it was categorically stated by Cardinal Salotti that the terms Catholic and Communists were mutually contradictory.

3. In the matter of foreign affairs the month has seen a crescendo in Italy's anxiety about her future. Demands have been repeated that the Allies should clarify their policy and at various times specific requests have been made in the

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4. On 25 August Signor Soleri, Minister for Treasury, gave a press conference in which he discussed with some frankness the financial situation of the country, pointing out among other things that Italian finance could not be established on any solid basis until the currency situation was clarified and for that the cooperation of the Allies was essential. This was taken up by the press and a statement

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on our currency policy may now be added to the list of things that the Italians would like to have. Their increasing frankness in stating what they want has had some justification - in Italian eyes at least - in the deeds of the patriot bands who distinguished themselves particularly in the fighting around FLORENCE and have thus been a factor in resuscitating national pride. To such a point indeed that Count Sforza, speaking on 21 August, did not hesitate to touch on territorial matters, affirming the "Italianita" of TRIESTE and suggesting that FIUME might well become a free city, the seat of a new league of nations. And the deeds of the Patriots as well as the kind words spoken about the Armed Forces by Allied officers at the last ACC Regional Commissioners' Conference have also served to bring to the fore the plight of war prisoners on which Italians would like action from us.

5. The Regional Commissioners Conference held on 22 and 23 August was for the first time open to the Italian press. Particular attention was given to the reports of the Economic Section and, as said above, the Services Sub-Commissions. Allowing the Italian press to be present may well have had some political value; it was clear from the articles that followed that many Italians had not realised the scope of the work of ACC. Further, the Acting Chief Commissioner's statement that ACC supported the Bonomi Government in the same spirit as that indicated in the statement of the Ministers without Portfolio (issued to express their solidarity at the time of the handover of ROME) was undoubtedly a factor in giving the Government stability and putting an end to any lingering rumours of its approaching dissolution under Allied disfavour.

PUBLIC RELATIONS BRANCH.

6. News Production: Regular press releases were issued to the Italian Press, PWB, Allied correspondents and neutral correspondents on all aspects of ACC activities including UNRRA liaison.

7. Press Conference: The Italian Press was admitted for the first time to the Regional Commissioner's Conference with excellent results. The Branch arranged two press Conferences between Brig. Gen. O'Dwyer and Allied and Italian correspondents, respectively. The former covered the Italian Economic situation and the latter the ROME food conditions and general economic plans. Both Conferences were well received.

8. Journalists:

(a) Italian: Contact with editors of ROME newspapers was maintained to explain ACC policies and to request assistance on problems needing public co-operation. The first ACC/PRB accrediting cards were issued to Italian journalists. Curfew passes were issued to newspaper workers, journalists automobile problems were adjusted, [illegible] permits to photograph non-military

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(b) Allied: Interviews arranged and information given to some twenty British and American correspondents.

(c) Allied Political Correspondents: The first four arrived and became an ACC responsibility. They represented The Times, Daily Express, and Daily Telegraph, (LONDON), and Tass Agency (Soviet Union).

(d) Neutral Correspondents: Weekly background briefings were held.

9. Relations with Italian Government: Publicity was arranged and put into effect for the Italian Armed Forces including the first Allied recognition of Italian war correspondents. Epuration of the Italian Press was carried out in collaboration with the Italian Government Committee, the Federazione Stampa, and Security Branch. Long term arrangements for radio and cinemas were discussed with the Sottosegretariato delle Stampa and the PWB.

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10. Miscellaneous: The Allied Publication Board, with concurring PRB vote, froze further issues of newsprint because of shortage of imports. Extensive scheduling of story possibilities made for the March of Time film unit photographing ACC help to Italy. Publishing arrangements made for 75,000 copies of Art Guide to FLORENCE for use of the troops. Plans started to make films of Italian Army, Navy and Air Force. Contacts maintained with Prime Minister Bonomi and Cabinet members. Regular services of Weekly Bulletin, Daily Rome Digest and Trend of Correspondents' copy continued. Material gathered for history of ACC.

WAR MATERIALS DISPOSAL AND ITALIAN PW SUB-COMMISSION.

War Materials Disposal.

11. The work of this Sub-Commission was for the most part of an administrative nature and the small staff was inundated with requests by individuals and representatives of firms for authority to collect derelict vehicles from the surrounding countryside and roads. A few permits were issued, in the most part, to collect parts from derelict vehicles, and in every case the parts were required so that the work on a certain vehicle could be completed and the vehicle put back on the road to do duty under ACC direction.

12. A reconnaissance was made of the RIETI and ALBANO area. In RIETI an inspection was made of the weapons which had been collected into a small Armament Shop, where an excellent job of cleaning and servicing weapons was being done by Italian labour. The weapons are held at the disposal of the Italian War Ministry.

13. In ALBANO a considerable quantity of water pipe and 30 litre tanks were found and put at the disposal of the Public Works and Utilities Sub-Commission.

14. Workshops in ROME and the immediate vicinity were visited and a check made of salvaged vehicles with a view to ascertaining their ultimate destination.

Italian Prisoners of War.

15. The repatriation of Italian Prisoners of War was increased and the release from PW status of approximately 65,000 paroled PW in SICILY was completed. The number of military PW returned for the month was 1030.

16. Prime Minister Bonomi accepted an invitation to send representatives to visit localities in Italy, and to inspect the conditions under which PW cooperators are employed.

17. Requests for repatriation for specialists, required for Allied Control Commission and Italian Government activities, and a few individual cases justified for compassionate reasons, were submitted for consideration.

18. Plans for expediting certain repatriations were made and a policy of active

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13. In ALBANO a considerable quantity of water pipe and 30 litre tanks were found and put at the disposal of the Public Works and Utilities Sub-Commission.

14. Workshops in ROME and the immediate vicinity were visited and a check made of salvaged vehicles with a view to ascertaining their ultimate destination.

Italian Prisoners of War.

15. The repatriation of Italian Prisoners of War was increased and the release from PW status of approximately 65,000 paroled PW in SICILY was completed. The number of military PW returned for the month was 1030.

16. Prime Minister Bonomi accepted an invitation to send representatives to visit localities in Italy, and to inspect the conditions under which PW cooperators are employed.

17. Requests for repatriation for specialists, required for Allied Control Commission and Italian Government activities, and a few individual cases justified for compassionate reasons, were submitted for consideration.

18. Plans for expediting certain repatriations were made and a policy of active cooperation with the Italian Red Cross was initiated.

COMMUNICATIONS SUB-COMMISSION. 1489

19. Telecommunications:

(a) Telephone: Two additional NAPLES-ROME circuits have been made available, permitting the opening of a restricted service to civil use of this important channel. Many urban telephone services have been restored, including the towns of CAMPOBASSO, ISERNIA, VENETRO, TERMOLI, LANCIANA, CHIETI, AVEZZANO, AQUILA, TERAMO, ASCOLI, FLORENCE, SIENA, GROSSETO, etc. Inter-urban service limited to intra-provincial calls has been authorised in the Provinces of FOGGIA, CHIETI, PESCARA, AQUILA, TERAMO, AVELLINO, BENEVENTO, CAMPOBASSO, FROSINONE, LITTORIA and ROME: inter-urban circuits are now approaching completion in many areas. Full inter-provincial service is authorised and available in all Provinces south of the above.

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(b) Telegraph: Telegraph service has been authorised in all Provinces listed above; in few cases are circuits available, but they are also now approaching completion in many districts. The telegraph service from ROME to the South has been improved, but is still inadequate, and many telegrams from NAPLES and BARI are still arriving by post. Arrangements to effect improvement, which include transfer of equipment from SICILY, are in hand. Submarine telegraph cables to SICILY and SARDINIA have been handed over to the Italian authorities; so far only the SICILY circuit is restored to operation. The Italian Foreign Office has been authorised to resume cablegram communications, in clear or in cipher, with all Italian Missions, etc., abroad, except that in ARGENTINA. (This service was previously restricted to the Embassies at MADRID, LISBON and TANGIERS).

20. Postal:

(a) Internal and foreign mail services have been restored in the additional Provinces of FOGGIA, CHIETI, PESCARA, AQUILA and TERAMO.

(b) PALERMO and BARI were closed as foreign mail transfer ports, leaving only NAPLES, and a few transfers through CATANIA.

(c) Some 17,000,000 letters (about 70 tons), including about 12,000,000 PW letters, have been dealt with in the foreign mail service since the opening of services early this year.

ARMY SUB-COMMISSION.

21. The planning, organisation and initial training of the Italian Combat Groups has gone according to the time programme. The limiting factor has been the provision of equipment. The training scale of arms and vehicles for the first two groups has now been issued.

22. On 10 August, GOC attended a conference at Public Relations for the Italian Army and observer reporters. GOC put forward the urgent necessity for more publicity to be given the Italian Army, not only in its combattant role but in its work behind the lines, providing labour on docks, engineer units, L of C signals, muleteers etc. It was decided that every effort would be made to get the Italian people Army-minded and several interesting articles have since appeared in the ROME newspapers on the achievements and activities of the Italian Army.

23. In an order of the day to the Italian Army, Count Casati, War Minister, reproduced part of GOC's report at the last Regional Commissioners' Conference in

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23. In an order of the day to the Italian Army, Count Casati, War Minister, reproduced part of GOC's report at the last Regional Commissioners' Conference in which due recognition and praise is given to the Italian Army and urges all ranks to make greater efforts to drive the enemy out of the country.

24. Arrangements are being made for the division of responsibility for rationing the Italian Armed Forces between the British and American Governments. This constitutes an amendment to the last sentence of this Sub-Commission's report for the month of July.

NAVY SUB-COMMISSION

25. During the month of August the active cruisers of the Italian Fleet carried out the normal programme of ferrying troops and civilians in the Western Mediterranean. Destroyers and smaller vessels were employed in escort work. The three older battleships returned from Malta and have been reduced to reserve in Italian ports. The work of the TARANTO dockyard proceeded satisfactorily. Supplies of food and medical stores for the fleet were adequate and the introduction of a single ration scale for combat and non-combat troops has simplified administration. As far as possible the Italian Navy utilises its own stocks of Naval Stores and every assistance is given to them to obtain materials from local resources. Essential items not available from these sources are supplied mainly from British Naval stocks. The clothing situation was unsatisfactory and will remain so until the arrival of materials ordered from the United Kingdom, when the Italians will manufacture their uniforms in their own factories.

1800

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26. Steps are being taken to obtain favourable publicity for the work of the Italian Navy, and details which are being worked out in conjunction with the Public Relations Branch include the production of a short film, shewing the work of the Italian ships during the past year.

AIR FORCE SUB-COMMISSION

27. The Italian Air Force continued to support the Allied Air Forces actively. The Fighter Wing has been carrying out fighter sweeps over enemy territory and has a good record. The Bomber/Transport Wing continued to drop supplies. The Seaplane Wing continued to work as part of the Mediterranean Coastal Air Force.

28. The Operational Control of the Italian Air Force has now passed out o the hands of the Air Force Sub-Commission. While this loss of operational control is regretted, there is no doubt that it is a sound move, as it ensures complete co-ordination of the effort of the Air Forces as a whole.

29. Under the new Government, General Piscentini has been appointed Air Minister and Chief of Staff of the Italian Air Force.

30. Among many other problems there have been two outstanding ones. Firstly, the ceiling of manpower in the Italian Air Force, and secondly the question of rations. A somewhat arbitrary decision was made to reduce the ceiling from 32,000 to 22,000. This would have had serious repercussions in respect of Italian Air Force personnel on loan to the Allied Forces in substitution for Allied manpower. The ceiling, however, has now been permanently fixed at 31,000.

ELLERY W. STONE
Captain, USNR
Acting Chief Commissioner

Declassified E.O. 12356 Section 3.3/NND No. 775014

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HEADQUARTERS
ALLIED CONTROL COMMISSION
Public Safety Sub-Commission

Folio for action/information/

D.P.S. .....

D.D.P.S. .....

Ex. Officer.... .....

Police

Col. Leaney.....

Capt. Mastroianni.....

Prisons.....

Fire & C.D.....

Regn. & Licensing.....

Adm. Officer.....

REMARKS.....

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CONFIDENTIAL

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

MONTHLY REPORT

JULY 1944

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HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

CONFIDENTIAL

Ref/498/CA.

30 August 1944.

MONTHLY REPORT FOR JULY

General Remarks

1. July is the harvest month in Italy and though the wheat was late this year all eyes were turned towards the crop, which im most areas was well above average. The farmers were anxious about labour and gasoline for their threshing machines: the townspeople thought the generous price for wheat might seriously affect the price of bread (which it has not): the Italian Government and the Allied Control Commission wondered how much of the abundant crop would find its way to the Government grain depots. Generally speaking the harvest has begun well. Imported soldiers of the Italian Army helped the farmers in FOGGIA: helped also to maintain the labour markets for the Allied military authorities and to keep down exorbitant demands for wages by the harvesters. Where gasoline and oil was lacking the farmers reverted to the customary method of treading out the wheat by oxen. The intensive campaign for Granai del Popolo continued and collections of grain began to come in. Strenuous efforts by the officials of Allied Control Commission and in most (but not all) areas, by Italian Government officials, have been made to start the campaign with success. It is too early to prophesy the results.

2. Established in ROME, with the Headquarters of the Allied Control Commission alongside, the Italian Government had its first opportunity of functioning im the capital of the country and with the proper machinery of Government. The focus naturally turned to ROME and conditions in ROME were regarded as a mirror of those throughout the country. This is not so. ROME was not occupied until June 5th and although the city has suffered little material damage, much dislocation has taken place which can only be remedied im time. Conditions in South Italy and in the Provinces outside ROME are undoubtedly better than within.

3. In the North, AMGs with both Armies have done outstanding work. Their problems were manifold, but they overcame them. Law and order were kept: food was supplied in spite of grievous shortages of transport: refugees were passed back for dispersal in neighbouring Provinces: patriots, a new problem, were dealt with tactfully and firmly.

4. The procedure of Provincial teams, from the Region, rapidly following up and sometimes accompanying the AMG staffs in the Armies has proved successful.

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4. The procedure of Provincial teams, from the Region, rapidly following up and sometimes accompanying the AMG staffs in the Armies has proved successful.

5. AMG Regions have continued to employ to the maximum the Italian machinery and personnel of local government, who generally have been helpful and effective in spite of grave difficulties caused by devastation, lack of communications, and mines. Civilian casualties from those remnants of battle have been tragic and numerous.

6. In the areas handed over to the Italian Government the reduction of Allied officers of the Allied Control Commission has been maintained gradually: the props on which the Italian Local Government is so prone to lean are being withdrawn and more responsibility is thrown on to the local authorities. There are some, especially in the cities, who think that the withdrawal is premature. But it is essential if the policy of the Allied Nations is to be implemented: and experience shows that it is right.

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7. At the end of his last report on Sicily, Colonel A. N. Hancock, the Regional Commissioner, writes as follows :

"SICILY has now been under AMG or ACC counsel for just over one year. Perhaps the greatest fault - or is it praise - that can be found in Region I is a too rapid return to a state of normal peacetime economic activity together with local politics and slow administration. As for over three thousand years, SICILY still suffers from internal disunion and too great a spirit of selfish independence and local patriotism. The grain campaign - which is still being run under the High Commissioner even if greatly aided by ACC pressure - will be the touchstone of SICILY's ability or failure to administer herself. For the future, the prosperity or poverty of SICILY is a matter for SICILY herself to make - there is little more ACC can do for her. "

8. This will become true for the areas in Italy as time goes on.

9. The two problems which face the Commission are food and transport. In the South the peak of the food problem can be said to have passed - so long as the new crop can be distributed. North of the Garigliano in the devastated areas, food is not so plentiful: the basic bread ration from this line to the front line is 200 grams compared with 300 grams in the South. Other forms of food are as short. The same applies to ROME. In the country districts to the East and North of ROME the general food situation is easier, though the basic bread ration remains at 200 grams. Transport is the difficulty. It is inadequate. Food cannot be brought from the producer to the consumer areas. It is even difficult to carry petrol to the threshing machines and grain from the threshing floors to the collection depots.

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PART I

R.C. & M.G. SECTION

AMG FIFTH ARMY.

1. The end of July found the Army on the banks of the Arno, with the Southern portion of PISA in our hands. The capture of SIENA intact on the 2nd July was followed on the 20th by the fall of LIVORNO with the port area in a ruinous state but the rest of the town mainly undamaged. During the month the latter remained under intermittent shell fire.

2. In SIENA the usual problems of power, light and water presented themselves, the former impossible to deal with at present, while the latter promised to be in fair order in about a month. Banks were sound, lacking only currency. They were opened on 20th July. The University was closed for summer vacation and so presented no problem. Being the centre of a rich agricultural district the food situation was not pressing. SIENA was handed over to AMG Eighth Army on 22nd July.

3. The supply situation grew more satisfactory during the month as the much needed items such as salt and sugar came through. The Army is in a corn growing area with an excellent harvest being gathered, so import of flour is not an immediate necessity. POL is being distributed to promote grinding of flour locally thus relieving transport. In SIENA the stockpile for FLORENCE was established and with the opening of PIOMBINO and the retention of an RASC Transport Coy until replaced, the situation is not unsatisfactory.

4. LIVORNO does not present as bad a picture as was at first thought. There is a possibility of getting an alternative supply of water for some 60,000 people and as the present population is 35,000 against a normal 140,000 the situation will be well covered. There is a fine hospital with a potential capacity for 2,000.

5. The patriots have been most useful. In LIVORNO they marked minefields and acted as guides and police. They respond to tactful handling and the issue of certificates and proclamations has a very good effect. Similar services were rendered elsewhere but at SIENA they presumed complete political freedom even within sound of the enemy guns. Patriot Liaison Officers sent by HQ AOC were very welcome. Some Italian officers have been sent up by the Ministry of War to facilitate enlistment in the Italian Army.

6. In other branches affairs remain satisfactory. The Granai del Popolo collections are good. There is a little hooliganism but crime in the towns shows no unusual increases.

AMG EIGHTH ARMY.

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AMG EIGHTH ARMY.

7. The rate of advance slowed down during the month mainly owing to the increased resistance offered by the enemy in the hills South of FLORENCE. By the end of the month, however, the whole of the Provinces of SIENA and MACERATA and most of AREZZO, PERUGIA and ANCONA had been occupied. This meant a population of about 2,000,000 under Army AMG administration. These provinces are mainly agricultural and have not been greatly disturbed by war. They are self-subsisting as regards grain, oil and vegetables. Harvesting is proceeding but has been hampered by shortage of POL.

8. The Provinces of RIETI and TERNI were handed over to Region IV on the 10th and 30th July respectively.

9. Of the places occupied during the month one was the port of ANCONA where only 6,000 people were found on arrival out of a population of about 90,000. 35% of the town has been destroyed. The once attractive town of AREZZO was reported 30% destroyed and had a population of 1500 out of the normal 31,000. The Prefect was not there to welcome the Allies but fled with funds belonging to the Province to the tune of 17,000,000 lire.

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10. Many patriots were encountered and although a few were troublesome the majority were disarmed without incident and were cooperative. Some assisted to gather mines and explosives and others even volunteered to rebuild the railway from TERNI to TODI.

11. TERNI has a very considerable labour problem. The steel mills have been totally destroyed and the 7,000 employees have little prospect of returning to their old employment for a long time to come. This is the first purely industrial town to be encountered and therefore emphasises problems which will arise if similar destruction occurs in the industrial north.

12. Useful work has been done in the whole area by Italian welfare organisations although they have been handicapped by lack of supplies. They have shown themselves calm and efficient under great difficulties.

13. More refugees have been encountered, which is to be expected when an advance slows up, when they come over to us from no mans' land and the devastated areas in the battlefield zone.

REGION I (SICILY)

14. During July the grain campaign overshadowed all other forms of activity in Sicily absorbing AOC, the Italian Army, Carabinieri and Government officials, as well as affecting politics, Separatism and crime. Even the black market has reacted to the new conditions. It brings back memories of the first efforts to feed Sicily just a year ago.

15. The quota of grain to be collected this harvest has been fixed at 3,100,000 quintals, sufficient to feed the rationed part of the population for one year. By 30th June 6802 quintals had been collected; by 31 July this figure had risen to 234,251 quintals. Great difficulties beset the collection of the grain and already nearly 5000 persons have been denounced for infringement of regulations with confiscations amounting to over 10,000 quintals. Transportation facilities provided for the Granai del Popolo have been adequate but tyre troubles are severely felt.

16. In the field of politics Separatism has been more subdued this month in a belated attempt to appease the authorities and particularly the new High Commissioner - Aldisio, who is credited with the intention of crushing the Movement.

17. After a year as the first part of Italy and Europe to be liberated it seems that Sicily is likely to miss the greatest opportunity in her history of becoming an important part of Italy. Many of her difficulties are of her own making. Internally disunited and extra-political she is unready to make common cause with the mainland and share its burdens, whilst her actions arouse deep suspicion on the part of Italians. A great deal depends on the influence of the High Commissioner in the next six months,

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18. It is not generally realised that Sicily has already a lively export trade. The value of goods exported to the principal buyers in the last twelve months is as follows :

Great Britain	343,666,110	lire.
U.S.A.	21,626,000	"
Malta	242,614,225	"

Nearly all the commodities exported are the products of the fertile soil and include items such as lemons (525,892 cases), lemon oil (180,000 Kgs.), nuts, oranges and orange oil.

19. Prices and cost of living continue to rise and taking the index figure for January 1944 as 100, in June it had increased to 129,95.

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REGION II (APULIA, LUCANIA)

20. The Communist party has continued its ascendancy to the point where it is now provocative. This is most marked in POTENZA and BRINDISI Provinces. Previous uneasiness has turned among the intelligent classes of Italians to fear that some violence will occur if the Allies do not stand near them. Provincial governments still lack teamwork and initiative as they do not feel the staunch backing of the present Italian Government. They have become more suspicious lately that the Allies will leave them "on their own" entirely, despite assurances to the contrary.

21. In the majority of provinces the collection of wheat is well ahead of normal and MATERA Province has already exceeded its total collection for 1943. Barley collection is somewhat behind, for the reason that producers are awaiting a decision of the Italian Government on their appeal that Barley should be considered as food for livestock in many localities.

22. Otherwise, in the grain collection campaign, almost all the problems have been solved with satisfaction except transportation and policing. The transportation problem, rail and motor, with continued shortage of gasoline, tyres and spare parts has become more acute than before. This shortage has now reached the point that the successful collection and distribution of grain is dependent largely upon how quickly and in what quantity rail transport and/or transport can be made available.

23. The Carabinieri and Questura have proved fairly effective in providing police for the grain campaign. Road blocks are in operation throughout the Region. Many arrests for grain violations have been made and more than 1,000 quintals of grain has been confiscated by these road block groups.

24. The food situation in this Region remains satisfactory.

25. The supply of leafy vegetables has lessened, but tomatoes and melons are fairly plentiful. Fruits remain satisfactory.

26. The wine surplus in APULIAN Provinces remains unchanged or in a worse position. Producers are now beginning to pour it out to make room for the new crop. There is still an excess of 300,000 tons remaining in the Region.

27. The new crop of grapes, almonds and tobacco continues normal in condition.

28. The usual labour unrest prevails in TARANTO Province. Otherwise, no serious labour disputes have occurred.

29. A few small imbroglios occurred among troop units. Chiefly between Italian soldiers and French Colonial troops in BRINDISI and TARANTO Provinces. In each instance local commanders and ACC officers handled the situation and managed to prevent serious disorders on a large scale.

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30. The civilian population as a whole remains orderly.

31. The general health of the people continues to be very good. For the third successive month there has been no outbreak of an appreciable nature of any communicable disease.

32. The small epidemic outbreaks of foot and mouth disease in TARANTO, MATERA and POTENZA Provinces now appear to be stabilized.

33. During the month the Italian Provincial Committees have handled practically all the Italian refugee problems in this Region. Large numbers of Italian families have been surging into the Region, especially into BARI, trying to return to their homes in other parts of Italy, especially to NAPLES. This at a time when rail transport was very critical, caused acute distress.

34. Although there has been an inflow of over 2,300 Italian refugees during July, there has also been an outflow into those parts of Italy where travel is allowed. Therefore, the total refugee population in this Region has probably remained static at around 30,000.

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35. The unannounced "freezing" of rolling stock for movement of military supplies during the middle of the month was almost fatal to the distribution of civilian supplies and to the grain campaign. Only by superhuman efforts could grain be moved for bread. BARI and LECCE Provinces are living from hand to mouth insofar as bread and pasta are concerned.

36. There are some healthful signs of competition in trade since ordinary consumer goods formerly hidden are beginning to show in some quantity on the open market. However, transportation difficulties, scarcity of raw materials, and machine spare parts still tend to restrict revival of trade.

37. Prices of ordinary goods remain high and beyond the reach of the ordinary housewife. Bank savings and deposits continue to increase and surplus funds continue to flow into the central bank.

38. Black market dealings in sterling and Blue Seal dollars increased somewhat during the month.

REGION III (CAMPANIA)

39. The various political parties remain active and continue in their attempts to control public offices, but no party has a definite programme or policy and therefore party membership tends to reduce rather than to increase. The general public continues to be more interested in food than in politics. The change to Italian Government and the withdrawal of ACC officers have caused general uneasiness which in some cases amounts to actual fear.

40. The food situation was good until the latter part of the month, when purchases for ROME caused shortages and higher prices. At the end of June the population of the City was estimated to be 932,919 and the number of persons having a right to bread and pasta 895,847. On 30 July the total number of ration cards issued was 886,353.

41. The flour ration was increased from 160 grams to 240 grams per day, consisting of 200 grams of bread and 78 grams of pasta.

42. The olive oil crop is extremely good. It is hoped that mines will be cleared in the northern part of the Region in time to assist in the harvesting.

43. The water system for the City of NAPLES continued to operate satisfactorily and under excellent conditions from source to the pumping stations. Chlorination of the entire water supply has been considered advisable, but has been found to be impracticable because of the lack of chlorine and chlorinating equipment.

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43. The water system for the City of NAPLES continued to operate satisfactorily and under excellent conditions from source to the pumping stations. Chlorination of the entire water supply has been considered advisable, but has been found to be impracticable because of the lack of chlorine and chlorinating equipment.

44. Coal for the gas works in the City of NAPLES came in quite regularly and two months' supply of coal was on hand at the end of July. The SALERNO gas works commenced supplying gas for heating and cooking.

45. There was a slight lessening of civilian crime. Fewer crimes of violence were reported and black market offences decreased. There were 21 cases of forgery of Allied currency.

46. Relations with Military Police were good, apart from the French, but conduct of Allied troops did not show any marked improvement. There was too much drunkenness on the part of soldiers and sailors, and many reports of crimes of violence committed by them were received. American Negro troops and French Colonial troops were concerned in a number of these cases, and the conduct of Canadian troops in AVELLINO leaves much to be desired. The increase of French troops in the AVELLINO area caused alarm among the civilian population, and after dark there was in fact a voluntary curfew.

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47. Smallpox showed an unseasonable incidence in the Province of NAPLES and BENEVENTO, approaching epidemic proportions in the cities of AERAGOLA and FRATTAMAGGIORE. 416 cases of smallpox were reported in the Province of NAPLES and 106,913 vaccinations were administered in the Province. Typhoid fever has persisted in all Provinces, but has not been unseasonable.

48. Telephone service from NAPLES to ten other cities was established for Italian Government use. At the end of the month, telegrams could be sent to all parts of Southern Italy, with an average delivery time of two hours. No long distance telephone service was given to the public.

49. Delivery of letters and postcards was established on 1 July to the City of ROME and VATICAN CITY, on 17 July to the Provinces of CAMPOBASSO and ROME, and on the 24 July to the Provinces of FROSINONE and LITTORIA.

50. Cash holdings and deposits with the banks increased.

51. Sales and exchanges for the month exceeded redemptions by 260,000,000 lire. Unofficial meetings of the NAPLES Borsa were inaugurated to stop clandestine dealings. Prices were slightly lower, with the unofficial prices quoted in NAPLES about two points higher than the daily newspaper quotations in ROME, a disparity which no one could explain.

REGION IV (LAZIO)

52. The need to economise in personnel dictated a reorganization in the administration of ROME and at the end of the month ROME Region ceased to exist as a separate entity and was absorbed by Region IV.

53. The month of July was the harvest month over most of the Region. In the Southern Provinces the harvest yield was below normal, owing to war devastation, the withdrawal of labour, and the difficulties caused by minefields. In the Northern Provinces the crop was excellent. Anxiety was felt owing to the absence of POL required for the agricultural machinery, but in fact the Italian farmers, working long hours and using hand methods, have garnered most of their excellent harvest. The outlook for potatoes, olives and grapes remains good.

54. Progress was made in the construction of road bridges. An excellent bridge carrying the Via Salaria into RIETI was built in exceptionally rapid time. This bridge was ceremonially opened by the Regional Commissioner on 10 July. In the Provinces as a whole the Genio Civile got to work on the construction of the many bridges required.

55. Two other problems are of paramount importance: transportation and electric power. On every hand the same difficulties were met with. The lack of transport and the lack of electric power impinged upon practically every aspect

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55. Two other problems are of paramount importance: transportation and electric power. On every hand the same difficulties were met with. The lack of transport and the lack of electric power impinged upon practically every aspect of the work of the Region.

56. Political: No very definite developments took place during the month of July. Reports of activities of the Communist Party were received from TERRACINA and from the Province of VITERBO. In neither case was the movement very widespread though potential political tension exists in the numbers of Port workmen evacuated during German occupation from CIVITAVECCHIA to VENTRALLA, TUSCANIA and other places in VITERBO Province. Similarly the serious unemployment problem in TERNI may have important political repercussions in the future. 148

57. Industry and Commerce: The paper manufacturing Industry in FROSINONE and ROME Provinces is being rehabilitated to supply newsprint, book and other papers sufficient for local consumption and will shortly be able to provide substantial exportable surpluses. Transportation of materials of construction and of raw materials to the plants makes progress slow. Several woollen mills, pasta factories, cement factories and a shoe factory are being resuscitated. Threshing proceeds slowly due to shortage of POL. Spoilage of grain will occur unless supplies of POL are made available more rapidly.

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58. Public Utilities: Survey of all generating facilities was made and necessary orders given to initiate repairs. Orders were issued rationing electricity and limiting it to essential users.

59. Postal: Services resumed in ROME, LITTORIA, and FROSINONE Provinces, limited to ordinary letter and P.C. mail not exceeding 210 grams weight. 872 Kgs. of POW-mail was distributed.

60. Public Safety: Rapid strides have been made in the reorganisation of the Police Services, which as a result have regained confidence, and are taking a pride in their appearance. Their efficiency is good according to Italian standards. The prisons have been checked and there is no overcrowding. All courts are functioning and there is no delay in bringing prisoners to trial.

61. Public Health: The general health of the people remains the same as at the time of the last report. Malaria is still on the increase but this is to be expected. Typhoid has been reported in the VITERBO area but vaccine in sufficient quantities has been furnished.

62. Refugees: In the early part of the month there was a threatened wave of refugees from the AREZZO district. On the whole, however, the local inhabitants "Stayed put" even in the battle area. The main problem was the beginning of a cross surge of uncontrolled repatriation.

63. Opening of Schools: Practically all schools, elementary and secondary, have opened and are functioning in LITTORIA and FROSINONE Provinces - often under unbelievably difficult conditions in makeshift locations. In ROME, VITERBO and RIETI, schools have begun to function in a number of communes which had less than four months of schooling during the year, and the rest of such communes are rapidly being got ready to open schools.

REGION V (MARCHE, ABRUZZI E MOLISE)

64. After the first wild enthusiasm in the Northern Provinces following their liberation, the population remains favourably disposed to the Allies and appreciates the problems facing AMG in the new Provinces.

65. On the whole Italian Provincial Government has taken over administration fairly well. Some changes of Prefects and heads of Departments have been necessary and are to be anticipated from time to time.

66. The rationing system is felt to be unnecessarily rigid. CAMPOBASSO is on a higher cereal ration than other Provinces, which are all grain producers, and this discrimination is likely to affect the collection of grain and to render cereal

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67. Despite gloomy prophecies the harvest proceeded satisfactorily. Threshing is hindered by a shortage of POL, due partly to a reduction in deliveries and partly to transportation difficulties. However, it is hoped that the threshing will only be delayed and ultimately all the harvest will be dealt with.

68. Water supply is now generally satisfactory although the restoration of supply to PESCARA City was a particularly big problem. Everything possible is being done to complete repairs before winter sets in. Limited electricity for milling and essential needs is available.

69. Health is very satisfactory and an Italian malariologist has been appointed. Italian welfare organisations are functioning well.

70. Refugee Camps were opened during the month at ASCOLI, TERAMO and CHIETI. As elsewhere there has been an unauthorized movement of refugees which has caused considerable anxiety. A plan for billetting in the Communes is nearing completion and should help to arrest the movement South.

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71. In the Region's new Provinces practically all roads are open to traffic and the Italian civil engineering organization is being reorganized for their maintenance and repair.

72. Telephone and telegraph communications are so much damaged that it will be months before they can be restored. Every effort is being made to get the postal service operating, but the limitation of transport has its effect here.

REGION VI (SARDEGNA).

73. Recent incidents have revealed a tendency towards reprisals against ex-Fascists. Of particular note is the formation of "Action Squads" during a strike at NUORO. These "Action Squads" are somewhat reminiscent of the "Enforcers" of the Fascist regime.

74. The Christian Democratic Party continues to make constant progress. The Party is most active in fighting Communism and is strongly supported by the Clergy of the Island.

75. A new clandestine Fascist sheet has appeared in the latter part of the month. It is entitled "Repubblica Sociale" and is believed to be printed in CAGLIARI. The initial issue attempts to belittle the progress of the Allied Armies by stating that the invasion of Normandy has been a failure and that Allied claims in the Pacific are largely exaggerated. It also speaks of a new "secret weapon" which the Germans will soon bring to bear and which will change the entire course of the war.

76. Strikes took place at NUORO, CAGLIARI, IGLESIAS, and CARBONIA. The CARBONIA strike involved over 8,000 workers. The cause of the strike was :

(i) Protest against the black market and demands for authoritative control of prices.
(ii) Demands for increases in pasta and bread rations.
(iii) Demands for wage increases.

77. The food situation remains fairly satisfactory but the poor suffer considerably from the high prices of foodstuffs in the markets. The normal difficulties in regard to the supply of fresh produce to the population in the more densely populated areas obtained, due mainly to the lack of transportation and inadequate refrigeration facilities. Considerable supplies of fresh fish were available but distribution to the populated areas presented difficulties for the reasons just stated. The shortage of sugar and complete lack of olive oil is very much felt. A small consignment of olive oil is expected shortly from the mainland.

78. Thirty tons of soap has arrived for distribution to hospitals and other institutions. Two tons of caustic soda has also been imported and are being distributed to a soap factory in each of the three Provinces. This should make avail-

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79. Orders have been received from Allied Military Authorities for 2,230 tons of various metal products from the metal mines in the IGLESIAS AREA. There is an exportable surplus of breathing and welding oxygen of between 300,000 and 400,000 cubic feet per month but caustic soda and cylinders would be needed if this oxygen was required outside SARDINIA.

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80. 288,300 fire bricks and 101 tons of refractory cement was shipped to the mainland for the Allied Forces and further supplies of the above are awaiting shipment.

81. The harvest has progressed normally though somewhat retarded by lack of supplies and materials. Practically no grain will be lost through failure to harvest. Crop yields are only about average due principally to lack of fertilizer.

82. As regards the Granai del Popolo the warehousing of grain began early in July at a slow rate increasing to about 4,000 qtls per day by the end of the month. Provincial Committees have proved valuable in planning but the Communal Committees vary from very good to poor.

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83. Control is somewhat below a desirable standard due mainly to shortage of Carabinieri and guards, and to scarcity of transport.

84. Threshing has proceeded well but owing to lack of spare machinery parts, more than the usual amount of animal threshing is necessary with consequent reduced control. All grain was harvested without binder twine because the twine did not arrive in time. This, with the shortage of mechanical threshers and difficulty of transporting grain has accounted for relatively slow rate of collection.

85. Prospects for the olive harvest are good and should yield enough oil to meet Regional needs given adequate processing facilities.

86. The condition of roads remains satisfactory although secondary and inter-Communal highways are becoming increasingly worn to the extent of slowing up bus traffic, food distribution and mail deliveries.

87. The transfer of the work and maintenance formerly performed by the AA.SS to the Genio Civile is taking place.

88. The water situation generally continues satisfactory except that for CAGLIARI City which threatens to become critical about October next. The position is being closely watched particularly as this matter is of vital concern to the Allied Garrison.

89. The general health situation in SARDINIA is quite satisfactory. No medical supplies were received during the month but as existing supplies had not been exhausted the delay has so far caused no inconvenience. The primary morbidity rate of malaria with the exception of a few isolated areas, is still well below last year's figures for the corresponding period.

90. Road transportation continues to be hampered by lack of efficient vehicles and spare parts. It is considered however, that Italian officials are not organising existing resources to the best advantage.

91. Inflation is still a burning question but relatively the situation is calmer at the moment, probably due to more food being available. Money is still being deposited with the banks to a satisfactory degree, and revenue returns are increasing.

REGION VII (CALABRIA).

92. Owing to difficult supply position in July it was not possible to distribute the increase of 550 grams per week. However, as from 1st August 350 grams of pasta or flour per week will be distributed to those Communes which have had a satisfactory return of ration cards, and it is hoped that by August 15th the stock position will permit the introduction of the full scale of 550 grams flour or pasta per week.

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93. Partly because of the price being too high, and partly because of differences in national diet, dehydrated soup, meats and stews do not go well, and the Consorzio Agrario are left holding large stocks. The black market price of tinned meat is lower than the official one.

94. The collection of olive oil has been proceeding slowly. Up to 31 July 23,500 quintals of oil had been shipped to NAPLES from REGGIO and CATANZARO Provinces.

95. There has been a gradual decline in black market prices which after all are a barometer of economic conditions. The reasons are several; first, the increased price to grain growers and the consequent greater attraction of the Granai del Popolo scheme; secondly, the increased ration scale; and thirdly, the greater availability of seasonal vegetables and fruits in the market.

96. From a farmer's point of view the harvest is satisfactory both as to yield and quality, and harvesting is proceeding under ideal weather conditions. Collection, however, is another story. So far 83,000 quintals have been collected against a target figure of 290,000 quintals.

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97. The principal source of fertilisers for the Region is the Montecatini Factory at CROTONE. This is ready to start production as soon as supplies of phosphate, due from North Africa early August arrive. Stocks of raw pyrites (obtained within the Region) are at a satisfactory level despite transport difficulties.

98. Owing to lack of transport stocks of wine are already very high. Storage of the new vintage will be difficult unless these stocks can be moved. Much economic hardship among the considerable proportion of the population connected with the industry is likely to result.

99. There have been five cases of smallpox at NICASTRO, limited to patients in the hospital there, where the original case contracted in NAPLES was treated. The Medico Provinciale has tightened quarantine measures.

100. There has been no movement of Refugees into the Region during the month. The lot of those already settled in Communes in the Region remains unenviable, and many are trying to return to their homes despite instructions issued by Prefects to the Sindaci that they are not to move without permission of the Italian Government.

ROME REGION.

101. At the end of the month ROME was absorbed into Region IV so that in future its activities will be reported on by that Region.

102. The administration of ROME has been attended by a mass of detail but generally speaking the month was without untoward incidents. Admittedly, the food ration is a bare minimum and consideration is being given to an increase at an early date. Through under-nourishment the people are restless and this is one of the reasons for the political situation being more tense.

103. As a measure of the supply problem of so large a city 7,986 tons of imported foodstuffs were distributed during the month. 93 tons went to soup kitchens and 99 tons to hospitals. These figures indicate a distribution of rationed foods of 164 grams per person per day, 160 grams of which was flour. This is 40 grams less than the amount decided upon and failure to supply the full scale was due to limitations of transportation. By the end of the month 172,400 meals per day were being served from soup kitchens and 51,000 in industrial kitchens.

104. Between 4,000 and 5,000 quintals of fresh vegetables and fruit were reaching the market daily by the end of the month.

105. The water supply, due to enemy action, continues to be unreliable and much work must be done before the autumn rains. Failure of temporary repairs has deprived certain areas in the city of water for periods of one to ten days.

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106. Supply of electricity is also insecure. 400 tons of coal per day is necessary to maintain a reasonable output of current but only 250 tons are being received. Apart from this the unaccustomed use of standby steam driven generators brought another problem. The level of the Tiber fell so that water supplies for the condensers were endangered and a dam had to be built to step up the water level. Restrictions in the lighting supply has caused a heavy demand for candles which is being partly met by arrangements for increased local production. 50 grams per person per month will be available shortly.

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107. The incidence of crime is low and there is no serious trouble to report. One incident received publicity at the time and can be related. Allied soldiers held a dance to which Italian girls had been invited. A section of the male population resented this and when the girls left the hall the hair of one of them was cut off. Allied soldiers intervened and there was a clash between them and Italian civilians. Steps have been taken to avoid repetition of this incident by arranging for Carabinieri to patrol with Allied Military Police.

108. Health is satisfactory and there has been nothing in the nature of an epidemic. Hospitals are however badly administered.

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109. Several hundred escaped German prisoners have been rounded up as also have a large number of criminals released by the enemy from REGINA COELI Prison before retreating.

110. There are 40,000 registered unemployed at the present time. ROME has no industry worth mentioning so the influx of men unsettled by the course of events cannot be absorbed. Later when transportation becomes freer and rehabilitation schemes are organised there should be a considerable demand for labour.

111. Allied Courts disposed of 764 cases and referred 3000 to Italian Courts. The latter are falling into arrears and drastic action may soon be necessary.

112. Relations with the Church in welfare matters have been excellent and its assistance has been invaluable.

113. Bank deposits by the public increased by approximately 1079 million lire.

ITALIAN REFUGEE BRANCH.

114. Movement of Refugees:

(a) Received and dispersed by forward Corps Camps in Army areas - 17,867.
(b) Received in Main Transit Camps - 9,334.
(c) Dispersed through Main Transit Camps - 9,755.
(d) Dispersal from Main Transit Camps to Regions as follows :

Region I	-	110
" II	-	2636
" III	-	1149
" IV	-	4548
" V	-	866
Mis'cl.	-	446
Total:		9755

115. Main Camps:

(a) By July 1st, CAPUA and NAPLES Camps were closed.
(b) Most of AVERSA Camp was handed over to Int. & Displaced Persons Sub-Commission, Italian Refugee Branch retained a reduced staff to empty the camp of refugees.
(c) CESANO Camp was in full operation by the beginning of this period. The main difficulty was that the numbers of incoming refugees were nearly as great as the number of refugees dispersed, owing to transport difficulties.
(d) CINE CITTA Refugee Camp opened early in July. The chief difficulty being the lack of an adequate water supply.
(e) ROCCASECCA Camp was closed and transported to CINE CITTA Camp.

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(e) ROCCASECCA Camp was closed and transported to CINE CITTA Camp.
(f) FOGGIA Camp was closed and is now awaiting transport to move to ANCONA.
(g) Camps in ROME Area were declared the responsibility of ROME Area.

116. Transportation: Road transport from any source other than civilian sources has been extremely difficult to find. Rail transport has been used only for bringing refugees from :

(i) Railhead to ROME.
(ii) ORTONA to BARI.

117. Dispersal Areas: Refugees in the South are restless. The authorities have failed to prevent them from treking North by every conceivable means of transport. The inevitable result being that NAPLES, and other cities are far beyond capacity. This movement has been encouraged by various unauthorised statements on the Italian radio and press, and by various authorities issuing unauthorised passes to refugees.

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INTERNEES AND DISPLACED PERSONS SUB-COMMISSION.

118. The main features of the month's activities were :

(a) The despatch of 983 Jewish refugees to the United States.
(b) The collection of approximately 600 Maltese for despatch to TRIPOLI in August.
(c) The opening of SANTA CESAREA as an Orphan Camp for about 1,000 children whose ages ranged from a few months to 14 years. The orphans were flown from Yugoslavia and were organised into groups of 25 under trained teachers.

119. A Childrens' Summer Centre at GIUGGI has been opened. Some 87 children of 7 nationalities have already been registered to spend from 14 days to two months, according to health requirements.

120. Food supplements on medical grounds have been supplied to 830 Allied Nationals weekly. AOC is supplying milk, meat, sugar and dried soup. An endeavour is being made to obtain from Army sources tea, cocoa, cornflour, custard powder and margarine.

121. Record Bureau: At the present time there are recorded in the Record Bureau a total of 40,000 displaced persons representing 56 nationalities. Of this number the location of 38,000 is known to the Record Bureau. 30,000 of them have been evacuated from Italy. Since arriving in ROME the Record Bureau has obtained information on 6,175 other persons. This includes displaced persons and other nationals who normally lived in ROME. It does not include a large group of other nationals who normally lived in the Vatican.

122. Repatriation: The movement of Jewish refugees to NAPLES for embarkation to the United States started on 9th July and persons began to arrive at the AVERSA Refugee Camp on 11th July. At AVERSA Camp, P.B.S. had set up a portable shower unit and a disinfector. All refugees went through these units and were then given a medical inspection by P.B.S. medical personnel who also vaccinated and inoculated where necessary. On 17th July all refugees were embarked and loading was completed that day.

123. Finance: During the month the finance officer's activities dealt with almost every conceivable financial problem that a refugee could present - letters of credit, foreign exchange, bank accounts in general and blocked bank accounts in particular, investment securities, relief funds, relief rates for ex-internees, advances for British and American Nationals, and conversion of currency for departing refugees. Arrangements were made for approximately one thousand Polish refugees to receive an emergency payment of an amount not to exceed four thousand lire each.

PATRIOTS BRANCH.

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PATRIOTS BRANCH.

124. Formation of the Patriots Branch: Patriot bands which are many of them large and highly organised bodies, have been created in various centres of German occupied territory in Italy and have received considerable encouragement and active help and instructions from the Allied Commands. 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. that bands must not accompany the Armies forward out of their own areas. 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 by our troops, the main object being to ensure their return to normal civilian life as soon as possible.

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125. Patriots, although mostly Italians, may be of any nationality, and are defined as being those in the ranks of genuine fighting bands who have carried arms, engaged in sabotage or secured important military information to the benefit of the Allied war effort.

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126. A pool of Italian patriot representatives has been formed to assist Allied officers who are concerned in identifying patriots and in handling patriot problems. Nine pairs of representatives (one each representing the C.L.N. Group and the Military Centre Group) have been despatched to Army areas and further teams are being organised for Regions.

127. It is the task of the Patriots Branch to direct the rehabilitation of all patriots in liberated territory, and to coordinate the policy of HQs AAI and ACC with regard to future operations in enemy territory. To this end a message in poster form signed by General Sir Harold ALEXANDER was designed and distributed in forward areas. A form of certificate of merit was prepared and approved at the same time and certificates have been sent to Regions and to the two Armies for distribution through the recognised "Band" leaders to individual patriots.

128. Handling of Patriots South of the Line: Plans have been drawn up for dealing with patriots. Although many are used for a short while by the Army in their own area as guides and as patrols and for reconnaissance work, the intention generally is to direct nearly all of them into civil life. About 50% return to their own homes and occupation locally. Of the remainder some will be used for police duties or as drivers, others will be employed on engineering work, and on mine clearance; and arrangements have been made for reducting and passing back volunteers for service in the Italian Army and Air Force. Communal Committees are being set up to assist Provincial Commissioners in this work, and to help weed out bogus applicants among the genuine patriots. The problems of collecting and disposing of the patriots' arms is in hand. The arms will be used for future operations as directed by AAI.

129. Information and Publicity: Reports are being received from Patriot representatives and from the leaders of the patriot bands. Information from these reports is extracted and passed on when relevant, for use by P.R.O., P.W.B. and the press. Italian newspapers are closely scrutinised. Information is being collected about conditions in enemy occupied territory in order that suitable plans can be made for handling patriot problems in that territory when it is liberated.

130. Italian Liaison: Liaison is maintained with the Italian Ministry of War through an Italian senior officer who is responsible for coordinating the work of the Groups which are recognized - the C.L.N. Group and the Military Centre Group.

131. Policy: Directives have been issued as required in agreement with AAI and other authorities. It is fair to say that the task of ensuring that these directives are acted upon by all Allied officers concerned and by the leaders of the patriot bands is well in hand. The broad political aspect of the patriot problems has been borne constantly in mind, and very close liaison is being maintained with those Allied officers and officials who are concerned with the political future in Italy.

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PART II.

ECONOMIC SECTION.

LABOUR SUB-COMMISSION.

1. Labour Relations, Laws and Regulations.

(a) Petitions and threats of work stoppage received by this office on the following: Postal Telegraph, railways, tobacco, provincial employees. The above were presented to the Ministry with policy that such could be considered by ACC when presented properly by the Italian Government.

(b) Agreement reached for sulphur mine wage and working conditions in joint conference with Industry Sub-Commission and the Ministry.

(c) A request for approval of unauthorised wage increases in the Tosi Dock-yards was left with this Sub-Commission at a conference held in the office of the Minister. The following regulations or procedures were offered:

(i) uniform interpretation of wage increase order;
(ii) required procedure for submission or requests for wage changes;
(iii) plan for the uniform study of wages throughout Italy.

(d) The following laws in draft were submitted to this Sub-Commission for approval:

(i) Suppression and Liquidation of Fascist Confederations;
(ii) arbitration by Labour Offices or Ispettorato of disputes arising from wage increase order of 7. December. 1943.

(e) The general "Labour Charter" was found not acceptable by the new Ministry.

2. Wages and Hours and Working Conditions.

(a) Food ration in Rome Area was increased, still not satisfactory.

(b) Price of wheat and cost of bread held to a minimum.

3. Social Insurance, Benefits and Training.

(a) Desire indicated by the Ministry for new appointment of Commissario of Previdenza Sociale, Malattia and Infortuni.

(b) Provision of Proclamation No.4 prohibiting payment of family allowances to dependents of the military, POW's and workers in Germany rescinded by ACC, and only allowances to the dependents of those working for the enemy were prohibited.

4. Statistics, Manpower and Registration Problems.

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4. Statistics, Manpower and Registration Problems.

(a) A tentative plan was approved and is being put into force in Rome for the comparative study of industrial wages in Italy.

(b) A collection made of weekly budgets of 12 familes; later extended to 100 families for a period covering several weeks. 1475

5. Region II Summary. The following disputes were settled satisfactorily:

(a) sit down strike at S.G.P.E., Bari;

(b) political strike of a few hours duration in Taranto dockyard.

6. Region IV Summary.

(a) Order issued in Rome by SCAO 5 Army recognising increases over collective wages in effect 1 September 1942.

(b) Social security agencies established in Rome under policy of Labour Sub-Com.

7. Region VII Summary. Labour dispute pending involving the Societa Elettricita delle Calabria. The employees demanding same adjustment as in S.M.E.

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FINANCE SUB-COMMISSION.

8. The Finance Sub-Commission has undertaken a comprehensive programme to defascistize Italian financial institutions. 130 officials and other personnel have been suspended from the Banca d'Italia, the Royal Mint, Istcambi, Banco di Roma, I.R.I., I.M.I., Credito Italiano, Banco Commerciale Italiano, Banca Nazionale del Lavoro, and other organisations.

9. As nearly as can be estimated at this time, the Italian governmental deficit for the year ending 30 June 1944, amounted to approximately 180 billion lire. This figure includes German occupation expenses but does not include 30 billion lire of Allied occupation expenses. Thus the total excess of disbursements over income on "government account" is well over 200 billion lire for the year, or about 2½ times the enormous deficit of the preceding fiscal year.

10. Net investment in Governmental bills (Buoni del Tesoro Ordinarii) in Southern Italy during June remained at about the same level as the preceding month (a net investment of 362 million lire). The total net investment for the year in these territories amounted to around 2.5 billion lire, that is, less than 10 per cent of the deficit. The bulk of the deficit of 34 billion lire was covered by funds supplied by the Banca d'Italia.

11. Until this year the Conserzii, on receiving wheat, have issued paper accepted by the provincial group of participating banks. After sale of the flour to the millers at a much lower price, the Consorzii repaid the participating banks to the extent of the proceeds of sales. The balance, representing the subsidy and the operating costs of the amassing system, were guaranteed by the Government and bore interest ranging from 6 to 7½% until they were liquidated at the end of the fiscal year. Actually these balances have not been liquidated since 1940 so that the financing of the last four crop years has been drawing a high rate of interest. After conference with the Ministries of Agriculture and Treasury, the Banca d'Italia and the Corte dei Conti, this system has been changed. The Consorzii have been instructed to submit budgets for operating expenses and will obtain funds as do other governmental agencies, without payment of interest. All participating banks have been instructed to present claims for the oustanding balances of past years for immediate payment, thus ending this interest burden. All participating banks have been instructed to present all balances of the current crop year for payment at a reduced interest rate of 6 per cent, at the end of each thirty day period, thus cutting the effective interest rate on this year's crop to one-half of one per cent.

12. Delay has been encountered in implementing the directive laid down in ES 41. This document states that local subsidies shall be provided to finance the same of imported supplies wherever such supplies cannot otherwise be sold at not more than a 25 per cent increase over the wholesale price listed in the directive. The delay was caused by the objection of the Ministry of the Treasury to the principle involved. However, the Minister of the Treasury has now instructed the Minister of the Interior to authorise the provincial officials to provide the subsidies required. A decree has been prepared providing 400 million lire for this purpose.

13. Sometime ago the CCS was duly authorised to explore, on behalf of the [illegible] non-military lire currency by the fastest

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13. Sometime ago the CCS was duly authorised to explore, on behalf of the Italian Government, the production of non-military lire currency by the fastest possible means, since currency conversion, which is an integral part of the Italian Stabilization and Inflation Control Programme, is considered essential to the economic rehabilitation and political resurgence of Italy. Plans for such production are proceeding and in view of all the obstacles, considerable progress may be said to have been made.

Discussions are under way for the production in the United States of the 50 and 100 denomination notes representing 75% of the total quantity of the new currency contemplated. It is hoped that with production of the large denomination notes (500's and 1000's) in Italy and the small denomination notes (50's and 100's) in the U.S., the total amount of currency required will be produced within 6 to 7 months. Lengthy discussions have been held with officials of the Italian Ministry of the Treasury and of the Banca d'Italia on this matter and every effort is being made to produce the required amount of currency by 15 February, 1945.

14. On 29th July, Niccolo Introna, Deputy Director General, was named by the Council of Ministers as Commissioner of the Banca d'Italia, and Ameeto Pettinari, Director of the Bari and Naples branches, as Vice Commissioner. Arture Atti, the

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Commissioner named last winter for Southern Italy, died during July. Introna, the new Commissioner, is a career man, having been with the Banca d'Italia from its foundation. Pettinari was the Vice-Commissioner in Southern Italy and continues in the same post. Vincenzo Azzolini, the former Governor, has now been imprisoned by the Italian Government.

15. During July a decision was taken by the Council of Ministers to place the supervision of banking institutions under the Ministry of the Treasury. In accordance with this decision, the Inspectorate (Ispettorate per la Difesa del Risparmio e l'esercizio del credito) which is charged with credit control has been assigned to the Treasury. At the same time, the industrial financing organisation of the government, I.M.I. (Instituto Mobiliare Italiano) was also put under the Treasury.

16. The Treasury has also made strenuous attempts to secure control of I.R.I. (Istituto per la Ricostruzione Industriale), the financial holding company of the Government. I.R.I. owns the three biggest commercial banks in the country and the largest part of the key heavy and armament industries of Italy. Were the control of I.R.I. to pass to the Treasury, this Ministry would literally be able to decide the economic future of Italy. The Finance Sub-Commission's adviser to I.R.I. has made arrangements to re-activate the organisation. A team consisting of a representative each from the Ministry of Finance, Onofrio Pompucci, and the Ministry of the Treasury, Sergio Fortis, who are technically competent and work well together, have been put in as temporary heads until the government can come to a final decision as to the control of I.R.I. The most probable outcome is that the Board of Directors of I.R.I. will consist of a sufficient number of Ministers or their representatives to give representation to the major national economic and political interests. The actual operation of I.R.I. would be conducted by a technician as managing director within the lines of general policy laid down by the Board.

FOOD SUB-COMMISSION.

17. Supplies.

(a) In July the main problem was the movement of supplies from base to forward areas. To meet the demands for food in the forward areas, Food Sub-Commission warehouses were opened at the Ports of CIVITAVECCHIA and PIOMBINO, and inland at ORVIETO and SIENA.

(b) 11,614 tons of imported supplies were delivered to ROME during the month, again after constant struggles for all forms of transport. Supplies for AMG Fifth and Eighth Armies have involved long road hauls from CIVITAVECCHIA to SIENA for AMG Eighth Army and to CECINA for AMG Fifth Army. In addition

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(c) The movement of locally produced grain constitutes a daily problem. Difficulty was experienced in moving it from FOGGIA to MATERA to less productive areas, deficiency of railcars being the bottleneck. Despite a surplus of 40,000 tons waiting to be moved from MATERA, imported grain had to be used to avoid a complete breakdown in the supply programme in LECCE and BRINDISI.

18. Food Processing. Allocation of the tomato paste pack of 21,550 tons was made to 22 plants in the NAPLES-SALERNO area. Allocation to these plants was based on their location in relation to the areas of tomato production to economise in transport. The yeast factory in ROME is being restarted with an output of three tons per day. Conferences have been held in ROME with directors of 11 processing plants in Northern Italy, to plan for their rehabilitation as soon as possible after liberation.

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19. Rationing. The increase in the basic ration from 200 grammes to 300 grammes of flour for all normal consumers in South Italy, Sicily and Sardinia became effective 1 July. The overall Heavy Workers entitlement was maintained at the June level however, necessitating a re-adjustment in the value of the supplementary ration cards "A" and "B". Owing to the late harvest in Sardinia and the insufficiency of supplies due to erroneous stock reports, delay in issue of increased rations was inevitable.

20. Warehousing and Forwarding Division. This division has been set up under the Food Sub-Commission to deal with the warehousing and forwarding of all supplies, including Food, Agricultural, Industrial and Medical Supplies and has assumed full operating responsibilities.

21. General. Important discussions have been held with Finance Sub-Commission in preparing plans for setting up a Government Department for handling all accounting for all imported supplies. Estimates have been prepared and submitted to AFHQ covering the total requirements for the whole of Italy, Sicily and Sardinia for a three monthly period October to December 1944 and a five monthly period October to February 1945.

TRANSPORTATION SUB-COMMISSION.

Railways.

22. Considerable progress has again been made in forward railheads, but the rapid military advance caused a distribution problem, which could only be met by combined efforts of rail, road and water. The nature of Military requirements has severely limited tonnage available for ACC on the two rail routes NAPLES - ROME, opened during the month, but fullest cooperation and assistance has been given by Army Movements during difficult circumstances.

23. In Southern Italy, Reggio Calabria Railway Division has been handed over to ACC for supervision, and plans are in hand for the training of other ACC personnel in methods of supervising Italian railroad operation, in order to facilitate conversion from purely military to civil administration. Grain traffic emanating from Matera, Potenza and Bari Provinces has been satisfactorily dealt with, and NAPLES area continued to move large tonnages, including a glut of potatoes.

24. Continued review of railways not in use for military purposes is maintained, and experienced railway engineers are examining the feeder private railways to ROME and the railways connecting valuable lignite mines with the main railway routes. Thanks are due to the Director General of Military Railway Services for continued and ready help.

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Roads.

25. Roads Section has reorganized and expanded to cover increasing responsibilities. Sub-Sections have been established as follows :

1. Administration.
2. Operations.
3. Accounting.
4. Maintenance.
5. Inspections.
6. Supply of Spare Parts.
7. Tyres.

26. Transport requirements exceed availability. In February, AFHQ authorized 1000 trucks. To-date, 922 have been received. In May ACC submitted a further requisition for 2000 trucks. None have yet been received.

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27. ACC plan to use all available civil transport. Companies have been formed in most Provinces. They operate on standard Tariff Rates published by the Italian Government. Companies are charged for gasoline, oil, parts, and operating expenses, balance being credited to Company. Where military vehicles are used by civilian companies, same rates are charged for haulage: any excess o over expenditure is credited to ACC. About 3000 trucks, civilian and military, are operating under this scheme, which is working very satisfactorily.

28. Spare parts, and especially tyres, are a problem. No part of ACC requisition for tyres to AFHQ in June has yet been supplied.

29. A few miscellaneous tyres have been received, and ACC are repairing C - I tyres in various plants under their control. Inner tubes are urgently needed. A supply of tyres and batteries would enable ACC to place 50% more civilian transport on the road.

Water.

30. During July urgently needed supplies for ROME [illegible] were arranged. Coasters for special goods were arranged. On July 18 a new instruction for schooners was issued by MEDBO, by which all civil bids were required at a weekly Schooner Committee Meeting. As this reversal of ACC arrangements could not be made at once, an allotment for August of 1260 long tons (nearly all schooners under 50 tons) was made. These schooners to be operated by COGEMA, not under ACC supervision but to carry ACC and civil goods. As far as possible with this limitation of authority the existing scheme of ACC The Shipping Memo No.1 is being operated until September. A review of all schooner needs, Service, ACC and civil, has been ordered prior to a September allotment according to needs.

Coal.

31. The month opened and closed with the problem of the supply of coal for ROME, but great efforts enabled the Power Stations to operate although difficulties remain. Proposals to bring coal to FIUMICINO and CIVITAVECCHIA are being considered. It is intended to repair the rail connections to RIBOLLA and PIETRAFITTA Lignite Mines, with their stocks of over one hundred thousand tons.

32. Conferences have taken place with members of Italian State Railways with a view to their taking over the discharge, handling and distribution of coal in parts of Italy. The Government is considering the prices of coal and coke.

PUBLIC WORKS AND UTILITIES SUB-COMMISSION.

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PUBLIC WORKS AND UTILITIES SUB-COMMISSION.

33. The month of July proved the soundness of the reorganisation. Relations with the Ministry of Public Works have improved. In the field staff distribution still appears to be almost insoluble but the proposed amalgamation of the Southern Regions and the subsequent handing of responsibility to the Italian authorities will ease the position considerably.

34. Owing to the recent advance the work of the Sub-Commission has increased some ten times.

35. The Pontine Marshes besides being a responsibility of this Sub-Commission is now a cause for concern to Public Health for anti-malarial measures are held up owing to difficulties of finance.

36. Town planning, transport maintenance, material supplied by the Allies, payment of road gangs were all discussed with the Italian authorities. By decree the ALSS, the Fascist highway organization, has been dissolved.

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37. Complying with Italian Ministry practice the Sub-Commission is prepared to organise ship salvage.

38. Many hundreds of bridges have been destroyed. Repairs to forty one were begun in July, of which 22 were in Regions III and IV. Bridges and highway contracts in hand involved a total of some 500 million lire. Transport for road maintenance improved slightly but the POL situation deteriorated jeopardising supplies to civilian contractors. Plans to deal with the situation were made in consultation with Pet. Sec. AFHQ. Materials are short with the additional embarrassment that they are mainly in the hands of firms closely associated with the old regime.

39. Electricity Staff has now the addition of a number of Italian experts. Power plants are now being cleared of debris and examined. The position is not encouraging for only some 5% of 600,00 Kw of power can be made available by first aid methods as against a total loss of some 90%. It must be emphasised that whereas ACC was not to indulge in long term planning a short term policy with regard to power is of no use at all. Complete rehabilitation alone is feasible and that would take from one to three years. It may be that certain machinery may have to be imported but the possibilities of the north are not being overlooked. Small portable plants are being requisitioned. Power in Southern Italy is in complete control and a rationing scheme for ROME now in practice. The Electrical Reconstruction Committee Italy has been formed under AAI to supersede the Central Electricity Board to coordinate Military and civil requirements. The dissolution of the C.E.B. has thrown a heavy burden on the Sub-Commission.

40. In Region I, Messina is 75% cleared and bridge building is being pushed forward to release Bailey Bridges to the Army. In Region II quarries have been reopened and a satisfactory state exists with regard to highways which is true also of Region III in its heavy programme. In Region IV the electricity position is serious with only 5% supplies available, while water supply constitutes a serious problem, affecting the City of Rome. A dam to raise the level of the Tiber has been completed to assist operation of the City Power Stations. Region VII has a drought which has affected the power situation. Elsewhere affairs are satisfactory with the usual emphasis on electricity without which the country will not come to life.

AGRICULTURE SUB-COMMISSION.

Reconstruction of Italian Agriculture Forestry and Fisheries Control

41. Rather slow progress has been made during the month in getting the Ministry of Agriculture to strengthen its control. Many of the senior officials

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42. The aim of every officer in this Sub-Commission, and of every Agricultural officer in the field, is to work himself out of a job at the first opportunity from south to north; to this end everything possible is being done to energise the Italian officials and to improve Italian control. Accordingly intensive work has continued on a complete programme and plan for Italian agriculture 1944-45, and in connection therewith a complete and detailed estimate of farm input requirements (fertilizers, insecticides, seeds etc.) for the coming crop year is also in course of compilation. As an aid towards completing these plans and in passing executive duties to the Italians, a seventy-five page booklet "Re-activation of Italian Agriculture" has been compiled and is being circulated to Allied Officers and to Italian officials. It is printed in English and

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Italian and will reach every Commune as close to the front line as possible. It contains all basic memoranda, decrees, ministerial directives and other official releases concerning organizations and programmes as agreed upon by the Italian Minister of Agriculture and the Agriculture Sub-Commission.

Agriculture.

43. Two new Decrees came into force:

(i) On control of threshing;
(ii) On penalties for grain delivery violation - strengthening the hands of legal authorities.

44. Progress of the crop collection (Granai del Popolo scheme) is retarded by shortage of fuel for threshing and of transport. Greater opportunity is therefore given for disposall by illegal methods, but nevertheless good progress is being made in many areas; indeed in some provinces the collection is ahead of the same period in years under Fascist control.

45. Purchase and stockpiling of many types of vegetable seeds and field seeds for export to Allied nations continued throughout the month.

Forestry.

46. A plan for the production, allocation and transportation of charcoal and fuel wood for all southern Italy under Italian Government control, has been prepared and distributed. A similar plan is in preparation for the rest of the country.

Fisheries.

47. Production is showing notable increases. Preservation of fish in oil and salt is progressing to such an extent that considerable exports could now easily be made both from Sicily and Sardinia. Permission for night fishing as far north as FIUMICINO has been obtained. Except for the port of NAPLES, and a few other restricted areas, the night fishing method (LAMPARA) - probably the most productive in Italy - is being practiced all over the west coast from FIUMICINO to REGGIO CALABRIA, around the Sicilian coast and along certain coastal areas of Sardinia.

INDUSTRY SUB-COMMISSION.

48. The current month has seen the divorce of Industry from Commerce Sub-Commission, and it is hoped that a greater concentration on essentials will be possible. 1470

49. A scheme for the reactivation of industry on a priority basis, to be

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46. A plan for the production, allocation and transportation of charcoal and fuel wood for all southern Italy under Italian Government control, has been prepared and distributed. A similar plan is in preparation for the rest of the country.

Fisheries.

47. Production is showing notable increases. Preservation of fish in oil and salt is progressing to such an extent that considerable exports could now easily be made both from Sicily and Sardinia. Permission for night fishing as far north as FIUMICINO has been obtained. Except for the port of NAPLES, and a few other restricted areas, the night fishing method (LAMPARA) - probably the most productive in Italy - is being practiced all over the west coast from FIUMICINO to REGGIO CALABRIA, around the Sicilian coast and along certain coastal areas of Sardinia.

INDUSTRY SUB-COMMISSION.

48. The current month has seen the divorce of Industry from Commerce Sub-Commission, and it is hoped that a greater concentration on essentials will be possible. 1470

49. A scheme for the reactivation of industry on a priority basis, to be undertaken by the Ministry of Industry, has been drawn up. This scheme provides for the establishment within the Ministry of an Industry Advisory Board, which will cover the entire industrial field.

50. The liberation of large areas of territory has uncovered a considerable number of plants of importance to the Italian national economy, and reconnaissance of factories as far north as LEGHORN has been made.

51. The gravest problem which confronts Italian industry is the wholesale destruction by the enemy of generating stations, priority has been given to a survey of their condition, as upon them will depend the possibility of operating the plants which they supply.

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52. Surveys have therefore been made of the important heavy industrial plants at TERNI, with particular reference to the hydroelectric power stations, including the giant Galleto Unit and the Valdarno Generating Station at NERA MONTORO. It is considered that with the exception of last mentioned, their repair will be a long term project, and the industries dependent upon them will consequently be paralysed until repair is made.

53. Other surveys have been made covering chemical industries, including the extensive Solvay and Anieno Plants at ROSIGNANO, rubber processing plants of the Pirelli Company, and additional fertilizer production possibilities in Central Italy.

54. The chief textile manufacturing districts are still behind the enemy lines, and no substantial addition has therefore been made to productive capacity in liberated Italy. As in other industries one of the greatest obstacles to resumption will be lack of power, followed closely by lack of raw materials, upon the importation of which the Italian textile industries have always largely depended.

55. Leather production remains unsatisfactory, chiefly owing to the shortage of tannin, but a second factory has commenced production and another has recently been liberated and reports are awaited. A civilian expert is being sent to Italy to advise on the rehabilitation of this key industry.

56. Hemp maintains the average of the last four months, except for canvas which showed an increase of 100%.

57. Investigations of mines uncovered recently are being made especially of lignite and mercury in Tuscany, and of pyrites near Grosseto, where there is an exportable surplus of 200,000 tons.

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PART III.

ADMINISTRATIVE SECTION.

1. Defascism. The new consolidating decree was published on the 29th July and is in the hands of ACC officers in the Field and of Italian Prefects. The work of organising the Ministerial Commissions is in hand.

INTERIOR SUB-COMMISSION.

2. Local Government. During the period covered by the report the Italian Government submitted for approval a large number of names for appointment or for transfer. Having regard to experience gained by some of the nominees whilst working under AMG considerable negotiation and screening has had to take place. After alternative proposals were made agreement has been reached on the appointment of 10 Prefects, 4 Directors General, a Secretary General and seven members of the Giunta Consultiva of Sardinia.

3. Executive Memorandum No. 39 dealing with local government organisation and administration has been revised. This document summarises the position of and the arrangements connected with local government organisation, made since the Sicilian landing and its revision was necessary to give effect to developments which have occurred and experience gained since its original production. It has been issued by R.C. & M.G. Section.

4. Officials. As mentioned in previous reports, experience has shown that AMG with Armies have at times found no administrative officials in newly liberated provinces. To cater for these circumstances, arrangements were made in collaboration with the Italian Government for the provision of a small team containing the minimum number of officials (including a Prefect) which would be necessary to restart the administration. Such teams were prepared to proceed to PERUGIA, SIENA, [illegible], PESCARA, TERAMO and ASCOLI.

In the Provinces mentioned, however, it was discovered that sufficient satisfactory officials had remained at their posts and the personnel who were ready to move at short notice were not called forward. A Prefect, however, was provided and sent to Macerata.

Similar preparations are being made to cover the following provinces should the need arise, viz: Pisa, Livorno, Florence, Pistoia, Lucca, Apuania and Ancona, and areas further North.

5. Interviews. The Director has seen his Excellency Bonomi in his capacity of Minister of the Interior on frequent occasions. In addition, interviews have taken place with the Under-Secretary of State Canevari, Sorrentino, the Chief of Cabinet and his successor, Berruti. The subjects concerned have included nominations for Prefect and Sindaco of Florence (each of whom was also seen), refugees going North and their interference with military movement, teams of officials, and other senior appointments.

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PUBLIC SAFETY SUB-COMMISSION.

6. Commanding General, Royal Carabinieri. On 21st July General Taddeo ORLANDO formerly Minister of War, was designated Commanding General of the Royal Carabinieri with HQ in Rome.

7. Public Security. On 27th July Dr. Luigi FERRARI formerly President of the Court of Assizi in Rome, was appointed Director General of Public Security in the Ministry of Interior. The Public Safety officials at the Ministry are now being reviewed.

8. Policing Forward Areas. During the month all requests from Armies and Region VIII for CC.RR to police newly occupied territory were met. New replacement centres were opened at Grosseto (west coast) and Chieti (east coast) to deal with CC.RR reporting for duty from liberated territory.

9. Strength of Royal Carabinieri. Urgent representations have been made that a total strength of 55,000 officers and men is totally inadequate to cope with the duties which will devolve on the Royal Carabinieri when the whole of Italy is [illegible] 41,902 CC.RR are fully employed and the thickly populated industrial north has yet to be policed.

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10. Royal Finance Guards: The HQ of the Royal Finance Guards has been established in Rome with General Morricca remaining in command. Owing to the ceiling imposed on CC.RR and GC.FF strength, on 31st July the GC.FF were taken off the Italian Army ration strength and placed on civilian (heavy workers) rations this being a substantial reduction in quantity.

11. Conduct of Troops. The behaviour of Allied troops generally leaves much to be desired. The conduct of French Colonial troops towards the Italian civil population is disgraceful, and the attitude of indifference adopted by junior French unit commanders when crimes are reported to them encourages indiscipline. At Taranto and Brindisi clashes between French soldiers and sailors and Italians in which firearms and hand grenades were used, resulted in five persons being killed and twenty injured. In three cases Allied Military police came to the assistance of the Italian police and in one instance machine guns were used to restore order.

12. Prisons. Overcrowding remains the chief problem in prison administration but, part from the question of military prisoners, the position is steadily improving. Progress is being made with the rebuilding problem, while a number of prisons requisitioned by Allied Military authorities have been released. The detention of Italian military prisoners in civil prisons is still under discussion with the authorities concerned.

PUBLIC HEALTH SUB-COMMISSION.

13. General. The lack of ambulances is a serious problem in both forward and rear areas. The question of the re-organisation of the Italian Nursing Service is one in which it is felt that the initial steps should be taken by the Italian Government.

14. Supplies. Expected shipments of medical supplies to cover the inclusive July to December period have not yet arrived. Latest information indictaes that they may be expected between the 19th and 29th August.

There is an acute shortage of glass ampules due to scarcity of long flame coal; the lack of transport is hampering the distribution of other medical supplies but it is hoped that the Italian Government will soon take over the responsibility for the distribution for medical supplies to Regions I, II, III, VI and VII.

15. Disease.

(a) V.D. The V.D. incidence among troops in the PBS-Naples area has fallen to 120 per thousand for June. In Region VI the venereal rate is very satisfactory, being as low as 60 per thousand and in some units even 37 per thousand. The hospital accommodation for infected women has improved in Region II and there is some diminution in the number of cases being admitted.

...Naples City and Province. Total number of cases

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(b) Smallpox. Continues in Naples City and Province. Total number of cases to date is 870 and the total number of vaccinations is 446,257. The disease is in a mild form, six deaths only have occurred in debilitated children who might otherwise have been expected to recover.

(c) Malaria. As a result of enemy sabotage, large areas of country in Region IV and Rome Region are flooded. This will increase the incidence of malaria. Energetic measures, including airplane dusting are being taken to cope with the existing conditions.

16. Veterinary. Foot and mouth disease is now widespread in Southern Italy but the mortality is low and it is hoped that sufficient vaccine will soon be available. An incidence of Sheep Pox has occurred in Brindisi.

Large quantities of crystal violet hog cholera vaccine are now available.

17. Welfare. The condition of all Italian welfare agencies is such that it is felt that a strong governmental policy of complete re-organisation is essential.

Legal Sub-Commission..../

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LEGAL SUB-COMMISSION.

18. Handled all legal matters connected with restoration of territory as of 20th July and proposed restoration as of 15th August 1944; consideration of "sanctions against fascism" decree and matters relating to unsatisfactory situation as to Italian Courts at Bari.

19. The Chief Council worked on the preparation of General Orders having to do with the agricultural and general economy of Italy.

20. Defascistisation decree approved and passed on 27th July 1944. Re-organisation of Ministry of Justice and High Court of Cassation well under way. New legislation promulgated to meet present conditions and eliminate all traces of fascist republican enactments. Judicial officials having taken refuge in Rome are gradually being reposted to their original seats.

21. Work in HQ and in the provinces was hampered by lack of personnel. The BENTEVEGNA case was the first open General Court in Rome. As the accused was a Communist and a patriot it became a political event. In Naples from 22nd December 1943 to 19th July 1944 the Allied Military Courts disposed of 25,961 cases. Allied Military Courts in Rome have, it is thought, made a generally good impression.

EDUCATION SUB-COMMISSION.

22. (a) Italian Government Territory. The most pressing problems are: school buildings still to be derequisitioned, old or inactive or dndependable proveditori, expurgated epuration, and in agricultural districts, absence of children from school.

(b) Littoria. In this devasted province all elementary schools except one and all secondary schools except two (2000 children) have been opened. Several hundred teachers have been brought from Rome and are working under primitive conditions. School officials have been looked over and 72 officials have been vetted and 21 dismissed. School lunches have been brought to six communes and 3,900 textbooks for each of the elementary grades.

(c) Rome. 76 members of the governing body of Rome University have been epurated.

PROPERTY CONTROL SUB-COMMISSION.

23. Command. The DPC, Lt.Col. C.R.S. Harris (B) was injured in a traffic accident on 9th July and he has since been invalided to England. Colonel C. Carroll (A) is now acting DPC.

24. Field Work. Satisfactory progress in controlling and caring for Allied properties has been made in all areas which we have occupied. Plans have been made for taking over in the Northern areas.

25. Policy. The following is under review:-

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(a) The degree of control to be exercised over commercial concerns in AMG areas and in transferred territory.
(b) De-sequestration and its consequences.
(c) Means of insuring a continuing responsibility of the Italian Government for the care of sequestrated properties.
(d) Liability for management fees.
(e) Return of properties to owners.
(f) Reports to owners.

MONUMENTS, FINE ARTS & ARCHIVES SUB-COMMISSION.

26. General. MFAA problems of Regions I, II, VI and VII being in the hands of the Italian Government, and Region III about to be handed over, the major concentration of works is in the devastated portions of Lazio and Tuscany. Information passed to SHAEF about matters of interest re MFAA in the Western Theatre. Works of Art in Italy from centres outside Italy are being traced.

27. Field Work.

(a) Armies. Four MFAA officers are at present at work in the forward areas with 5th and 8th Armies. One of these belonging to Region VIII is in charge of controlling..../

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of controlling and protecting the deposits in the vicinity of Florence where most of the art objects from that city are stored.

(b) Rome. MFAA officer is busy with repair work in the vicinity of Rome and with arranging two great exhibitions of works of art for Allied troops in Rome.

(c) Region V. Damages are minor except in Ancona City where they are heavy.

28. Relations with Italian Government and Church. Close relations established and maintained with the Italian Director General of Monuments and Staff and with Director General of Archives at Rome. Relations also established with President of the Pontifical Commission for Sacred Art; Vatican Fine Arts authorities have given every facility for checking the deposits stored in the Vatican. Check of art objects stored at Vatican from the deposit at Montecassino completed with note of German pillage.

29. Publications. The Lists of Protected Monuments have been completed. Soldiers Guides to Rome and Florence published.

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PART IV.

POLITICAL SECTION, PUBLIC RELATIONS BRANCH AND INDEPENDENT SUB- COMMISSIONS.

POLITICAL SECTION.

1. The first half of the month was taken up by the transfer of the Government and the HQ. of the Allied Control Commission to Rome where it was announced they would alike begin to operate on July 15th. This move was carried out successfuly and the first meeting of the Council of Ministers in Rome was in fact held on that date. A symbolic link with the past was forged when Orlando was invited to assume his duties as head of the Camera dei Diputati and the Marchese della Torretta was named President of the Senate. On the 15th too the Allied Advisory Council announced the transfer - to take place on the 20th - of the Provinces of Naples (excluding the Commune of Naples), Avellino, Benevento, Foggia and Campobasso, to the Government. At the same time it was announced that Frosinone, Littoria and Rome Provinces, including the capital itself, would follow on August 15th.

2. It has been a month of considerable accomplishment for the Government. For one thing the various defascistisation decrees have been collated. Special courts have been set up to try Fascist crimes and these courts are empowered to give the death sentence, although, perhaps with some irony, at the same time Italy went back to her old position of "moral supremacy" by abolition of capital punishment which the Fascists had brought into the old code. Sforza was named High Commissioner for Fascist sanctions (July 28th). These sanctions can be resumed under the following headings: cancellation of Fascist political sentences, punishment of Fascist crimes, defascistisation of state administration and confiscation of wealth acquired through Fascist connections. Epuration of the various governmental branches is being handled through a committee formed by the department itself plus a member appointed by Sforza's commission. Sforza has been given subordinate High Commissioners to assist him, one for each of the "sanctions" indicated above. The machinery swung into gear somewhat late in the month but there are indications that it will move rapidly and remorselessly. Some earnest of serious intentions may be seen in the dismissal of De Vecchi and Bastianini from government service, naming of a new head of the Bank of Italy (Introna) to take the place of Azzolini, discharge of Jacomini, once Lieutenant General of Albania, and in such measures as revocation of pension to veteran "volunteers" of the Spanish war.

3. The government has been very anxious to have a greater participation in the war effort. Bonomi made a speech to the employees of the Foreign Office on July 25th, the anniversary of the overthrow of Mussolini, in which he stated this hope, stressing that it was only right that Italy should be allowed to "work her passage" since only in this way could the armistice terms which he described as "very hard" be modified. Along this same line [illegible]

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4. After some heart searching, the Government also fixed (July 17th) a political price for bread and pasta at 5 and 7 lire respectively, though the real price is 12 and 14. The Ministry of Education repealed the racial laws and the Fascist sindacati were legally suppressed - as they had been in fact ever since Allied landings - at the meeting of the Council on the 28th.

5. There has been one change in the Ministry. Croce has resigned stating that the trips from Sorrento to Rome would be too much for him and has been replaced by Count Carrandini (born 1885 of Piedmontese stock) a veteran Liberal and a man of some experience in agriculture and commerce. As Croce had long announced his intention of resigning on the transfer of the Government from Salerno, this change did not affect the stability of the Government nor detract from the added prestige which accrued to it by its establishment in the capital.

Public Relations Branch..../

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PUBLIC RELATIONS BRANCH.

6. News Production. More than 100 releases in both English and Italian were written or serviced to nearly 30 outlets concerning ACC Headquarters, Region IV and Rome Region, in connection with essential operations, as well as important matters of policy such as transfer of territory to the Italian Government, treatment of patriots, and rules on civilian movement. A full investigation and report of alleged German brutalities to prisoners in Via Tasso was made with documents and 18 photographs. Releases were made on behalf of the Allied Advisory Council.

7. Press.

(a) Italian Journalists.

Close and daily contact was maintained with Italian journalists to acquaint them with Allied objectives and to learn at first hand their re-actions to ACC activities. Schede Personali were filed for several scores of journalists and sent to Security Branch. Cards were printed and prepared for issue to screened Italian journalists accrediting them to function. Coordination was made with Italian epuration agencies in this field. Curfew and travel passes were obtained for Rome journalists.

(b) Neutral Correspondents.

Journalists of neutral nations were accepted as an ACC PRB responsibility. Accrediting cards were issued to nine such journalists. Weekly guidance meetings of the neutral correspondents were held.

(c) Allied Correspondents.

Interviews and information were arranged for representatives of British and American press and radio. Action was initiated through G-5 toward early acceptance by ACC PRB of accrediting responsibilities for political correspondents from the Allied press.

8. Relations with Italian Government. Daily talks were held with the office of the Under Secretary for the Press in the Ministry of the Interior toward better and more responsible service toward correspondents by the Italian Government. Quarters for the Italian press office were obtained.

9. Allied Publications Board. Regular and special meetings of the APB were attended preparatory to turning over operations of the Board to the Italian Government and in [illegible] the somewhat disorganised but free Rome press.

10. Publications. Distribution of the Weekly Bulletin and daily trend of copy of correspondents and Digest of Rome Press continued and considerably expanded due to demand from readers, including the Allied Advisory Council, War Department and War Office.

WAR MATERIAL DISPOSAL AND ITALIAN PRIONERS OF WAR SUB-COMMISSION.

[illegible] During July the War Materials Disposal Sub-Commission commenced [illegible] in the Military Depots in the newly [illegible] the service to which

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WAR MATERIAL DISPOSAL AND ITALIAN PRIONERS OF WAR SUB-COMMISSION.

11. During July the War Materials Disposal Sub-Commission commenced inspections of Italian Army material in the Military Depots in the newly liberated regions. Lists giving particulars of the depots, the service to which they belong, the condition of the buildings, etc., together with stock lists, have been compiled and filed for reference.

12. Equipment and stores found and handed back to the Italian Services concerned included radio equipment, MT spares of considerable value and 800 pairs of new boots.

13. Ammunition dumps were located and information passed to C.E.M. Section at HQ. AAI.

14. Sufficient signal wire to complete the telephone installation in the Ministero delle Corporazione Building was provided by the Sub-Commission when other sources failed to supply.

15. The question of putting into operation some scheme whereby all damaged vehicles and material and MT spare parts could be collected immediately the Armies passed on was discussed with the Economic Section.

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16. As from July 2[illegible] the title of the Sub-Commissi[illegible] was changed to War Material Disposal and Italian Prisoners of War Sub-Commission and the additional duties of dealing with all matters in connection with Italian Prisoners of War were added to the other work of the Sub-Commission.

17. Instructions for the release of 60,000 paroled Prisoners of War in Sicily as at July 31st were received from AFHQ. New regulations regarding the repatriation of Italian prisoners of war were issued and now prisoners of war over 60 years of age, and those over 50 years who have been POW for over two years, can be released on compassionate grounds. Italian POW who can be employed in specific judicial and administrative positions for the furtherance of the war effort in Italy will be considered for repatriation.

18. The release of other Italian POW can only be considered on special compassionate grounds, and only when the grounds are such that an Allied soldier under similar circumstances would be repatriated to his own country.

19. Among the various and diverse questions on Italian POW the one asked daily is "why cannot they be released from POW status?" So far a simple answer has not been found.

COMMUNICATIONS SUB-COMMISSION.

20. (a) Telephone.

(i) All main telephone circuits to the South (e.g. Palermo, Messina, Reggio, Cosenza, etc), terminated at Salerno for Italian Government use, were put through to Naples. A total of five telephone circuits between Naples and Rome were handed over by the military for ACC/Government use; only three of these are trunk circuits of which one is used by ACC Rome - Naples, one by Italian Government Rome - Bari, leaving only one circuit for Italian Government use to Naples that is suitable for extension to the South. The other two circuits are overhead circuits only suitable for Rome - Naples communications. Trunk telephone facilities for Government use are therefore still extremely scanty.

(ii) Release on inter-provincial telephone facilities to civil use in Italian Government territory was given by military security. North of Naples, telephone facilities are reserved for Government use.

(b) Telegraphs.

(i) Telegraph circuits were made available to the Italian Government from Rome to the South (Naples and Bari). The traffic capacity is fair, but not capable of carrying all traffic without long delay. Direct telegraph circuits were provided for the Italian Air and Navy Ministries from Rome to Bari.

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(ii) Civil telegraphs between Rome and the South of Italy were opened on July 21st; by the end of the month over 5000 telegrams a day were being dealt with in the Rome office.

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(c) Circuit Repair. Work has been in progress on restoration of civil communications in Regions IV and V. Reconnaissances were completed, plans made, transport obtained and release of routes or wires from military signals arranged. Due to the extensive damage and shortage of stores, little tangible results will be seen for some weeks.

21. Postal.

(a) Civil mail services, both internal and foreign, were extended to Rome on July 1st and to the Provinces of Rome, Littoria, Frosinone and Campobasso later in the month.

(b) The mail service between Naples and Bari, the main cross-Italy link, was increased to a daily service each way.

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ARMY SUB-COMMISSION.

22. The chief event of the month was the move from LEQUILLE (LECCE) to ROME on 14th July. The Italian War Ministry and General Staff moved simultaneously. The advantages of concentration were at once evident and the increased efficiency of having all contacts on the spot, especially the Ministry of War and SMRE, was most noticeable.

23. The first and most pressing problem to be tackled was Patriots. The Italian authorities were anxious to deal with the large numbers who had been found in newly liberated territory, and the War Ministry asked for a policy. Owing to the restrictions on recruiting for the Italian Armed Forces and the ceiling laid down by the CCS, MMIA authorised the Ministry of War to recruit up to 3000 men for the Army in Rome, stipulating that for every volunteer accepted a serving soldier of an older class must be demobilised, thus keeping within the ceiling laid down. Italian Army screening and recruiting agencies were sent to Army areas to work in close collaboration with AMG Fifth and Eighth Armies and Polcorps. Their function is to screen Patriots volunteers for the Army, and to arrange for their evacuation to the Rome and Chieti enlistment centres. A further three screening detachments have been sent to work under the direction of Region IV. All volunteers become an Italian Army responsibility only when they are actually re-enlisted at Rome or Chieti.

The ceiling for the Italian administrative troops has been fixed at 27,000 and the necessary steps have been taken to ensure that troops are not wasted in Administrative Headquarters.

24. July has been the heaviest month for the movement of Italian Army personnel. This increase is largely accounted for by the programme in hand for forming new Pioneer Labour Regts and re-forming existing Labour Units. Shipments from Sardinia went well.

25. The initial allotment from the CCS of certain items of boots and clothing in order to an end and approximately 400,000 pairs of US part worn boots have been delivered to the Italian Army for repair. The [illegible] have been instructed to make a survey of all repairable Italian uniform and repair materials.

Advanced arrangements have been made for the rationing of the Italian Army from British sources, effective 1 Aug 44.

ELLERY W. STONE
Captain, USNR
Acting Chief Commissioner

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

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HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

CONFIDENTIAL

MONTHLY REPORT

JUNE 1944

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CONFIDENTIAL

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

Ref/498/CA.

31 July 1944.

MONTHLY REPORT FOR JUNE

General Remarks

1. The speed of the advance has not slackened during the month and many new towns and Provinces have been occupied. The City of ROME was entered by Fifth Army on 4th June and so began the administration by Allied Military Government of the first capital city in Europe to be liberated.

2. In view of the fact that the Rome Committee of National Liberation contained the recognised leaders of all the Parties except the Communist Party, it had long been clear that a political crisis was inevitable when Rome came into Allied hands. In the first place, whatever government was in power in the South of Italy would inevitably have to resign and, in the second place, it was to be feared that, despite any commitments made by the Parties in the South, the Rome leaders would reopen the institutional question. In the upshot a solution was found both for the governmental and institutional problems.

3. In forward areas the month has taught many lessons: the necessity of close co-operation between AMG's with the Armies and the Regions following up behind: the vital necessity for planning well ahead with respect to supplies and transport: the necessity of having organised transport companies both with the Armies and forward Regions: the fact that the refugee problem decreases with the speed of advance: the value of training and planning in view of the inevitable breakdown in communications: the increasing necessity for a pool of Italian Government officials which can be called upon at short notice: the need for continuity with regard to legislation in the forward areas and those turned over to the Italian Government.

4. With large areas of newly occupied territory, new Regions have had to be formed with the inevitable reduction of numbers in the southern areas. This practice is in accordance with policy but has been attended by many difficulties owing to the necessity for keeping large numbers of Allied officers in Sicily, Region II and FOGGIA in order to initiate the collection of the grain. 147 U

5. In the southern areas the effects of this reduction of officers are becoming apparent; inevitably the standard of administration is lowered and

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5. In the southern areas the effects of this reduction of officers are becoming apparent: inevitably the standard of administration is lowered and becomes more approximate to the Italian standard: inevitably the distribution of food becomes irregular: corruption begins. On the other hand there is no doubt that the local governments, slowly, and perhaps feebly, but gradually, are beginning, at any rate in the elementary forms of administration, to find their feet.

6. It is difficult especially in Southern Italy to inspire into the people any enthusiasm towards the Allied war effort. They work because they must earn their bread but to the mass of the people the war has passed them over. Particularly noticeable is the spirit in ROME, a city untouched by war and whose citizens appear to have more zeal in safeguarding their own local interests, be they physical or political, than in any progressive measures towards the rehabilitation and reconstruction of their country as a whole.

PART I/.....

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PART I

R.C. & M.G. SECTION

AMG EIGHTH ARMY.

1. During the month the Provinces of RIETI and TERNI have been taken over and a large portion of PERUGIA. The Province of FROSINONE has been handed over to Region IV and AQUILA, CHIETI, PESCARA and TERAMA Provinces to Region V. Patriots are now being encountered by Army AMG's in increasing numbers and form another and separate responsibility for CAOs. Many of these men have led a roving existence for long periods and it is not easy to divert their usefulness into the normal channels of the community. The situation requires handling with exceptional tact to avoid widespread repercussions. A directive was issued by AMG Eighth Army and the Patriot Branch has been formed at HQ Allied Control Commission to co-ordinate action.

2. PERUGIA with a population of 100,000 was by far the largest city liberated. It was little damaged. The banks were well supplied with cash.

3. The wheat crop in all Provinces is excellent and harvesting is in progress but milling is a problem due to the present lack of electricity in the area.

4. In the Provinces of FROSINONE and AQUILA alone, 1500 tons of supplies were distributed.

5. From the date of the CASSINO battle 23,000 refugees have been dealt with.

6. Health generally is extremely good and a number of hospitals have been encountered in good condition, some well stocked with medical supplies.

7. Preparations for the occupation of FLORENCE include the issue of an Operation Order and an Administrative Instruction by Eighth Army with their AMG counterparts. It is hoped that this will safeguard the amenities and treasures of this famous city.

AMG II POLISH CORPS.

8. Early in the month it was considered necessary to attach an AMG spearhead to this formation from AMG EIGHTH Army which remained with it until its task was

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9. The following Provincial capitals were entered: CHIETI, PESCARA, TERAMO, ASCOLI-PICENO and AQUILA. Conditions varied considerably, from PESCARA which was badly damaged, to TERAMO almost unscathed.

10. Escaped Allied PW's became a problem as there were several hundreds of them. All speak of the good work done by the Patriots.

AMG FIFTH ARMY.

11. SCAO II Corps was the first AMG officer to enter ROME on June 4th. He reported an enthusiastic reception of the Allies and cars being loaded with flowers. Two days supply of food for the city was left by the enemy. ROME Province was handed over to Region IV on 15 June. This being the first capital city to come under ACC control it is thought that more complete details of the activities of this newly created Region than are usually included in this Section of the Monthly Report would be of interest. Consequently at Appendix "A" is a Summary of the June Report of ROME Region.

12. During the month, in addition to ROME Province, LITTORIA Province was handed over to Region IV on 9th June and VITERBO Province on 29th June.

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13. Conditions were much better NORTH of ROME than had been up to that point. Health was generally good and damage to property less. It is estimated that damage amounted to 40% but only in the path of the enemy's rearguard. PIOMBINO was one of the more important towns where devastation was really bad due to deliberate demolition. It is of course a sizeable port and possessed iron and steel works for processing iron ore mined in the neighbourhood. Large quantities of ore were left although a number of mine workings were destroyed.

14. Wheat crop is good and harvesting under way. It is estimated that in VITERBO Province alone 70,000 tons of grain will be collected.

15. In last month's report the conduct of French African troops on this front was commented on and it is good to be able to mention an improvement. Cases of rape are still occurring but to a much less extent and the inhabitants of VITERBO showed approbation of the action by the CARO in that town who himself arrested two Moroccans on this charge.

REGION I (SICILY)

16. Grain collection in Sicily is meeting with considerable opposition and there is evidence that a substantial proportion of the harvest of the smaller farmers is going underground. Other measures having failed the law is now being prosecuted with vigour.

17. In addition to all other forms of publicity for Granai del Popolo a film is being made for immediate showing in towns and villages.

18. Morale was considerably raised by the entry of the Allies into ROME and by landings in France.

19. Political activity is on the increase particularly the Communist Party. The Separatist Movement appears to be sponsoring grain evasion.

REGION II (APULIA, LUCANIA)

20. There has been jubilation on the liberation of ROME and on the political side strenuous efforts made by Labour and Communist parties to establish an ascendency. Defascistization has made progress with bolder action by the Italian authorities.

1463

21. Reaping of the splendid grain crop has been a complete success. Threshing and collection has begun and the next phase is the problem of transport and defeat of those who would divert grain to their own profit.

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22. Labour shortage and high costs at one time threatened harvesting but the threat of producing military labour averted the trouble.

23. Some progress has been made with the distribution of the large surplus of wine in APULIAN Provinces, but generally transport is at too much of a premium to be spared for this task.

24. Good crops of grapes and figs are forecast, and normal crops of olives and nuts. Potato yield will be small and almost nil from imported seed.

25. A single case of foot and mouth disease was reported and thanks to immediate control measures there has been no spread.

26. Public Health is good, sanitation continues to improve and there is marked progress with communications in MATERA and POTENZA Provinces.

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REGION III (CAMPANIA)

27. Shops in NAPLES have been selling potatoes at 7 - 8 lire per kg. and there is a large surplus which is being exported to neighbouring Provinces. Wheat is coming in well particularly in the Province of SALERNO. There are ample supplies of soft fruits. Fishing industry attained 3410 quintals - a new record. Next month perhaps this record will be beaten for the director and two inspectors of the Central Fishing Agency were arrested for black market operations.

28. The tramways in and out of NAPLES have resumed operations.

29. The conduct of Allied troops is still unsatisfactory and considerable crime is reported.

30. ALG Courts in the Region, excluding SALERNO, tried 1328 cases and acquitted 41. Italian Courts in the City of NAPLES tried 6332 cases and acquitted 814.

31. Health is good and the outbreak of smallpox in NAPLES is abating but is still active in the Province, notably in AFRAGOLA. 300,000 have now been vaccinated in NAPLES and 25,000 out of 40,000 in AFRAGOLA.

32. Increasing use of the railways is now possible and ACC bids for the month amounted to 29,842 tons.

33. Plans have been made for NAPLES Bourse to open simultaneously with the ROME Bourse. Sales and exchanges of Italian Government Bonds for the month exceeded redemptions by 240,000,000 lire. Market prices of bonds were higher.

REGION IV (UMBRIA, LAZIO)

34. The history of this Region did not commence until the Armies started to attack on May 11th, but by the end of June it was in control of four Provinces, LITTORIA, FROSINONE, ROME and VITERBO, with three more to be added, RIETI, TERNI, and PERUGIA. It was originally intended that ROME City would be a Sub-Region under Region IV but a change of plan resulted in the creation of a separate Regional HQ to administer the City.

35. Region IV is facing a heavy task for its territory is more devastated by war than any other. It should be remembered that it includes the rivers LIRI, RAPIDO and LIRI where the most bitter fighting of the campaign has taken place and townships have been destroyed utterly.

36. In the four Provinces so far taken over, the Italian machinery of Civil Government has been set going: "Epurazione" has been taken in hand; political

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36. In the four Provinces so far taken over, the Italian machinery of Civil Government has been set going: "Epurazions" has been taken in hand; political problems have been few; plans for dealing with Patriot Bands are under discussion; Italian Courts have been reopened; Bank and Post Offices have been reopened; Carabinieri have been installed and organised; the incidence of crime is low except for the crimes of violence in the areas which the French Colonial Troops passed through. The standard of health is remarkably good; civil hospitals have been opened and medical supplies distributed; welfare organizations have been established; schools have been reopened; the food situation has at times given cause for anxiety but it is now reasonably in hand. The distribution of Compagnia Italiana Petroli products has just commenced.

37. Prospects are good for almost all crops; wheat, corn (maize) olives and vines. In FROSINONE, LITTORIA and ROME the harvest has suffered from war damage, lack of labour and the presence of mines. Indeed mines may be said to constitute an outstanding problem and in parts prevent a return to normality for the present. Daily casualties occur among workers who are bold enough to try to cultivate their crops. Although handicapped by shortage of agricultural machinery, the Italian peasants have done excellent work in reaping and gathering crops almost entirely by manual labour.

38. Reconstitution of the Italian Agricultural Agencies has been taken in hand. New officials have been found where necessary. There is a lack of fuel for the small amount of mechanical equipment available and a lack of binding twine, sacks, etc. On the whole, however, hard work and improvisation by the Contadini are overcoming obstacles in a most commendable way.

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39. Industry has been severely crippled but a good start has been made in rehabilitation. The Engineering Division has had to cope with a great volume of repair work on roads, public services etc. The Italian organization of Genio Civile has been put to work. Transportation has been a grave pre-occupation throughout. The Germans in their withdrawal stripped the country-side of all transport not carefully hidden. Much that was hidden was in a bad state of repair with perished tyres and batteries. ACC transport had to be driven by inexperienced Italian drivers and gave cause for much anxiety. However wheels are moving and civilian transport is being organized in every Province.

REGION V (MARCHE, ABRUZZI E MOLISE).

40. As stated earlier this Region during the month took over four Provinces from the Eighth Army, viz. CHIETI, PESCARA, TERAMO and AQUILA. Generally speaking the passage of the Armies has not done much harm to the crops, which promise well. The AVEZZINO basin in AQUILA Province is one of Italy's richest agricultural centres and the enemy did nothing to destroy crops here or elsewhere. Mines and booby traps abound, of course, and make reaping a hazardous process, with casualties among the labourers.

41. Feeding of the new areas proceeding according to plan but transportation is difficult owing to the number of blown bridges, mines and bomb craters. Evidence of the Allies precision bombing of the enemy's supply routes is to be seen and its effects felt ! Unfortunately when our troops moved on they removed some of their temporary bridges with them.

42. Plans are being made for a sea supply route.

43. This Region includes the Provinces of FOGGIA, the largest individual wheat growing area of Italy. Harvesting is almost completed and the arrangements for bringing in thousands of Italian troops to assist worked smoothly.

REGION VI (SARDINIA)

44. Propaganda activities of the Communist Party are continuing intensely and especially in the mining regions of IGLESIAS. A new sheet entitled "MINIERA" is being published by the party. Recently Paolo TEDESCHI delivered speeches in the more important urban centres of the island. The following three points were the theme of his talks :

(i) Maximum collaboration in the war effort by the Italians.
(ii) Moral and material reconstruction of the Nation.
(iii) Defascistization of civil administration and within the Armed Forces.

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1460

Economic Resources and Supply.

45. The food situation generally is satisfactory but instances of failure in distribution still occur. The fresh vegetable market and the greater supply of local produce has made the demand for imported foodstuffs less acute during the month. Fats generally are lacking and olive oil is an urgent need. Fish supplies at various markets have increased considerably especially tunny. Approximately 150 tons of tunny fish are already canned in oil and salt.

46. Arrangements are being made to ship 100 tons of hides to the mainland. The ammonia plant at CHILIVANI is expected to start operation about the middle of July. Soap is very scarce but if the expected supply of 10 tons of caustic soda arrives local manufacture should be possible shortly.

47. Crop yields are good but indications are that they will not be above average. Damage by hot dry winds and unusually cold weather prevented high yields. The grain is of excellent quality and good progress is being made in harvesting and threshing.

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48. During the month the programme for the Granai del Popolo was organised with all Provincial and Communal Committees in action. The attitude of farmers varies and some reluctance towards consigning the grain to the Granai del Popolo exists. This is due in general to three factors: (i) fear that last year's experience may be repeated when additional consignments were required, reducing the retentions authorised at harvest time; (ii) the fact that much wanted commodities can be secured in exchange for grain or flour but not for money; (iii) the temptation of the huge profits to be gained in the black market.

Public Works and Utilities.

49. Public Works and Utilities on the Island continue to be operated by civilian personnel under normal conditions except for shortage of spares and maintenance materials.

50. The tram service is operating on the outskirts of CAGLIARI and it is hoped to resume the service within the city during July. Delays in starting have been due to necessary repairs to equipment and shortage of supplies for trucks and/or overhead wiring.

Public Safety.

51. Public order generally continues to be satisfactory. During the month thefts decreased by 25% while robbery declined by 37%.

52. With further transfers of Italian military personnel from the civil prisons the prison accommodation situation has still further improved. Although some prisons are still holding prisoners above their normal capacity the situation generally can now be considered as satisfactory.

Public Health.

53. The health situation on the Island is generally satisfactory. There is no evidence of malnutrition. The medical, Hospital and Sanitary services are functioning as well as can be expected under the prevailing circumstances. Consignments of ACC medical stores arrived on schedule.

54. There is every indication that there will be no serious endemic of malaria in the Island this season and that there may be an appreciable diminution compared with 1943 statistics.

Finance.

55. There appears to be little change in the inflation situation but any tendency in this direction should be minimised by the increasing movement of the

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Finance.

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56. The gradual return to confidence is apparent as the savings and deposits in the banks show a substantial and steady increase.

REGION VII (CALABRIA).

57. The Regional Commissioner reports that morale is high consequent on the landings in NORMANDY, successes in and beyond ROME, and the increase in the bread ration from 200 - 300 grs. per day. Striving after perfection, unsatisfactory Sindaci are still being removed and the formation of Giunta Provinciale Administration is proceeding slowly but surely.

58. The railways are improving to such an extent that they can now be depended on to handle almost all the Allied food supplies, but there is a serious shortage of rolling stock.

59. Prices show a slight tendency to rise except in the black market where bread has fallen 30 points.

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60. The Minister of Agriculture visited COSENZA where a speech he made left a deep impression and was a valuable contribution to the great effort being made for a maximum collection of the harvest. Large farmers are on the whole working for the success of "Granai del Popolo" but small ones find black market temptations hard to resist.

61. As ever the pinch is transport and in this Region the shortage is affecting distribution of larvicides for anti-malarial work.

REGION VIII (TUSCANY).

62. For the first time this Region, which will eventually include the Provinces of GROSSETO, LIVORNO, SIENA, FIRENZE, PISA, AREZZO, PISTOIA, LUCCA and MASSA, finds itself sufficiently advanced to submit a comprehensive report. At the end of the month territory occupied by the Allies consisted of the whole of GROSSETO and parts of LIVORNO and SIENA but the Region is as yet controlling only a small portion of its territory. It is hoped that by the time the next report comes to be written more details of general interest will be available.

AMG ELBA.

63. Political reaction in so far as the industrial population is concerned appears to be mainly Communistic. The agricultural people are moderate and rather more Socialistic in their views. Popular opinion is strongly in favour of the Allies, and maximum co-operative effort is being encountered from every direction.

64. The main industries have been completely disrupted since September 1943, Agriculture engages approximately 65% of the working population; transport, industry and mining 20%; and general commerce 6%.

65. Iron Ore Mines. These turn out a very high-grade ore reputed to contain over 60% pure iron. Mines mainly surface-operated could rapidly be brought back into production; but all smelting plant is completely destroyed.

66. Calcium Mines. Porto Ferraio. Damaged and looted, but not beyond repair. Production could probably be recommenced in about three months.

67. Electrical Plant. Privately owned. Very little damaged. Already back in service for lights only.

68. A full ration of 300 grams daily is now being distributed to all Communes. This year's grain crop will be poor, due to a seven month's drought. This has also affected the vegetable gardens. 1467

69. Fisheries are momentarily at a standstill. It is proposed to resume

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67. Electrical Plant. Privately owned. Very little damaged. Already back in service for lights only.

68. A full ration of 300 grams daily is now being distributed to all Communes. This year's grain crop will be poor, due to a seven month's drought. This has also effected the vegetable gardens. 1467

69. Fisheries are momentarily at a standstill. It is proposed to resume daytime fishing shortly. Stopped originally by Germans, and at present impossible to resume due to known presence of mines. Shortage of nets. ELBA will be incorporated in LIVORNO Province of Region VIII.

ITALIAN REFUGEE BRANCH.

70. Movements from forward areas showed a further increase with a total for the month of 14,737 whilst dispersals were as follows :

To Region I	- 462
" " II	- 2661
" " III	- 500
" " VII	- 5951
To Italian Army	- 2887
To Homes in Regions III and IV	- 3144
	15,605

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71. On entry into Rome CESANO Camp was found established by the Germans in a disused factory and contained 7,000 refugees in a most pitiable condition. They had insufficient clothing and bedding and were practically starving. There was no real medical attention or sanitation and disease was rampant Emergency measures were taken at once to remedy this appalling state of affairs and the refugees are now properly fed and housed and a hospital is in operation.

72. Another camp has been established at CINECITTA, South of ROME.

73. There has been an unfortunate and ill-timed movement by refugees to areas which have recently become safe, e.g. NAPLES. Not only are communications unprepared for this movement but considerable confusion is caused by the arrival of groups of people who are without accommodation and are at once a liability to authorities.

INTERNEES & DISPLACED PERSONS.

General.

74. Headquarters of the Sub-Commission moved from BARI to ROME and the Camps in Southern Italy came under command No.1 Sub-Section, LECCE, with a staff officer from the Sub-Commission attached to HQ Region II, BARI. Region II assumed administrative control (with certain qualifications) of No.1 Sub-Section and Camps under command.

75. President Roosevelt announced on Friday 9th June at his press conference that arrangements had been made to bring 1000 European Refugees from ITALY to an emergency refugee settlement at PORT ONTARIO near OSWEGO, N.Y. The announcement created great interest in ITALY and the 1,000 refugees were selected from the following places : ROME, NAPLES, POTENZA, BARI, SALERNO, DI BAGNI, TARANTO.

76. On the fall of ROME the Sub-Commission opened an office at the same time and place as Rome Area Command. Through the various group leaders some 5,200 Allied Nationals were supplied with additional food and in some cases medical assistance as well.

77. During the month 1906 refugees were received and 1219 embarked for Middle East.

Organisation.

78. Two new camps have been opened, (a) CINE CITTA, 12 kms from ROME, transit camp capacity 2000 persons, and (b) AVERSA near NAPLES, transit camp for North Africa, capacity 4000 persons.

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79. A small group, 1 officer and clerical staff, are ready to move into FLORENCE and deal with all Allied Nationals following the method so successful for ROME.

Medical.

80. Medical assistance for Allied Nationals in ROME has been made available when required, but on the whole their health is good. Use has been made of the Italian Civil Hospitals in the few cases where treatment was indicated. Many children are undernourished and the establishment of a convalescent home for sick children in the hills or at the seaside is being investigated.

Red Cross.

81. The condition of clothing of refugees on arrival is still variable. Clothing is held for all camps at BARI where the initial issues are made. Supplementary issues are made as required at DI BAGNI where the initial issues are made. Supplementary issues are made as required at DI BAGNI and DI LEUCA where there are workshops making and remaking clothes. A variety of garments are made from various materials, large or damaged clothing into children's clothes etc. The scarcity of thread is still a problem. With the diminished

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staffs in camps which are considerably isolated from military units the welfare problem of the staff constitutes a difficult problem of its own.

Record Bureau.

82. The Record Bureau moved from BARI to ROME at the end of the month. With more territory liberated the work of enquiries for welfare and whereabouts is bound to increase and with the liberation of the bigger towns in the north, it is anticipated that very considerable numbers of enquiries will be received. About 400 enquiries were received from the International Red Cross in ROME, which they had been holding unable to take action until the Allies' arrival.

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PART II

ECONOMIC SECTION

LABOUR SUB-COMMISSION.

1. There is a growing spirit of discontent among all classes of workers who are becoming more vocal but are irresponsibly led and organised. A new decree incorporating all legislation in the labour field is about to be submitted to the Italian Government. This, in addition to abolishing the Fascist Syndical Corporative System in all its aspects, aims at re-instituting freedom of trade union organisation, authorises the setting up of labour offices as the state machinery in the labour field and sets up a democratic system of governing labour relations.

2. The Labour Sub-Commission has attended a number of meetings of the AAI Labour and Wages Committee, and the Sub-Commission's activities in the field of wages, hours and working conditions have been the subject of favourable comment.

3. Wage studies have been made on public utilities, dockyards, steel mills, glass and brewing industries where unsettled conditions have prevailed. Attention has also been given to the clerical and administrative fields.

4. There is evidence that unauthorized wage increases are being granted by employers.

5. Increased rations beginning 1st July was the outstanding item assisting holding the line on wages. This may tend to relieve many requests for wage increases based on the high cost of food. More food is the answer to the working men's immediate problem with increased wages as a secondary issue.

Labour Organization Trends.

6. Trade Union organization remains in a more confused situation than ever as a result of the action taken in ROME by the three popular parties, the Communist, the Socialist, and the Social Democrats. Their platform would set up a triumvirate to cooperate in:

(a) Achieving a unity of trade union movement, by eliminating party politics from the Trade Union field, and

(b) Creating a central Confederation of Labour with a national objective, incorporating the "Red and White" Federations.

1463

7. The "Confederazione Generale del Lavoro" appears to have taken exception

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7. The "Confederazione Generale del Lavoro" appears to have taken exception to this move, particularly because the "Party of Action" elements led by Dino Gentile objected to the Partito d'Azione being left out of the Central Committee of three. The idea is put forward that the action taken in ROME was arbitrary -- an argument that could be well applied to the members of the Confederazione Generale del Lavoro in respect to the method they adopted in the creation of the Confederation. The new situation calls for intervention of the Labour Sub-Commission, and the Minister of Industry, Commerce and Labour has already been consulted in order to evolve a scheme for the election of representatives of trade unions and the creation of Federations and Confederations on democratic lines.

Social Insurance.

8. During the month there was co-operation with Italian officials on Social Insurance problems. Many important administrative matters were settled and close liaison at the National Headquarters in ROME was established.

9. All Social Insurance work progressed according to schedule. This field is very complicated, but lends itself to easier control than wages.

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10. Pension work progressed favourably. Parallel pension orders for all AMG territory and efforts toward the abolition of certain Fascist pensions in Italian Government Territory is proceeding slowly in full co-operation with the Finance Sub-Commission.

FINANCE SUB-COMMISSION.

11. The new Bonomi Government has reverted to the practice which prevailed before Fascism, that of dividing financial matters between the Ministries of Finance and Treasury, the former having jurisdiction over revenues, and the latter over expenditures, budgets, and the public debt.

12. The Finance Sub- Commission's policy of having the Banca d'Italia provide currency for newly liberated territories has worked extremely well in practice. Currency surpluses have moved from rear areas to forward areas, thus reserving supplies of AMG lire for their primary purpose, that of paying the Allied Forces.

13. As of 1st June, the maximum amount which an Italian household may receive from the U.S. under the personal remittance system was revised from $ 100 per quarter to $ 50 per month.

14. A directive was received from CCS approving the recommendation of the Finance Sub-Commission that Internees and Displaced Persons Sub-Commission be made responsible for disbursing advances to Allied nationals and for accounting to AFA for such payments, other than advances to American and British nationals.

15. Arrangements were affected whereby remittances may be made by British held Italian prisoners of war to their dependents in Italy. A similar plan is being developed for American-held Italian prisoners.

16. Reports from Rome indicate that last winter, anticipating the City's fall, the Germans formed separate Head Offices of the social insurance institutions in the North. A Head Office of "Previdenza", for example, was formed at VITTORIO VENETO. Some cash securities and documents were transferred at the time, There remain in ROME, however, sufficient records and reserves to carry on necessary operations. When plans for ROME were being drawn, careful consideration was given to the position of the national Commissioners, and it was decided that arrangements should be made for them to go to ROME at the earliest possible moment. Accordingly, after consultation with the Labour Sub-Commission and the Italian Government, the national Commissioners have been despatched to ROME to assume control and recreate their Head Offices.

17. During the month progress has been made in supply accounting, both at

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17. During the month progress has been made in supply accounting, both at HQ and in the Regions. At the close of the preceding month consolidated accounts were prepared only through 31 January 1944, due to delay in the submission of Regional reports, a condition primarily ascribable to lack of personnel. The additional officers allocated to supply accounting during the past two months have substantially improved the situation. All Regions have now submitted returns through 30 April 1944, except Regions I and VII, and in these Regions returns have been received through 31 March 1944. Consolidated accounts have been prepared at HQ level taking in the returns as above indicated. The accounting includes all commodities imported and drawn from the Armies, except medical supplies.

18. The new fiscal year begins on 1st July. Budgets have been prepared and presented by each Ministry, and are now being considered by the Council of Ministers. Owing to the change in Governments it is anticipated that the approval of these budgets will be delayed for about a month. Accordingly, the incoming Government is to issue a decree authorising Ministries to work provisionally, on the basis of the prepared budget, but this authority will not constitute provisional approval of any budget. The normal Italian procedure will be re-introduced whereby each Ministry issues its own "ordini di accreditamento", for each chapter of its own budget, and all such authorities will be registered at the Corte dei Conti before they can be effective.

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19. Discussions have continued during the month with the Ministry on improvements in the Italian revenue system. The change in Ministers has again necessitated going over old ground, but the proposed legislation has not been changed by the present Minister.

FOOD SUB-COMMISSION.

General.

20. Food Sub-Commission has had one of its busiest months. The reasons are briefly stated. In anticipation of forthcoming events and to meet the needs of AMG Fifth and Eighth Armies in the forward areas, stockpiles of flour and miscellaneous essential foodstuffs including soap, salt, sugar, soup, canned meats, dried vegetables, biscuits etc. had been built up within the Army boundaries. But due to the speed of the advance AMG transport was insufficient to carry all the stocks forward and 2000 tons were left behind at CARINOLA and CAPUA for liquidation, and restrictions on movement by sea and rail rendered all organised movement and planning ineffective.

21. Due to port congestion and operational movement, outloading of civil supplies during period 5 - 20 June was approximately 4000 tons in arrears and discharges at ANZIO fell behind schedule. This, of course, aggravated the situation.

22. It is realised that under operational conditions, there can be no static or clean-cut movement programme, but except for the untiring efforts and individual resource of the entire personnel of the Sub-Commission involving very long hours, there would have been a serious breakdown, not through lack of supplies, but because of the inability of the transportation services to handle through the ports.

Supplies.

23. Stocks during June were sufficient for full issues of imported miscellaneous items. Soup continues to be a popular item in the ration in forward areas.

24. Flour now being milled at 91% extraction has proved successful. Plans are now being prepared for increasing to 95% during the next few weeks and for using some of the barley crop by mixing with wheat in milling.

25. A large consignment of dry salt fish arrived during June. The fish was in very good condition and is being issued in ROME and NAPLES.

26. The rapid advance of the troops and the consequent call upon transport of all kinds at both the front and in the base areas for maintenance constituted the main difficulty of supply during June. Yet, despite this difficulty the front areas were maintained and ROME was supplied regularly throughout the period

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27. The harvest has started in most areas in the plains. Hill harvesting is not expected to begin until mid-August or late August. Threshing has commenced in some areas but it will be early August before there is any appreciable effect on the supply programme. The scheme for moving the grain by rail has been approved by Movements AAI. Movement will commence from MATERA on a fairly large scale during the week commencing 10th July. Some 3000 tons will be moved into Region VII and a smaller quantity into BARI area for milling for LECCE.

28. As there have been few facilities for milling in forward areas a heavy milling programme has had to be undertaken in NAPLES area. This possibility was foreseen some time ago and a stockpile of 10,000 tons of flour was maintained in NAPLES to meet it. It was from this stock that ROME was supplied as soon as it fell by means of shipments to ANZIO.

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Food Processing Division.

29. During the month the Food Processing Section centered its attention on the programme to pack canned peeled tomatoes and the processing of tomato paste in barrels. Four canning plants have been selected to handle the peeled tomato programme and a revised schedule of the essential canning supplies required is being furnished by Industry and Commerce Sub-Commission. Plants were selected by the Canners Committee to process tomato paste in the NAPLES - SALERNO area.

30. A visit was made to LITTORIA and SEZZE to investigate the sugar refinery at LITTORIA and the tomato processing plant at SEZZA. The sugar refinery was found to have suffered little damage and its restoration is largely a matter of replacing motors and generators confiscated by the Germans. However, there will be no sugar beet crop in the area this year. A stock of 650 tons of molasses suitable for yeast manufacture was discovered at the refinery. The tomato processing plant suffered only slight war damage.

Olive Oil.

31. 1500 tons of edible olive oil has been earmarked in CALABRIA and will be despatched to NAPLES.

Ration Cards.

32. Difficulties have been experienced in the printing and distribution of Ration Cards mainly owing to transportation., A government plant and a large stock of paper was found intact at ROME and will ease the print problemconsiderably.

Enforcement.

33. Examinations have been carried out at 42 bakeries during June in NAPLES, total to-date 125. Offences by bakers appear to have decreased but consumer cards impounded have risen from 241 in May to 476, approximately 1% of the cards examined.

34. On one inspection of prenotation coupons in BARI Province it was found that 3439 were suspect. On the commencement of harvesting period, POTENZA Province were able to report a reduction of 25% in the number of ration cards.

TRANSPORTATION SUB-COMMISSION

Railways.

35. Contructional priorities for the month were as follows :

(a) NAPLES - ROME vin FROSINONE.
(b) NAPLES - ROME coastal route.

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(a) NAPLES - ROME via FROSINONE.
(b) NAPLES - ROME coastal route.
(c) ANZIO - ROME.
(d) CIVITAVECCHIA - ROME.

36. These were military responsibilities, and railway construction groups were ordered to abandon temporarily other routes on which they were engaged. All the lines mentioned above were very thoroughly wrecked by destruction of sleepers, rails and bridges Traffic for the present is restricted to that for military purposes but it is hoped soon to pass ACC traffic, also on the lines NORTH of ROME to ORTE and PERUGIA.

37. Priorities still exist in Southern parts of the system but military authorities have been most helpful in affording facilities for ACC supply traffic thanks to close liaison with Movements and Director General of Military Railway Services.

38. In Sicily the railway system shows an appreciable return to normality in some sections. Efforts are being made to obtain 30,000 sleepers for maintenance purposes, and repairs of war damage are proceeding satisfactorily. The SIMENTO Bridge should be rebuilt by August 20 and the PALERMO - MESSINA and CATANIA - MESSINA lines re-opened in early part of the autumn. By the end of the year the bridge over the River PETROIE, the last link severing the coast line from MICHIO, should be completed.

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Roads.

39. There is nothing special to report. The shortage of transport becomes ever more pronounced as more country is taken over and much transferring of vehicles among Regions has taken place. Special arrangements had to be made too for collection of grain in FOGGIA Province.

Water.

40. Schooner traffic is being constantly expanded as vessels are recovered and repaired. Their use for supplying some of the recently released areas, as a means of supplementing other methods of supply, will be invaluable. 16,140 tons of schooners are now carrying civilian supplies.

PUBLIC WORKS & UTILITIES SUB-COMMISSION.

41. The work of the Sub-Commission in June was marked, from the middle of the month, by a change of importance: viz. Specialist officers in the field, working largely in contact with Headquarters, were brought together in Regions under a single head, viz. the Regional Engineer. Hence, that officer now has under his control such widely diversified engineering projects as highways reconstruction, bridge design and construction, water-works, reclamation schemes and malaria control, gas-works, main drainage, canals and irrigation, buildings and structures generally, works in docks and harbours, and electrical problems with their varied specialised features (including systems of rationing power-supplies).

42. As a measure of the vast amount of work being controlled the following is a survey of the bridge situation in the 7 Provinces of NAPLES, AVELLINO, BENEVENTO, CAMPOBASSO, FOGGIA, POTENZA and REGGIO. Some months ago there were 640 road interruptions on State and Provincial roads (the majority of these being outside the classification of "military highways"). These included anything from small or medium sized culverts under the roads, to bridges of complicated construction and with large spans. In the two Southern Provinces there were 150 such places of which 35 were large bridges, 25 medium, 90 small (including the culverts). By the end of April, 71 had been restored and 29 were in hand. In the 5 Northern Provinces mentioned, there were 490 such places, 59 large span bridges and 41 bridges of medium span (i.e. over 30 feet). Of the 59 large bridges, 41 were under reconstruction at the end of April together with 90 of the others. At most of the culverts or small bridges temporary diversions or crossing arrangements had been made, but a large number still remain for full repair and reconstruction involving heavy demands on materials and manpower.

43. Up to the end of May the total value of contracts let on repairs and maintenance of roads and bridges was about 250,000,000 lire and by the end of June the figure had risen to nearly 352,000,000 lire. This included over 6,000,000 lire of miscellaneous work, distinct from highways and bridges.

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44. A principal difficulty for some time has been not that of finding contractors of competence, but to find those with engineering equipment. 1465

45. Damage to Public Utilities by retreating enemy. The German practice is to make use of all available facilities until the last moment, and then detonate explosive charges which have been placed in position for some time. With the exception of two steam-driven electric generating plants, totalling about 40,000 hp, practically all generating stations both hydro-electric and steam-driven in ROME have been destroyed or seriously damaged. It is also their practice to destroy high-voltage sub-station transformers and equipment wherever these are adjacent to the power plants. Destruction by the enemy has usually been very thorough and systematic, the explosive charges being placed by experts familiar with power stations and their most vital spots. Hydro-electric stations will require complete generating sets, switchboards and cables. Sub-station transformers, oil circuit breakers and related equipment will be needed to control voltages from 150,000 volts downwards. There can be very little mass-ordering or mass-production for most of these things, since each unit or plant is designed to meet a specific set of conditions.

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AGRICULTURE SUB-COMMISSION.

Production.

46. Harvesting of fruit, vegetables, hay and grain crops was well under way during June with excellent results almost everywhere except in areas immediately along winter fighting zones and scattered areas in Southern Italy where potato and vegetable crops are short.

47. It is estimated that 25% of the wheat on the Italian mainland had been harvested and threshing was under way in most of Southern Italy.

48. Much of the harvest is being effected against great odds and shortages of materials and facilities including power for harvest machines, and transportation to haul grain from fields to threshers and threshers to warehouses. Where normal facilities for cutting and threshing are not available resort is made to hand harvesting, binding and threshing.

49. Early potato harvest began in the NAPLES areas in June and a large crop is in prospect. The north-east coast crop is late, and the southern crop is short due to seed failure and poor stands.

50. Cherries came on to markets during most of June and at the end of the month a large apricot crop was being harvested. Due to the lack of sugar for preserving and canning purposes all of the cherries and most of the apricot crop were consumed in the fresh state.

51. A fairly heavy green bean and tomato crop was ripening as the month closed and there will be a surplus for tomato paste production in the late crop coming on in the Naples area.

Distribution.

52. Final distribution of 7000 tons of copper sulphate and approximately 15,000 tons of agricultural sulphur was completed during June. Approximately 350 tons of sulphur and 200 tons of copper sulphate had been stockpiled for the Army's advance and these materials were in forward areas and being used shortly after June 1st. While the amounts were inadequate they were acclaimed by Italian farmers even in the small amounts available. Imported binder twine arrived at least 30 days late but all the main production areas received supplies for binders.

Fisheries.

53. Several shipments of fresh tuna fish and salted fish were made by Region I both to NAPLES and ROME. Production as a whole was nearly normal around the Island of SICILY.

INDUSTRY AND COMMERCE SUB-COMMISSION.

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INDUSTRY AND COMMERCE SUB-COMMISSION.

Industrial Section.

54. Fertilizer. The production of agricultural fertilizer will be assisted with the output of the Montecatini Plant at PONTICI which will have an anticipated daily production of 30 tons of sulphuricacid for superphosphates.

55. Olive Oil. It has been arranged for the Gaslini & Masturzo Plants in NAPLES to start up. These will be engaged on the extraction and refining of olive oil with a total production of 15 tons per day of edible oil. By-products are used for soap manufacture.

56. Paper. The restoration of a paper mill in FOGGIA, now due to start operating, will do much to allay the chronic paper shortage.

57. Leather. As a check to the black market in the leather industry tanning extract is now controlled. The repairs of salvaged boots has been brought up to 5,000 pairs per week.

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Fuel Section.

58. Every effort is being made to make the POL rationing scheme effective, particularly in Italian Government Territory where there has been a good deal of lethargy, even opposition. During the harvest period allocations for agriculture for July - September can be drawn at any time during that period.

Foreign Trade Section.

59. The following have been exported during the month:

Sulphur	2,600	tons to N.Africa.
Hemp	707	" " U.K.
Raw Silk	5	" " "
Argots	100	" " "

Mining Division.

60. Estimated production of Sardinian Coal for the month is 35,000 metric tons. A progressive step up in production is planned for the coming months, rising to 70,000 metric tons in December. 1,000 metric tons of sulphur were mined during May.

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PART III

ADMINISTRATIVE SECTION

1. Activities of forward Regions is depleting both Headquarters and rear Regional Staffs of all Sub- Commissions, with corresponding effects on the amount of work and degree of supervision which remains possible.

INTERIOR SUB-COMMISSION.

2. Development of Local Government. Although the RDL 111 was promulgated two months ago, reports indicate that in some provinces progress of re-organisation has been slow. The Minister has been asked to make suitable representation to the Prefects concerned with a view to the Decree's provisions being implemented.

3. Pool of Prefects. Lists of Italian officials suitable for various appointments are maintained: recently 14 Prefects and other officers have been selected and sent forward for 7 Provinces.

4. Clerical Stipends. This question, which is complex, is under discussion with the Italian Government, Some increases have been granted, but do not apply to all clergy or in all parts of Italian Government territory.

PUBLIC SAFETY SUB-COMMISSION

Police.

5. Policing Forward Areas. The mobile CC.RR moving into new territory with the Armies has done excellent work in restoring law and order. In some instances patriots had disarmed the existing police and taken the law into their own hands, but the mobile CC.RR quickly restored the authority of the local police.

6. Rome. 2700 CC.RR and GG.FF entered ROME with the Allied troops on 5th June and met with an enthusiastic reception. The Polizia Africa Italian, a Fascist police organisation of 1950 men, was at once disbanded. The Patriots who had formed an armed force of some 17,000 men, were also dissolved and dis-armed. Recognised police agencies - Carabinieri, Finance Guards, Agents of Public Security and Metropolitani nowrumber 17,700 men and are working satisfactory.

7. Police Replacement Centres. Additional CC.RR and GC.FF centres, where men are equipped, trained and held in reserve for policing forward areas have been

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7. Police Replacement Centres. Additional CC.RR and GG.FF centres, where men are equipped, trained and held in reserve for policing forward areas have been established in ROME. 1700 CC.RR and 220 GG.FF who had been disbanded during the German occupation have reported to the centres. Although considerable difficulties have been encountered in feeding, equipping and transporting these men, groups have been sent forward at the request of FIFTH and EIGHTH Armies and Regions IV, V and VIII.

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8. Conduct of Allied Troops. The conduct of French Colonial Troops, especially towards women, has shown some improvement. The conduct and discipline of other Allied troops still leaves room for improvement.

9. Prisons. During the past month it was ordered that Italian soldiers serving sentences of over 30 days, or awaiting trial for over 30 days should be a civil responsibility and confined in civil prisons. This matter is being pursued and it is hoped that it will be possible to remove 1,824 Italian Military prisoners from overcrowded civil jails.

10. Fire and Civil Defence. A mobile unit of 10 appliances and 100 firemen entered ROME on 5th June. The Rome Fire Brigade was found to be functioning normally and after a few days the mobile unit was sent back to NAPLES.

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11. Registration and Licensing.

(a) Firearms. The Minister of the Interior has issued an order through Prefects in Italian Government Territory requiring all Italian Army weapons and explosives to be surrendered and all civilian weapons and explosives to be declared to the Italian Police.

(b) Aliens. General Order No.27 has been published re-establishing the Italian system of alien registration. Restrictions have been imposed on the movement of enemy aliens unless in possession of an ACC pass. The same regulations have been published by the Minister of the Interior in Italian Government territory.

PUBLIC HEALTH SUB-COMMISSION.

Diseases.

12. (a) Venereal Disease. V.D. control work in Italian Government territory is now complete/an Italian Government responsibility. The incidence of V.D. among troops is showing a progressive fall. The Italian Government is taking steps to enforce more strictly the existing laws concerning the treatment of infected women and to improve the administration of V.D. hospitals.

(b) Smallpox. The Naples smallpox epidemic continues in mild form. No deaths have been reported. Smallpox vaccine for 500,000 has been allotted to the Italian Government.

(c) Malaria. Four memoranda dealing with malaria control have been published. Arrangements have been made for the production of 220,000 litres of kerosene-pyrethrum insecticide.

13. Veterinary.

(a) Swine Fever. A new method of immunisation against Hog Cholera is in operation. The vaccine used has been prepared entirely in FOGGIA and the results of this field test are being followed up.

(b) Foot and Mouth. Foot and mouth disease is present in TARANTO, BARI, FOGGIA and CAMPOBASSO Provinces. Steps have been taken, in co-operation with military authorities to prevent its spread.

Supplies.

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Supplies.

14. Negotiations are in progress for the Italian Government to handle the distribution and costing of medical supplies in Southern Italy. Satisfactory stocks of medical supplies are on hand for the Armies and all Regions. Arrangements with drug firms in NAPLES have reached the stage that the early production of biologicals on a large scale is anticipated. Raw materials have been obtained to start the manufacture of sulphur ointment in quantity. Production of veterinary biologicals is satisfactory and on the increase.

Welfare.

15. The Italian Government has issued instructions regarding the settlement of children whose mothers are undergoing treatment for V.D. Similar instructions are to be issued in AMG Territory. The Soccorso Militare grant in Military Government Territory has been increased by 70% and assistance has been extended to families whose breadwinners have been removed by the Germans. The question of allowances to Ex-Internees in Italian Government Territory has not yet been settled.

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LEGAL SUB-COMMISSION.

16. Every effort is being made to ensure that the administration of justice in ROME is such as to be a credit to the Allies.

17. An officer of the Sub-Commission was on the Staff of "S" Force and entered ROME with it. He kept the Ministry of Justice functioning without break, investigated the activities of the Ministry and interviewed over 200 officials.

18. Military Courts have been established. Crime at the beginning was light but is increasing although the cases are mostly of a trivial nature.

EDUCATION SUB-COMMISSION.

19. Administrative personnel have been found more plentiful as we go North. As was expected in FROSINONE and LITTORIA the Germans had suspended schools in some cases for over a year. Education was resumed behind the advancing Armies and in many cases schools were re-opened, frequently in improvised buildings within a fortnight of our troops passing through. Text books and other items were provided.

20. Taking the children off the countryside will not only reduce mortality from mines, but prepare them for a full resumption of work in the autumn. Italian teachers have materially assisted in this rehabilitation. Many of them have volunteered to be transported to devastated Regions far from their homes and live under conditions of hardship.

21. Arrangements have been made to provide free lunches in the devastated regions in FROSINONE and LITTORIA. 18,000 children are already being so fed in LITTORIA.

22. Work is proceeding smoothly with the new Ministry, with the production of text books and re-organisation of the Universities of ROME and NAPLES.

PROPERTY CONTROL SUB-COMMISSION.

23. On legal advice, the policy of the Controller of Property taking custody of the property of Allied Nationals is under review. Hitherto sequestrated property has been placed by the Italian Government in the hands of managers and when the C.P. took possession it was the practice to leave the property under the same management, but his taking possession terminated Italian liability. It is proposed that an acknowledgement only shall be taken from the Italian Government as to the condition of the property at the time and that it has no claim on it. In order that liability for the property shall not attach to the C.P. it is proposed that an acknowledgement only shall be taken from the Italian Government as to the condition of the property at the time and that it has no claim on it.

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MONUMENTS FINE ARTS & ARCHIVES. SUB-COMMISSION.

24. MFA officers have been well forward with the troops and reports have been made on all towns of any importance within a short time of their recovery.

25. Arrangements have been made with the Abbot of CAVA for monks to proceed to CASSINO to supervise the recovery and safe removal of objects of value lying among the ruins. Despite notices forbidding the taking of souvenirs, there is little doubt that wholesale souvenir hunting by Allied personnel is taking place.

26. Remains of a Roman bridge have been discovered at PONTE SERRETELLA when repairing a bridge blown by the Germans. The damage to antiquities in ROME by Allied bombing has on examination proved to be almost negligible, the only damage of importance being that to the Basilica of S. Lorenzo fuori le Mura, which has been previously reported and which is being repaired.

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PART IV

POLITICAL SECTION, COMMUNICATIONS S.C.

POLITICAL SECTION.

1. The political events of the month centred round the capture by Allied forces of the city of ROME on the night of the 4/5th June. In view of the fact that the Rome Committee of National Liberation contained the recognised leaders of all the Parties except the Communist Party, it had been obvious from the beginning of Badoglio's first administration that a political crisis was inevitable when ROME came into Allied hands. In the first place, whatever government was in power in the South of Italy would inevitably have to resign, and in the second place it was to be feared that, despite any commitments made by the Parties in the South, the Rome leaders might reopen the institutional question. In the upshot a solution was found both for the governmental and institutional problems.

2. The first steps were taken in accordance with a pre-arranged plan. The King formally derogated powers to the Prince of Piedmont to sign Royal Decrees and to exercise prerogatives as Lt.General of the Realm. Marshal Badoglio handed his resignation and his government's to the new Lieutenant, who instructed him to form a new government. For this purpose the Marshal took a representative of each of the six Parties in the old government to meet the Rome Committee of Liberation on June 8th, three days after the Allied occupation of the city. It became immediately apparent at the first meeting that the leaders of all the Parties were unwilling to serve under Badoglio but were ready to join a government under Bonomi, who was the President of the Rome Committee. The Marshal thereupon called on the Lieutenant General of the Realm to report this and to recommend that H.R.H. should call on Bonomi to form a government. Before he did so, however, the Chief Commissioner formally warned the Lieutenant General that there were two conditions which H.R.H. must insist upon before entrusting anyone with the task of Prime Minister, that any Prime Minister and his Government must accept without question all existing undertakings to the Allies and that the institutional question must not be raised until the end of the war. Bonomi did not demur at either of these conditions and by the evening of the 9th June had already decided upon his list of Ministers, which was completed next day with a full additional list of under-secretaries.

3. This government was approved by the Allied Advisory Council and all members having established themselves in Salerno the Lieutenant General of the Realm on the 16th June formally signed the necessary decrees to enable them to start their labours. The full list of Ministers is as follows :

Prime Minister, Minister of the Interior and Foreign Affairs	LABOUR DEMOCRAT	Bonomi
Minister of Education	INDEPENDENT	De Ruggiero
		Gullo

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June 6th, three days after the Allied occupation of the city. It became immediately apparent at the first meeting that the leaders of all the Parties were unwilling to serve under Badoglio but were ready to join a government under Bonomi, who was the President of the Rome Committee. The Marshal thereupon called on the Lieutenant General of the Realm to report this and to recommend that H.R.H. should call on Bonomi to form a government. Before he did so, however, the Chief Commissioner formally warned the Lieutenant General that there were two conditions which H.R.H. must insist upon before entrusting anyone with the task of Prime Minister, that any Prime Minister and his Government must accept without question all existing undertakings to the Allies and that the institutional question must not be raised until the end of the war. Bonomi did not demur at either of these conditions and by the evening of the 9th June had already decided upon his list of Ministers, which was completed next day with a full additional list of under-secretaries.

3. This government was approved by the Allied Advisory Council and all members having established themselves in Salerno the Lieutenant General of the Realm on the 18th June formally signed the necessary decrees to enable them to start their labours. The full list of Ministers is as follows :

Prime Minister, Minister of the Interior and Foreign Affairs	LABOUR DEMOCRAT	Bonomi
Minister of Education	INDEPENDENT	De Ruggiero
Minister of Agriculture	COMMUNIST	Gullo
Minister of Labour	CHRISTIAN DEMOCRAT	Gronchi
Minister of Finance	ACTION	Siglienti
Minister of the Treasury	LIBERAL	Soleri
Minister of Communications	LABOUR DEMOCRAT	Cerabona
Minister of Public Works	SOCIALIST	Mancini
Minister of War	LIBERAL	Casati
Minister of the Navy	INDEPENDENT	De Courten
Minister of Air	" "	Piacentini
Minister of Justice	CHRISTIAN DEMOCRAT	Tupini
Ministers without Portfolio	ACTION	Cianca
	LIBERAL	Croce
	CHRISTIAN DEMOCRAT	De Gasperi
	LABOUR DEMOCRAT	Ruini
	SOCIALIST	Saragat
	INDEPENDENT	Sforza
	COMMUNIST	Togliatti

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4. The first meeting of the Council of Ministers was held on June 22nd. Their first act was unanimously to approve a declaration in which the following points were made. They declared that the Government, on account of its political origin, represented that large majority of the country which, even in 1940, was against Fascism and against Italy's entry into the war by the side of Hitlerite Germany. They repudiated the so-called Fascist claims against the honour and integrity of other nations and they condemned the Fascist aggressions against France, Greece, Yugoslavia and Russia. These aggressions had violated Italy's political tradition and consequently the Cabinet intended to continue the war by the side of the United Nations until the final defeat of Hitlerite Germany and to intensify Italian participation in various ways. In addition, the Cabinet considered a scheme for the calling of the Constituent Assembly, which would be elected by universal and secret ballot once the whole country was liberated.

5. The Council of Ministers met for the second time on 30 June, and their main work was concerned with the preparation of a decree dealing with grain amassing laws. This provides penalties of imprisonment from six months to six years and fines at the rate of twenty times the value of the grain withheld, a timely measure which should have a salutary effect in encouraging the amassing of this year's harvest on the necessary scale.

6. On the same day the Advisory Council met in Naples and unanimously recommended the transfer as soon as possible of the Italian Government from SALERNO to ROME and with the move of the Government to the capital greater administrative efficiency should result since there has been neither the necessary permanent staffs nor accommodations for the proper functioning of Government in a provincial city such as SALERNO.

COMMUNICATIONS SUB-COMMISSION.

Telecommunications.

7. In Italian Government territory there have been only minor changes. The percentage of telegraph offices connected by the end of June reached 100% in SARDINIA, 51% in SICILY and 84% in ITALY, an average of 77%.

8. In SICILY practically all military signal personnel have been withdrawn and the maintenance of the military circuits still remaining has been taken over by Italian organisations under arrangements made by the Regional Telecommunications Officer. In the NAPLES area telegraph service has been restored to the larger suburban areas, TORRE ANNUNZIATA, POMPICI, TORRE DEL GRECO, ACERRA etc.

9. Communications to and within ROME have been the chief activity of the month. In ROME, the urban automatic system was practically undamaged, but there were many problems of power supply, restoration of services and priorities, that were dealt with by the combined efforts of Allied Armies and AMG Telecommunications Officers. The first circuits to ROME were restored by the military for their purposes on overhead routes by the middle of June. The main underground cable was restored

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Postal.

10. The main development in the South was the restoration of internal and foreign letter services in the province of BENEVENTO and in the remainder of NAPLES Province, which is now fully served. Registration, insurance, express, air-mail, and money order services are included. To provide for postal matters in ROME, a Postal Officer was sent forward and arrived in the city on June 6th. Conditions were found to be very favourable. All Post Offices were in good order and not occupied by any military units. In addition to the Central Post Office, there are five Branch Offices and seventy Sub-Offices in the city. Records, stamp stocks, etc. were generally intact. The personnel normally employed number some 7000 (apart from a large Ministerial staff) and the chief officials were mostly available. Assorted stocks of postage stamps were on hand, and in quite large supply for most denominations. These stocks comprised a number of the normal Italian issue, a further number which had been overprinted by the Republican Government, and two denominations of a special Republican issue which are stated not to have been put on sale. All other than the normal stamps are being called in and "frozen".

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Civil Censorship.

11. Operational control was handed over to the Italian Government and the Allied Censorship Officers were withdrawn at ports used for foreign mail. Italian censor officers have also been attached to censorship stations in Military Government Territory to prepare for the transfer that will take place when this territory is handed over.

ARMY, NAVY & AIR FORCE SUB-COMMISSIONS.

12. As in previous months reports have been rendered directly to the Allied Services concerned.

ELLERY W. STONE
Captain, USNR
Acting Chief Commissioner

1945
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bc

APPENDIX "A"

REPORT

PROGRESS IN ROME FROM 4 JUNE - 30 JUNE 1944.

Political.

1. Principe Filippo Doria Pamphili, anti-fascist, has been put in as Sindaco of the Governatorato of Rome. A junta has been formed of twelve members, two from each political party. Close contact is being maintained with the Committee of Liberation. An Epuration Order, Regional Order No.1, was published 26 June 1944. There is no particular tension evident in the administration of the Rome Governatorate.

Economics and Supply.

2. There is slightly better than a week's supply of flour and five days supply of other foods. Upon arrival in the city the bread ration was 100 grams per day of mixed white and dark flour. This was immediately changed to 100% white flour. On 21 June 1944 the bread rations was increased to 150 grams all white flour and on 25 June the ration was increased to 200 grams per day, all white flour. On this basis the daily tonnage of flour required to feed ROME is slightly over 300.

3. On 18th June the five day issue of miscellaneous foodstuff rationed as laid down by ACC was distributed to the stores. Another such issue occurred on 23rd June and another one on 28th June.

4. By Regional Order No.8 a subsidy of 1.30 lire per kilo was ordered to be paid to all bakers duly registered. Subsidies rendered were from 6 to 30 June, but no authority granted beyond that date without further order. Regional Order No.7 established on the top retail price of milk at 5 lire per litre. Regional Order No.2 ordered that all existing provisions, orders and decrees of Italian law requiring that all fruits, vegetables, dairy products, meat etc. brought to the city of ROME should be sold at the general market were considered to be in full force.

Industry.

5. During the period of this report, constant visits and interviews took place with Italian and other business men desiring to collaborate and get their plants into production or to protect what remained and to reorganise. Inspections were made of :

Chemical Plants	4	Electrical Supplies	2
Automobile repair or manufacture	1	Automatic Telephone	1
Cement and building materials	2	Glass, Radio Quartz	2

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3. On 18th June the five day issue of miscellaneous foodstuff rationed as laid down by ACC was distributed to the stores. Another such issue occurred on 23rd June and another one on 28th June.

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Chemical Plants	4	Electrical Supplies	2
Automobile repair or manufacture	1	Automatic Telephone	1
Cement and building materials	2	Glass, Radio Quartz	2
Explosives etc	2	Armaments	1
Gas and war gases	2	General engineering	1
Fertilizers	1	Industrial gases	3
Soap	2	Tyres, Rubber Goods	1
Printing Radio Equipment	1	Tayon, Parachutes	2
		Timber and Metals	2

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6. Steps were taken to set up a local committee to control the distillation, brewing, sale and medical analysis of all alcoholic beverages.

Agriculture and Fisheries.

7. Economics and Supply hired a civilian, Mr. Van Artssen, former director of the International Agriculture Institute of Rome. His activities consisted in receiving hundreds of applications for assistance in the way of electric power pumps, fuel, lubricating oil etc. in connection with agricultural production to save crops and to improve output.

8. Personal inspection was made of about ten large farm properties in the AGRO ROMANO, and the Milk Central Station. Study and recommendation of milk subsidy came from this Section.

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9. An order was posted and permits printed for the resumption of fishing under proper limitations on a short coastline. This was done in conjunction with Region IV.

Labour.

10. The Italian Collocamento was reopened at No.6 Via Lucullo. The records and files were intact. The personnel were not present and new personnel have been engaged. The old personnel could not be used because of their close collaboration with the German forced Labour programme. Approximately 10,000 workers have been furnished to the Armed Forces through this office. There is an over-supply of labour in all classifications except English speaking typists.

11. The order abolishing the Fascist Corporative System and permitting free organizations of employers and employees was issued on 13 June. This order included titles creating Italian Labour Offices and adjusting wages of Government and private employees.

Public Works and Utilities.

12. Water. Damaged siphons, tubes and secondary aqueducts were repaired by inter-connecting the two systems and installing regulating valves. Supplies of water were maintained in the city to the extent of approximately 100,000 gallons a day at the lowest. Further repairs have improved the situation, and the normal water supply should be resumed by 9th July. Permanent repairs still have to be made.

13. Electric Power. The hydro-electric network normally supplying ROME with 126,000 kilowatts was cut off, and some stand-by sets consumed fuel which was in short supply. Several small hydro-electric installations were located nearby, and these were repaired and put back into operation. Due to shortage of power a rationing system was put into effect which allowed civilians four hours of power every other day at a specified time. Military installations were given continuous service. Up to 30th June the lowest number of kilowatts on the line in any one day was 17,000 and the largest number 28,000. Within the course of the next ten days the total capacity on the line should be in the region of 40,000 kilowatts, of which 26,000 is steam or diesel generated and 14,000 hydro-generated. These 40,000 kilowatts cannot be maintained continuously, since the fuel burning plants are stand-by plants and were not meant for the steady use to which they have been recently put and must be stopped from time to time for repairs. The coal needed for fuel driven plant varies from 30 tons a day at low load to 300 tons a day at peak load.

14. Tramway Services. Tram lines are restricted to 50% of operation at the present time. In the morning 360 cars are being used - from 11 o'clock onwards 180 cars. The service is limited to the time when workers are going to and from

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14. Tramway Services. Tram lines are restricted to 50% of operation at the present time. In the morning 360 cars are being used - from 11 o'clock onwards 180 cars. The service is limited to the times when workers should go and return from work, and is also limited by the total power available on any one day.

15. Gas. Under the Germans no gas was supplied to the city for several months. Gas was supplied to the hospitals immediately after our arrival. However, due to the shortage of fuel the gas plant was closed down and the fuel diverted to the power plants. This condition will remain in effect until such time as adequate supplies of fuel for gas as well as power can be assured.

16. Sewers. The Sewage system of the city is unharmed. Since they operate by gravity they are functioning satisfactorily, especially with the increase in the water supply. Normal maintenance is being continued.

Public Safety.

17. (a) General. Public order is very good. Proclamations observed in almost every respect. No clashes between civil police and public, no rioting.

2,850 civil police brought into ROME area - one fire brigade. Guards placed on over 4,200 buildings almost immediately on arrival. Over 2,000 Carabinieri disbanded by the Germans have been recruited and are on active duty. This is in addition to the numbers brought in. The Polizia Africa Italiana force of 1,950 men were dissolved and disarmed. The General in charge has since been arrested, and the assets of $ million lire frozen.

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The patriot political police force of some 17,000 was dissolved and disarmed. All former civil chiefs of police have been removed from office. About 2,800 undesirable police have been removed, due to bad records or over-age. There are now approximately 17,000 officially recognised civil police in service, and working well.

The Rome fire service is completely mobilised and on active duty.

Before our arrival the Germans let all prisoners out of jail. Due to the fact that the prison records were found intact many of these criminals were re-arrested. The prisons are in good condition.

Large quantities of fire arms and ammunition were surrendered to the police; arms and explosives located at various places turned over to the military. The offices of political organizations were raided, and quantities of arms and explosivies seized.

(b) Allied Courts. Three Allied Military Courts are functioning and of these two are Summary and one Superior. The Courts are now disposing of approximately fifty cases per day.

(c) Italian Courts. Upon arrival in the city it was found that all Courts were prepared to function normally, with the exception of three sections of the Court of Cassation, the three judges of which had fled the city with the Germans. Italian Courts are now functioning under the supervision of the Legal Division and are up-to-date with their calendars.

Public Health and Welfare.

18. Diseases. No epidemic disease. Tuberculosis definitely on the increase due to general malnutrition. The rate has risen to 200 per thousand as against 75 per thousand eighteen months ago. The death rate has increased only among the old age groups in the sixth decade, due mostly to heart disease.

19. Hospitals. There are 16,000 beds for civilians, 6,000 being for general disease, the remainder for specialist cases. Army units have not encroached on civilian needs.

20. Medical Supplies. AMG medical supplies have arrived and are adequate for all hospital needs. In addition, all wholesalers and pharmacists have sufficient supplies for at least three months.

21. Milk. About 30,000 litres of fresh milk are distributed daily to various essential categories. 52 tons of powdered milk have arrived and are to be used for infant feeding during warm months. This amount is sufficient for a four months

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22. Welfare. Under the supervision of Public Welfare 339 soup kitchens feeding approximately 264,000 people are operating. They are operated by four organizations :

1. Ente Assistenza di Roma.
2. Circolo di San Pietro.
3. Opera Nazionale Assistenza Religiosa Morale Operai.
4. Societa Generale Immobiliare.

Of this number approximately 40,000 persons are receiving free assistance; the remaining groups pay approximately 3 lire. By the end of June all persons were giving up ration points for their daily meal at the soup kitchen.

23. Contact has been constant with the Welfare Committee at the Vatican. This Committee is effective and helpful. Had it not been for their activity in furnishing food to the large chain of soup kitchens severe suffering would have occurred in ROME before food was received in the stores. Many cases of individual relief have also been handled.

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24. The general condition of the populace is slowly improving and as soon as the food ration can be further increased and varied the general condition of undernourishment which prevails throughout should be corrected.

Education.

25. University. The University is now open again. A Pro Rector and a Committee of Rehabilitation has been appointed. When its work is done, the election of deans and a rector will be held. Examinations will be held as usual in the autumn.

26. Schools. Examinations were being held at the time of our arrival, and were completed. Another session for the benefit of students who were excluded from taking examinations for political and racial reasons will be held next week. A new Provveditore was appointed.

27. Music. Arrangements were made with the Musical Academy of Santa Cecilia to give symphony concerts twice a week during July and August for troops and civilians. The series will begin as soon as the engineers can arrange lighting for the theatre.

28. Theatres. A certain number of theatres were reserved for civil entertainments. 19 companies have been given permission to give performances.

29. Opera. There will be a summer season of opera as soon as the engineers can provide lighting.

30. Libraries. All libraries have been reopened and are functioning normally.

31. Academies. All academies are functioning normally. A request has been made to ACC to dissolve the Accademia d'Italia, a Fascist creation, and to reconstitute the old Accademia dei Lincei which had been absorbed by the Accademia d'Italia.

Communications.

32. Roads. Streets, roads and bridges (with one exception) in the city were found in excellent shape. Regular repairs are going forward. Only one bridge over the Tiber had been destroyed. Arrangements are under way to have this permanently repaired. Roads in Governatorate outside the city were badly damaged.

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33. Rail. The steam and electric railroads leading into the city have been entirely in the hands of the military. The line from Civitavecchia and the line direct from ROME to NAPLES will be operating early in July.

34. Telephones. The exchanges were found intact, but the long distance repeater equipment had been removed. The Germans had restricted the civilian telephone to 5,000 users. All telephones were disconnected by our advance forces. By the end of the second day all important military installations were connected to the civilian system and on the third day civilian service was restored to as many lines as had been permitted under the Germans. Some 5,000 additional civilian telephones, including those required by the Vatican, have since been added. The goal will be the return of 60% of the 120,000 civilian telephones to service; the remaining 40% are needed for military purposes. An order has already been drawn up and will be issued early in July to civilian telephone users. Subscribers will be limited to four calls per day. This rationing will be spot checked and immediate disconnection from service will be the penalty for misuse.

35. Telegraphs. The three main telegraph offices were undamaged but owing to demolition of equipment, no general service is available.

36. Censorship. The Postal Censorship unit arrived the first day we entered ROME, established an office and assembled the Italian censorship staff of approximately 170. These men have been vetted by F.S.S. and are now working.

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37. Postal Service. The six main post offices and the seventy branch offices are in use. Postal service will start 1st July.

Property Control.

38. The property of Allied Nationals has constituted major work, consisting of supervising approximately 150 real and personal properties, and 45 corporations and business, of which 26 were American, 12 British and 7 French. All bank accounts and postal savings accounts owned by our nationals have been blocked. Enemy state property so far has consisted of 130,000 litres of liquor, the raw materials for which were furnished by the Germans.

39. Fascist public property presented some difficulties. Possession was taken of all available cash pending determination of eventual ownership. Abandoned private Fascist property required considerable protective measures to prevent looting.

Finance.

40. All banks and financial institutions were protected upon entrance into the city. 600 million lire of AFA cash were deposited in the vaults of the Banca d'Italia. These lire were brought in on trucks on the first day. Subsequently 450 million lire were brought up from the Naples Branch for the ROME branch of the Banca d'Italia.

41. A few banks and post offices were open for business on 5th June but were closed later in the day in accordance with Proclamation No.4.

42. Meetings were subsequently held with bank officials. In the opinion of managers, due to the advance of additional lire, the banks could safely be re-opened. This was done on 12 June, with no restrictions.

43. The post offices opened simultaneously and all normal services of these institutions were put into effect, except for mail.

44. No discrimination of any kind has been made against notes printed before our arrival. The banking situation after 25 days of occupation is considered to be satisfactory.

Displaced Persons.

1456

45. At present approximately 5,000 Allied Nationals have been located in ROME, belonging to 26 nations.

46. It was found that the numerically larger goups, i.e. British (including

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Displaced Persons.

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45. At present approximately 5,000 Allied Nationals have been located in ROME, belonging to 29 nations.

46. It was found that the numerically larger goups, i.e. British (including Maltese), Polish, Yugoslav (Royalists and Patriots), Hebrews and Greeks, were well organized and had been well taken care of by the representatives of their protecting powers or by elected committees. Many had been often moving from residence to residence at short notice, or in hiding, while others had been fed, housed and cared for by Italians, often at great personal risk to life and property.

47. The numerically smaller groups and those less closely knit together have now been organized and almost every individual Allied National has been accounted for.

48. Special arrangements have been made for medical care of the sick and small quantities of comforts, such as milk, concentrated soups, etc., have been made available.

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Monuments, Fine Arts and Archives.

49. Monuments and Fine Arts. Fine Arts situation in ROME City very good. Almost no war damage. Church of S. Lorenzo seriously damaged by bombing in July 1943; repairs are in progress under direction of Superintendent of Monuments, but hampered by lack of materials.

50. Archives. A general policy of removal to the North of the majority of the more important recent Archives was carried out by all Ministries before the arrival of the Allies in ROME. In the Ministry of Foreign Affairs very little remains for the period 1933/43. Regarding the Ministry of Justice, it is reported that the legal records were bombed and in large part destroyed en route North. In spite of these removals the amount remaining in the various Ministries was so large that the plans laid for the exploitation of the Archives for intelligence purposes could not be carried out. In the return intact of all evacuated documents an important preliminary is the preparation by individual Ministries of a comprehensive statement with exact lists of missing classes, files etc. This is being done.

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HEADQUARTERS
ALLIED CONTROL COMMISSION
Public Safety Sub-Commission

Folio 5B for action/information

/ C.P.S. .....

D.C.F.S. .....

2 Ex. Officer .....

3 Police .....

4 Prisons .....

5 Fire & C.E. .....

6 ~~Regn. & Licensing~~ .....

7 Adm. Officer .....

Remarks. Please initial if seen

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4 JUL 1944

5A

HEADQUARTERS,
ALLIED CONTROL COMMISSION,
APO 394.
++++++++++++++++++++++++++

REPORT FOR MAY 1944.

1. For the last two months this Report has been a record of steady progress in many spheres, but nevertheless work for many assumed a routine character until such time as the Armies were again able to resume the offensive. Like the Armies we devoted the interim period to planning for a big advance. Fifth and Eighth Army AMG's were strengthened, and Region IV, now responsible for LAZIO, UMBRIA and the City of ROME, like Sleeping Beauty, was suddenly brought to life. The day when the Armies started their big attack, so long anticipated, was 11.May, and for the moment AMG teams with the Armies held the limelight.

2. The Armies progressed rapidly, leaving behind a trail of destruction wherever battles were hard fought. Townships like PONTECORVO, CASSINO and PIEDIMONTE ceased to exist as dwelling places, whilst others could accommodate only a small percentage of their inhabitants. As long ago as last September it is recorded that the enemy completely emptied one place, the population fleeing to the neighbouring hills. Considerable movement of the population took place as a result of all this and as examples, FONDI increased from 19,000 people to 30,000, and TERRACINA from 14,000 to 23,000. Many suffered from exposure and lack of food.

The feeding and medical treatment of all these people, together with the evacuation of refugees, fully extended AMG staffs but presented no new problems. By the end of the month 200,000 people were being fed in the Fifth Army area alone. Well earned were the congratulations of General Alexander and his application of the epithet "the Third Army" to A.C.C.

3. Due to the fast rate of advance contact was often lost with forward CAO's, whilst Provincial teams had to be called up urgently to take over. The small port of GAETA was quickly employed. It was captured on 20.May and although damage to the harbour was considerable a stretch of 'hard' was cleared by the Royal Navy and a U.S. Engineer Unit so that schooners could be brought in. The first one carrying food supplies entered on 26.May and was unloaded into a warehouse which had already been secured. By 28.May all supplies were on a sales basis up to a line TERRACINA - PICO, indicating a very rapid recovery of normal economic life.

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It was unfortunate that the misery of the refugees in some areas was increased by the conduct of certain troops under French Command, which moreover caused a greater movement of refugees than would otherwise have been the case. Adverse accounts of behaviour of troops continue from many parts of the country. When, however, account is taken of the great number of troops, the many diverse nationalities and the fact that good behaviour is unrecorded, the situation would appear normal. A regretable exception is the behaviour of African troops under French command whose misconduct has led to much distress and resentment. The French Command has taken vigorous measures to stop the excesses but the problem remains - and adds to the difficulties of the Refugees Branch.

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4. Next to the advance of the Armies harvesting prospects and organisation have received most attention. After long discussions the price of wheat was fixed at 1000 lire per quintal and it was announced in the Press and over the radio on 15 May by both A.C.C. and the Italian Government. Inevitably, there are localities where dissatisfaction is expressed over the price, but in reaching a decision factors of national importance had to be taken into consideration.

The word "Amassi", of evil association, is dropped and in its place comes "Granai del Popolo". Well conceived publicity is sucessfully establishing this phrase.

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With the wholehearted co-operation of AAI and the Italian Army, the labour problem has been largely solved by the transference to the principal grain areas of 25,000 Italian troops for the period of the harvest, mostly from Sardinia.

5. 30 and 31 May were devoted to the third Regional Commissioners' Conference which revealed both progress and harmony. Harvesting received rightly more time and detailed discussion than any other topic, for its importance to the Allied cause and the welfare of the country up to the time the last grain of wheat is stored could not be too much emphasised.

The personnel ceiling of ACC/AMG having been fixed and attained (including allowance for future expansion) it is obvious that as new areas are brought under control established areas must release personnel. Naturally the first to feel this thinning out process are the Regions in Italian Government Territory, who have nevertheless cheerfully faced the prospect during the month of parting with a number of their key men.

The remainder of NAPLES Province was handed over to Region III on 22 May.

A new defascistization law is being prepared to distinguish between the active Fascists and those who have only been tainted. In this connection emphasis has been laid on the difference existing between "defascistization" and "epuration". These terms are often used loosely and imply that they are synonymous which is not the case.

6. A committee under the chairmanship of the Deputy Chief Commissioner was appointed in order to make recommendations to check the present tendency to inflation.

POLITICAL.

7. The second meeting of the new Italian Cabinet took place on 4 May. Subjects under discussion were (i) the Granio del Popolo and the price of wheat; (ii) Defascistization; (3) Suppression of the Ministry of Foreign Exchange, its duties being taken over by the Ministry of Finance; (iv) Suppression of the Ministry of Popular Culture, press relations being taken over by the Ministry of the Interior (home and foreign news), the Ministry of Communications (tourism and radio), and the Ministry of Education (cinema and theatre); (v) Economic betterment of State employees.

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8. The official price of wheat was issued on 15. May. The Italian Government asked that an A.C.C. announcement should be issued, covering AMG territory, at 2 p.m. followed at 2.30 p.m. by an Italian Government communique fixing a similar price "in order to ensure uniformity".

9. The new law dealing with the punishment of Fascist crimes and illegal practices contains a definition of those crimes which enabled Fascists to assume power in 1922 and to eliminate the last traces of democratic rule. Punishment ranges from imprisonment to death penalty. A list of mitigating circumstances is established to alleviate or to suspend sentences including such actions as fighting Germans. Provincial Commissions are established in each Province to judge all cases. Members of the Commissions will be both judges and laymen selected for their known anti-Fascist records and positions. Commissions will be appointed by the Prime Minister upon the recommendations of High Commissioner and Minister of Justice. The judgments of Provincial Commissions will be determined as in Courts of Law with a provisional appeal. The High Commissioner may review any sentence of the Provincial Commissions.

10. At a later meeting the Council affirmed a policy of war to the end against the Nazis and expressed its hope for a new world of international collaboration based on the principles of the Atlantic Charter and repeated its conviction that the Italian people had been betrayed and forced into a war against their interests and against their will. The Fascist invasions of other nations are deplored and, specifically, the Government looks to the early liberation of Albania.

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FINANCE.

11. The complete report of the Finance Sub-Commission receives the same circulation as this report. It is therefore proposed to present here only the salient points.

12. As the next fiscal year for the Italian Government begins on 1.July it is necessary that a new budget be prepared to control expenditure after that date. The Italian Government is taking steps to prepare such a budget for the territory under its jurisdiction, and at the Government's request the Italian forms were sent to Military Government territory in order that if and when additional territory is turned over to the Italian Government, data will be available to make the necessary changes.

13. In Military Government territory there has been distributed a complete set of forms for the preparation of budgets, the operation of such budgets, the control of expenditures, and for reporting such expenditures. Revenue data are also included in these forms. In designing these forms every attempt was made to adhere as closely as possible to normal Italian accounting and fiscal procedures. Fiscal procedure for the State agencies is quite dissimilar to that for local government bodies, and two sets of forms were necessary. The operation of the new budget procedure should result in a definite measure of expenditure control.

14. Refugees leaving Italy for Palestine have deposited substantial funds with the Internees and Displaced Persons Sub-Commission, which is seeking a means of remitting these funds to Palestine. As there is yet little or no sterling available in the AF accounts, and as CCS has not approved the expenditure of foreign exchange for this purpose, the current procedure results in blocked deposits being held by the Internees and Displaced Persons Sub-Commission, for account of the refugees abroad. The problem has been referred to CCS decision as to policy, with a suggestion that the Jewish relief agencies abroad may desire to obtain lire funds, by purchase of these blocked deposits from the refugees arriving from Italy, if this is not contrary to general policy.

15. The Italian Government decree for the Insurance Advisory Committee has been signed and the opening meeting should take place during the first week in June. Arrangements have been made for the Insurance Department of Finance Sub-Commission to be provided with agenda and minutes of each meeting, and representatives have been invited to attend the first meeting.

16. In response to a request from AFHQ, the Minister of Finance was asked to give assurances as to the implementation of that part of the Armistice terms which provides that the Allied Forces shall be immune from Italian taxation. A satisfactory reply was received from the Minister, stating that no taxes, direct or indirect, will be

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ECONOMICS, RESOURCES and SUPPLY.

17. Food.

Grain shipments during May were much more regular than in April. Seven bulk wheat ships of a total tonnage of 56,000 tons and one flour ship tonnage 6,600 tons were unloaded during this period. The last ship was diverted to ANZIO with a large portion of its flour cargo together with an additional top cargo of miscellaneous subsistence items to establish a stockpile for the feeding of ROME. The manufacture of pasta for feeding of forward areas has begun and arrangements are well advanced for the manufacture of biscuit for emergency feeding of forward areas. Plans for making use of the local harvest and for its movement from areas with a surplus to areas with a deficiency are well advanced.

18. Food processing has received considerable attention. Plans are in hand to deal with potatoes, tomatoes, marmalade, jam, macaroni, fish (using the salting and drying processes) and yeast manufacture.

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19. Ration Scales.

Supplementary Ration for Heavy Workers. The scheme for the issue of additional rations to heavy workers wholly and in part employed by Allied Armed Forces has been adopted to commence 1.June. This issue will be by means of supplementary ration cards, and these have been delivered to Regional Supply Officers for distribution to the employing units and the process is proceeding smoothly.

Industry and Commerce.

20. Much of the activity of the Industry & Commerce Sub-Commission has been in the direction of rehabilitation of factories and increased production in those concerns that are working. Special attention has been given to the following vital products:-

Soap - requirements of British Army, Italian Army, Navy and Air Force, civilians. Substantial quantities of soft soap will be produced by using the potash from almond-ash.

Glycerine and glycerine dyes for export.

Sulphuric Acid - acid for battery electrolyte has come into production and all British Army requirements will be covered.

Fertilizers - production commencing shortly at seven plants. Sulphur is to be used in place of pyrites.

Carbon disulphide, Cement, Industrial Gases, wire nails and paper.

21. Agreement has been reached with the Italian Government on measures for the future regulation of the manufacture and use of leather. The key to the scheme is control of the production and allocation of tanning extracts, and a survey of these is approaching completion. The project for the repair of salvaged Army boots has been, within its own limitations, very successful, but it is considered that this scheme should be extended even at the cost of manufacture of boots, as the needs of heavy workers for whom this type is suitable are of the most urgent priority. In addition, it is hoped that an early importation of 500,000 pairs of heavy boots will be made, as these, plus local production, would go far towards solving the problem.

22. Export Shipments. Since last reporting the following shipments have been made:-

To U.S.A.....	100,019 lbs.	Lemon Oil.
To U.K.....	10,265 tons	Sulphur.
	336 qtls.	Filberts.

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To U.K.....	10,265 tons	Sulphur.
	336 qtls	Filberts.
	388 qtls	Argols.
	17,731 gals	Lemon Juice.
	243 qtls	Lemon Oil.
	13 qtls	Tangerine Oil.
	37 qtls	Sweet Orange Oil.
	15 tons	Bentonite (sample shipment)
	160 kilos	Briarwood (" ")

23. Hemp products have shown the anticipated increases especially in canvas and sacking; large quantities of binder twine for agricultural purposes have been produced. Supplies to the services have been maintained. The industry has been working for three months on the small stock of spare materials which were in hand. Production must diminish unless items which have been requested are supplied. These items should be regarded as military requirements and priority allocated accordingly.

AGRICULTURE, FORESTS & FISHERIES.

24. The general impression is that most sections of Liberated Italy will have a bumber crop in the present year. This is true not only of grain but of nearly every other crop which is normally planted. Fruit crops such as cherries and strawberries, plums and similar fruits show excellent output, and the general conditions of all crops at the end of May indicates first that most favourable

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weather conditions have offset many of the handicaps resulting from the lack of fertilizers and materials, and second, that Italian farmers in spite of shortage of tools and work animals, and in spite of disruptions due to military activity, have gone ahead and planted the last inches of land and tended and cultivated the crops well.

25. Military installations, such as air fields, ordnance dumps and staging areas, cover a very appreciable portion of the farming land in Southern Italy. While there is considerable damage to growing crops and to agricultural faciltities in some areas owing to the military necessity of taking over planted land or buildings, the military is giving splendid co-operation in this particular phase through the Commanding Generals of the Armies who have issued orders instructing that every care be taken in installations and in the requisitioning of facilities, that proper regard be given to areas and facilities which may be utilised for agriculture.

26. Crop reports on the acreage planted and the condition of the crop were collected from all Provinces and the preliminary forecast on 15.May was:-

Wheat	-	1,624,135	metric tons.
Barley	-	153,460	" "
Rye	-	9,990	" "
Oats	-	271,415	" "
Corn	-	151,775	" "
Dry Broad Beans		208,830	" "
Potatoes	-	590,990	" "

27. The Granai del Popolo. Following close on the re-organisation of the Ministry of Agriculture and the announcement of the programme for collecting wheat and barley last month, activity has been intensified through the Sub-Commission and the Ministry of Agriculture to develop the necessary directives which will make possible the implementation of the collection decree, for the general co-ordination and broad supervision of the collection programme. Reports from the field indicate that the Communal and Provincial Committtees in most Provinces are functioning and declarations are being completed. Assessment forms are being printed and will be available in time for the harvest and threshing. Special decrees and directives dealing with the collection of other crops are being prepared and worked out in co-operation with the Italian Government. A programme of publicity and propaganda has been worked out by members of the staff, the Italian Government and PWB, utilizing press releases, posters, radio, sound trucks and motion pictures, in order that every citizen of Italy may realise the importance of the attempt this year of Liberated Italy to assist itself.

28. During the month inspections of important mills in the Provinces of SALERNO, POTENZA and COSENZA were made to ascertain what mills were able to provide bridge and construction timber. Eleven mills were examined and four found having machinery capable of sawing logs, 4 metres or longer in length. Public Works and Utilities Sub-Commission was notified of those considered of special interest to them.

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1453

29. Fisheries. The 21 tonnara around the Sicilian Coasts are in full swing and part of the harvest is being shipped to Naples. The remainder is being sold on the local markets as fresh fish food or is being either canned in olive oil or salted. Several shipments of hemp cordage were made to Region V during the month. Reports from Sardinia indicate that there is a normal run of tuna fish. The heads of the Fisheries Division of the Agriculture Sub-Commission and of the Ministry of Agriculture made a complete survey on fishermen's needs in Region VII. Hemp cordage necessary to make and repair nets has been distributed to every fishing village from SALERNO to REGGIO CALABRIA. As soon as the material is made ready shipments will be made to fishing villages on the IONIAN Coast.

PUBLIC WORKS & UTILITIES.

30. Highways and Bridges. At the beginning of the month eight bridges on main highways were under constructions, and at the end of the month this number had risen to fifteen. Ten new bridges were under survey and design at the end of the month, or were being let out to contract. At the end of May heavy repairs of a major character were in hand on 158 miles of roads, mostly under contract, whilst normal repairs on 791 miles were similarly in hand, either by

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contract or under strengthened gangs of the "Cantonieri" (direct labour). In spite of abnormally heavy traffic throughout the northern Military Government territory, there was a marked improvement in road conditions during May, both as to foundations and surfacing. All roads coming under first priority (military) were in hand, except for certain delays occasioned by local shortages of bitumen, or transport. The total number of quarries operated rose during May from five to eight.

31. Electrical Division. Under the heading of control of electric power supplies, further meetings were held with officials of the Public Works Ministry regarding a more uniform application of the decree on electricity rationing. The rationing has given very marked and on the whole satisfactory results, with a corresponding saving in coal consumption at thermal power stations, and conservation of the water held in storage at various high-level lakes and impounding reservoirs which furnish power to the numerous hydro-electric stations. The transfer of electricity generating plant from PALERMO (Sicily) to MATESE on the mainland was not found possible during the month, but will be completed in June.

LABOUR

32. Continued representations were made during the month to the Italian Government for the creation of a civilian mobilization law providing for manpower, and it is being given further consideration. The revised draft of the basic labour law was re-submitted by the Italian Government and is now being considered by A.C.C.

33. The labour situation remained fairly static. The continued threat of strike persisted and "sit-downs" of short duration were not uncommon. Unrest was more marked than in any previous month and the Labour Sub-Commission is convinced that there is systematic agitation of the workers coming from one or two major sources. The real cause of the unrest is food, not low wages.

34. Drafting of the Social Insurance plan in close collaboration with the Italian Minister is proceeding slowly. The Social Insurance structure, like the wage structure, is most complex and has never been systematically analyzed by the present Italian Government. The lack of knowledge, on the part of the Ministry, of Italian wage and social insurance laws and regulations is placing a tremendous burden upon the military authorities, who are being asked time and again by the Italian authorities to approve some ill-considered and unworkable scheme based upon fancy rather than upon fact. A social insurance programme is being drafted for direct employees of the Armed Forces in conformity with sound labour policy. The extension of social insurance to this large group of workers has been approved in principle by the A.A.I. Local Resources Board.

TRANSPORTATION

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TRANSPORTATION

35. Railways. Whilst military control becomes less rigid in the south, in the north extended territory and preparations for further extension led to an increase in traffic to military railways. Arrangements were made for civilian mails to be conveyed twice weekly on the Naples - Bari military passenger train, and arrangements will shortly be completed to convey civilian mails over other parts of the service. Five additional passenger services have been introduced to meet civilian needs in the Naples - Salerno area.

36. The Coal Division has been placed under the Transportation Sub-Commission for the purpose of drawing up in conjunction with the Italian Government control organisation for handling and distribution of coal.

37. Road transportation problems have been considerably eased by the receipt of a quantity of tyres and tubes for trucks; more have been authorised and when received additional problems will be solved. The total number of trucks available to the end of the month for the transport of civilian supplies was 604. Re-allocations have had to be made to meet anticipated requirements consequent upon military operations.

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CONFIDENTIAL

38. Shipping. The scheme for the control of auxiliary motor sailing vessels received the approval of all interested bodies and is now in operation. Further progress has been made in the registration of Italian schooners. Up to the present 489 vessels representing about 39,000 deadweight tons have been registered. Of these, 231 are each under 50 tons but over 20 tons deadweight. In addition, 55 motor vessels of 2250 deadweight tons in Sardinian ports are being registered. During the latter half of May, 99 schooner voyages were reported serving 35 ports and various Islands. The quantity of commercial cargo carried amounted to 7247 tons of which timber, 2227 tons, was the largest item, followed by 1312 tons of foodstuffs, fruit and fish. Wine cargoes are not included.

INTERIOR

39. The Royal Decree restoring Local Government in Italy is being made applicable to Military Government territory. Pools of Local Government officers of various grades are being constituted as a reserve for use where no suitable persons to replace the relieved officials can be found locally in recovered territory. Teams of officials have been sent forward to re-organise the devastated Frosinone and Littoria Provinces.

LEGAL

40. The successive passing of increased responsibility to Italian Courts is proceeding with the object of freeing officers for more forward areas.

41. The consolidations of proclamations and orders and the issue of the booklet of "Consolidated Instructions for Allied Military Courts" have proved valuable both as helps and as a simplification.

42. Fascists are being dealt with in two ways, under the Decree of Defascistization of 28 December and under the recent Decree of Epuration. The former is a purely purging decree and provides the machinery for removing Fascists from office. The machinery is not yet properly at work. The latter is a penal decree and provides the machinery for punishing those who have been guilty of "crimes" - this decree has only just been passed. No action under it has yet been possible. The progress of both classes is a matter of special care and interest.

43. In espionage cases seven death sentences were confirmed and one conviction, with death sentence, was squashed.

44. Some improvement has been shown as to the number of cases awaiting trial and in the prison situation but constant watchfulness is necessary if it is hoped to get Italian Courts to deal with cases with reasonable expedition.

PUBLIC SAFETY

1930

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PUBLIC SAFETY

1452

45. The plans for moving Carabinieri into new territory as the Armies advance have worked smoothly. It has been reported on all sides that the Carabinieri have proved of the greatest assistance to Allied Forces in dealing with all civilian problems. It is interesting to note that the appearance of Carabinieri with the advancing troops has been enthusiastically welcomed by civilians.

46. Much closer relationship has been established between Provost and Public Safety Officers, with the object of maintaining direct contact between Allied Military Police and the Italian Police. Courses of lectures by Public Safety Officers are being given at Military Police Training Centres. The system of joint patrols by Allied and Italian Police is being extended.

47. The most serious case of counterfeiting yet discovered was at Palermo, where forged L. 1,000 Allied Military notes were being circulated. The printing press, tools and materials have been seized, 39 persons arrested and L. 42,000,000 recovered.

1931

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48. The problem of overcrowding in civil prisons has been energetically tackled and the crisis has passed. All concerned now have a lively appreciation of the problem. The new Director of Prisons at the Ministry of Justice is forming a competent staff and a body of Inspectors.

49. The Military Security Services have reported that the additional restrictions imposed on the movement of civilians, which have thrown a good deal of work on ACC officers in the field, have proved of great value in checking the activities of enemy agents.

PUBLIC HEALTH

50. Smallpox. No further cases have occurred in Taranto, the disease in Naples is of a mild form. At 31 May 161 cases had been reported. There are no deaths.

Venereal. The decline of the V.D. rate continues. 2,000 hospital beds for infected prostitutes have now been provided in Italian Government territory. The Italian Government doctors and officials are co-operating well.

Malaria. AMI has made a considerable amount of Paris Green available for Regions. DDT Powder which proved of such value in Typhus Control is now proving of value in anti-malarial work, mixed with oil it is an effective larvicide, and mixed with kerosene or talc it is an effective destroyer of adult mosquito.

Veterinary. 2,500 swine have been lost in Region V from Swine Fever/Hog Cholera. The production of vaccine for this disease and of other biologicals is proceeding satisfactorily.

EDUCATION

51. Defascistization of Educational personnel is not proceeding in Italian Government territory as rapidly as is desired, but some improvement has been manifest recently. There have been a number of student disturbances mainly of a more or less good humoured nature to obtain the benefit of successfully passing an examination without undergoing the burden of a test.

52. The text book printing is now complete. If text books are to be ready for next year a million will have to be printed during the next few months. The work is in preparation.

53. The development of various educational channels for infants, for recreation,

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52. The text book printing is now complete. If text books are to be ready for next year a million will have to be printed during the next few months. The work is in preparation.

53. The development of various educational channels for infants, for recreation, for youths (including scouts), for adults, for extension classes, for the teaching of arts and crafts and science and for technical education are all proceeding.

PROPERTY CONTROL.

54. A decree has been passed revoking measures previously taken against the property of Allied - French Nationals. Local officials have accordingly been instructed by the Ministry of Finance to revoke orders for sequestration and to re-assign property to the owner or the Property Control Officer for the owner. Banks which had been acting as managers of sequestrated properties will continue to manage them for their owner. The Bank managership is proving very satisfactory.

MONUMENTS & FINE ARTS

55. M.F.A. officers have been well forward and have entered captured positions with, or shortly after the capturing troops. The MAAF is granting every facility for co-operation to avoid inadvertant damage and to enable damage committed to be tabulated.

56. The following lists of protected monuments have been issued to forward troops :

Section 1 - Sardinia and Sicily.
" 2 - Apulia, Calabria, Campania and Lucania.
" 3 - Abbruzzi and Lazio.
" 4 - Le Marche, Tuscann and Umbri .

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57. A booklet on the preservation of Works of Art with a foreword by the C. in C. Mediterranean Theatre has been distributed to the troops.

COMMUNICATIONS

58. Telecommunications. No major changes have taken place in the Telecommunications system. Detailed development has been in steady progress; in particular, the capacity of the telegraph circuits to Naples has been made adequate for the traffic with that city. The telephone circuits available for the Italian Government to Naples are inadequate, and an increase in these facilities has been requested of the military authorities.

59. Posts. Detailed improvements have included the provision of four mail services a week from Naples to Bari (in place of two a week), and an airmail service with Tripoli. The sequence and circumstances in which the resumption of postal finance services, advance postal services for P.O.W. mail, and normal postal services in newly occupied areas has been agreed and instructions issued.

60. Censorship. A policy has been agreed and approved to turn over the operational control of internal mail and telegraph censorship to the Italian Government in Italian administered territory, and simultaneously to permit this control to be exercised by the Italian Supreme Command instead of by local Prefects acting under instructions of the Ministry of the Interior. This has the result of centralising the control, and of ensuring that civil censorship is made primarily an instrument of military security and not a source of political information. Policy control is retained and the normal direct executive control by Allied censors in areas forward of the Italian Government territory is not affected.

INTERNEES & DISPLACED PERSONS

61. General. The numbers of refugees this month from Yugo Slavia were small compared with preceding months; 2895 persons were received, of whom some 2488 were women and children.

62. During the month 571 Zionist Jews were embarked for Palestine. This emmigration, the first of its kind from Italy since the commencement of the War largely concerned Jewish refugees located in Ferramonti and Di Bagni Camps. Many problems had to be faced in this first emmigration to Palestine, and the lessons learnt will be put to good use when a similar movement of Jews has again to be dealt with.

63. With impending operations likely in mid-May it was decided to organise approximately 1/8th of the Sub-Commission to find an Advance HQ and three Forward Groups. The extra work thrown on to individuals has been dealt with with energy and cheerfulness by all concerned. The organisations by which persons are to be

1934

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INTERNEES & DISPLACED PERSONS.

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64. Medical. Yugo Slav and Italian civilians are being used to replace military personnel in the Medical Branch and several members of the Friends Ambulance Unit are now numbered amongst the staffs. Maglie Hospital still maintains a creditable military standard of efficiency. Both Leuca and Maglie hospitals are working to capacity and their bed-strength is being increased. The first course for training nurses was completed and of the original 30 who desired to be trained, 15 qualified. A second class of thirty has commenced training. There has been a mild epidemic of measles. Several cases of Whooping Cough and a few of Mumps and Scarlet Fever. Pulmonary Tuberculosis has also been shown to be fairly common. Most cases are absorbed into civilian sanitoriums. Red Cross personnel and Friends Ambulance Unit continued to render yeoman service.

65. Records Bureau. Approximately 31,500 persons have now been recorded. 1,050 enquiries have been booked out of which 375 definite answers have been received. Enquiries for Southern Italy are decreasing as certain results have been obtained and it has been stressed for some time now that the postal channels now available should be used. Enquiries are already coming in for areas nearer the old front line and it is estimated many more enquiries will come in shortly. The Foreign Relations Department of the British Red Cross have established a

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system whereby they accept enquiries from the American Red Cross, Allied Red Crosses, numerous Jewish organisations, and so on, which is an invaluable help in work of this character. The past months have proved beyond doubt the importance and immense psychological value of this work of handling enquiries and communications of displaced persons and this bureau has been able to co-operate with M.E.R.R.A. and other outside organisations fairly effectively.

66. Statistics. As at May 31 (unless otherwise stated) :

Refugee population in Camps and Hospitals	-	4,843
Reception during May (by ship)	-	2,895 +
Reception by means other than ship	-	10
Shipped to Mideast (Jews to Palestine)	-	571
Gross total shipped to Mideast to date	-	20,391

+ of which 911 were women and 1577 were children under 16 years.

REFUGEES (ITALIANS)

67. The Italian military personnel working under the direction of the Refugee Branch for handling refugees from the forward areas has been increased steadily and by the end of the month was 111 officers and 1040 other ranks, an accession of strength of 26 officers and 659 other ranks.

68. Movement during the month :

From 5 Army (by road)	-	4589
From 8 Army (by road/rail)	-	8020
Total		12609

To dispersal areas southward :

To Region I	(Sicily)	- 3971
To Region II	(Bari Province)	- 1388
To Region III	(Naples, Salerno & Avellino Provinces)	- 1440
To Region VII	(Reggio & Catanzaro Provinces)	- 1651
	Total	8450

In addition 1415 were dispersed to Local Homes and 878 handed over to the Italian Military authorities for possible military service.

[illegible] the unrest amongst the refugees in the South

1936

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69. As the Armies move forward the unrest amongst the refugees in the South increases. Refugees find it hard to live in the dispersal areas and are eager to return to their homes and property, whether it is intact or not.

PUBLIC RELATIONS

70. Early in the month an officer of the Commission's Public Relations Branch was attached to each of the Armies operating in the field, and these officers were in close touch in preparation for the active period expected. As a result contact was maintained with events and war correspondents and proper publicity was assured.

71. A number of items dealing with the work of ACC have been released to the press, the photographers attached to the Branch have covered stories of varied interest in the towns recently liberated, refugee camps and the forward areas generally.

72. The routine work was not neglected. Liaison with Sections, Branches, Boards and Regions was maintained, a particular feature being visits to Conferences and meetings held in the Regions. The weekly bulletin is proving increasingly useful and popular, especially in the southern Regions where authentic and up-to-date news percolates only slowly.

H. W. Stone

HARRY W. STONE,
Captain, RNVR.

1937

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1938

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HEADQUARTERS
...ARE CONTROL ORGANIZATION
...blic Safety Sub-Committee

...Information/information

To: .....

E.C.I .....

E. Officer .....

Police .....

Prisons .....

Fire & C.D. .....

M.O.H. & Licensing .....

Wel. Officer .....

Remarks .....

.....

.....

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Public Rec. Off.
Reg 23/5
4A
30 MA

HEADQUARTERS,
ALLIED CONTROL COMMISSION,
APO 394.
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REPORT FOR APRIL 1944.

1. The major change in organisation has been the division of the stretch of Italian Government territory hitherto administered as Region II into two distinct Regions. Road, rail and telephone communications are poor and confronted with the difficult problems of supply and refugee disposal, Calabria, Apulia, and Lucania had become unwieldy. Region VII was therefore constituted by splitting off Calabria from Region II. The HQ of the new Region was established under Colonel KIRKWOOD at CATANZARO. The staff of the Provinces of Cosenza, Catanzaro continued at their posts.

2. Most of the initial difficulties of the change over from Government to control have now been surmounted. The more frequent visits of HQ officers to the Regions have proved welcome in the Regions and helpful to all parties. At the same time, visits of field officers to Headquarters have become more numerous to the benefit of all concerned.

3. The Regional Commissioners and Sub-Commissions conference occupied three days, 14th, 15th and 16th April. The full discussion of common problems of Regional Commissioners, SCAO's Army AMG and the Directors and members of the Sub-Commissions was the means of arriving at solutions in many cases and lines of future action in others. Particularly was this observed in the consideration given to the problem of the harvest and the effect which it will undoubtedly have on the future of the Italian people. More exact details of the results will appear later in this report.

4. Throughout the whole of liberated Italy there is more political activity, generally of an orderly and quiet kind directed towards organisation and definition of objectives. The political inexperience of people, who have been compulsorily inarticulate for so long has had some strange effect. It is hoped that the growth of local administrations now possible under the schemes for re-organising local government from communes to provinces may cr[redacted] a greater sense of civic responsibility and consequently an increase in political sense.

5. In general popular opinion expresses more confidence in the newly constructed Government of Marshal Badoglio. The tendency everywhere is towards moderation, though there are still many signs of apathy. The broken morale of the Italians is by no means restored but a hopeful sign is the reception given to schemes for municipal and communal cleanliness, anti-malarial measures and measures adopted for the control of diseases that might become epidemic.

6. There are [illegible]

1945
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6. There are incipient labour troubles in all Regions. Nearly all these are concerned with food; demands for increased wages relate to the cost of living. It is the policy of the Commission to relieve these local troubles by methods that do not involve increases in the wage rates or embarrassing increases in the ration scales.

7. With the departure of Lieut.Colonel McCaffrey from Region II for another sphere, Colonel J.T. Zellars took command of the Region.

8. Two main topics occupy the minds of all officers of the Commission - the probable extension of Military Government activities as a result of military operations and the forthcoming harvest and collection of commodities.

POLITICAL.

9. The political crisis which began with the unanimous resolution of the Communist Party on 1st April, and proceeded to the King's request on 17th April

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to the Marshal to form a new Government, was finally resolved on 21st April when Badoglio succeeded in forming a Government in which all the six recognised opposition parties were represented. The new Government is as follows:-

Prime Minister and Minister of Foreign Affairs		- Badoglio
Ministers without Portfolio:		
	ACTION PARTY	- Sforza
	LIBERAL PARTY	- Croce
	COMMUNIST PARTY	- Togliatti
	SOCIALIST	- Mancini
	CHRISTIAN DEMOCRAT	- Rodino
Minister of the Interior	CHRISTIAN DEMOCRAT	- Aldisio
Under-Secretaries	SOCIALIST	- Salerno
	ACTION PARTY	- Caracciolo
Minister of Finance	NON-PARTY	- Quintieri
Under-Secretary	COMMUNIST	- Pesenti
Minister of Communications	LABOUR DEMOCRAT	- Cerabona
Under-Secretaries	NON-PARTY	- di Raimondi
	NON-PARTY	- Fano
Minister of Public Works	ACTION PARTY	- Tarchiani
Under-Secretary	LABOUR DEMOCRAT	- Cilento
Minister of Agriculture	COMMUNIST	- Gullo
Under-Secretary	LIBERAL	- Bergami
Minister of Justice	LIBERAL	- Arangio Ruiz
Under-Secretary	LABOUR DEMOCRAT	- Lombardo
Minister of Education	ACTION PARTY	- Omodeo
Under-Secretary	CHRISTIAN DEMOCRAT	- Jervolino
Minister of Industry	SOCIALIST	- di Napoli
Under-Secretary	CHRISTIAN DEMOCRAT	- Sansonetti
Minister of War	NON-PARTY	- Orlando
Under-Secretary	COMMUNIST	- Palermo
		- de Courteen

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Minister of Agriculture	COMMUNIST	- Bergami
Under-Secretary	LIBERAL	
Minister of Justice	LIBERAL	- Arangio Ruiz
Under-Secretary	LABOUR DEMOCRAT	- Lombardo
Minister of Education	ACTION PARTY	- Omodeo
Under-Secretary	CHRISTIAN DEMOCRAT	- Jervolino
Minister of Industry	SOCIALIST	- di Napoli
Under-Secretary	CHRISTIAN DEMOCRAT	- Sansonetti
Minister of War	NON-PARTY	- Orlando
Under-Secretary	COMMUNIST	- Palermo
Minister of the Navy	NON-PARTY	- de Courteen
Under-Secretary	SOCIALIST	- Albergo
Air Minister	NON-PARTY	- Sandalli
Under-Secretary to the Presidency	LIBERAL	- Morelli

The Party division of the whole Government, including Under-Secretaries, gives the following picture:

Left	Action Party	-	4
	Communists	-	4
	Socialists	-	4
Moderate	Labour Democrats	-	3
	Christian Democrats	-	4
	Liberals	-	4
Non-Party (including Badoglio)		-	7

1942
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10. The first formal meeting of the new Government took place on 27th April. The official declaration of policy made after the meeting may be summarised as follows:-

(a) The Government is formed from representatives of anti-fascist parties no longer opposed to one another, but united in the effort to solve the vital problems of the moment.

(b) Other problems, not of immediate urgency, will be set aside, including the institutional one, which can only be decided by a constituent assembly elected by universal suffrage.

(c) All the parties, according to their beliefs, are prepared for the fundamental reforms necessitated by two world-wars; but such reforms cannot be initiated or completed while Italy is cut in half and still at war.

(d) The renewal of democratic government provides a new spirit, lacking under Fascism, for the prosecution of the war at the side of the Allies, and for the heroic endeavours of patriots of every party now united in the defence of Italy and the conquest of Hitler's Germany.

(e) The necessity of war involves the severest measures against all traitors and the freedom of Italians from all those who, having served Fascism, still cling to its habits, hopes or aims.

(f) Such work must not be actuated by a spirit of revenge, but by a determination that Fascism shall never recur. The work has been put in hand and will be carried energetically to a swift conclusion.

(g) Government action will be based on the urgent necessity of improving conditions of life by increasing industrial and agricultural activity, fighting speculation, smoothing internal exchange of products, obtaining essential supplies from abroad, and hastening the construction of public buildings, roads and bridges. For such tasks the Government counts upon the co-operation of all professional organisations.

(h) Administration, despite difficulties of archives, accommodation and personnel, must be regularised and it is proposed to re-establish the State Accounting Office and the Accounting Court. It is proposed also, in co-operation with the Committees of Liberation, to establish a small Consultative Body, symbol of Parliament, to which periodical reports of progress will be made.

FINANCE.

11. It is still almost impossible to obtain any budget estimates even on a monthly basis from the Italian Government which prepared expenditure estimates only when it felt

1943
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FINANCE.

11. It is still almost impossible to obtain any budget estimates even on a monthly basis from the Italian Government which prepared expenditure estimates only when it felt the need for additional supplies of currency. Such estimates are not expenditure estimates but solely estimates of cash disbursements. The failure of the former Minister of Finance to initiate the preparation of a budget for the remainder of the current year means that Regions I, II, VI and VII are now operating without any form of budgetary control.

12. A proposed procedure for exercising control over Government expenditures submitted to the Italian Government during the month, is now being considered. The draft of a war profits tax decree to include farming profits and a memorandum detailing the long-term changes required in the Italian tax system have been prepared.

13. Since July 1943 the Italian Government and its agencies have disbursed about 28 billion lire of which only 4 billion was offset by gross revenues. In March the excess of Government expenditures over revenue was approximately 3 billion lire. During April the separate pools of currency reserves held at the various branches of the Banca d'Italia were brought under central control. The currency needs of deficit Regions are now met not by AMG but by transferring currency from Regions with surplus currency.

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14. Though there has been an increase in the black market prices of bread, potatoes and meat during the month, the black market price of fish fell from 250 to 125 lire per kilo as a result of the ACC development of fish supplies and the establishment of a fish marketing programme. Olive oil also declined in price due to rations issued at the end of the months of March and April. Supplies of spring vegetables also helped to reduce the cost of living in Naples at the end of the month to a figure lower than at any time since February.

ECONOMICS, RESOURCES & SUPPLY.

15. Food. Over half a million tons of civilian supplies have now been received, 106,000 tons being handled this month. The proportion of grain to flour is increasing. The scale of distribution of bread and miscellaneous foodstuffs was maintained.

16. Olive oil is now being supplied in sufficient quantities to make a universal ration available. Considerable quantities of unrefined oil exist in Southern Italy and the arrangements in hand for supplies of caustic soda for refining should make it possible to keep up the present ration for several months.

17. The check on ration cards in Naples has been continued and extended to all Regions. The indications are that an appreciable measure of success in the proper distribution of food supplies will be attained.

18. Mining. Shipments of Sardinian coal during April were:-

To Southern Italy	-	10,170 metric tons.
To Sicily	-	14,500 metric tons.

By the end of the month the 10,000 tons of sulphur asked for by the Ministry of Supply was ready for shipment and loading was in progress.

19. Exports. Shipments:-

To United Kingdom:	Hemp	-	400 tons
	Rope	-	9½ tons
To United States:	Wine	-	278 barrels
	Lemon Oil	-	100,000 lbs.

20. Hemp. Production figures compare favourably with those of the previous month:-

Hemp and tow	-	1,418 tons	decrease 52 tons
Canvas	-	70,150 metres	increase 5239 metres

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To Sicily - 14,500 metric tons.

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	Rope	-	9½ tons
To United States:	Wine	-	278 barrels
	Lemon Oil	-	100,000 lbs.

20. Hemp. Production figures compare favourably with those of the previous month:-

Hemp and tow	-	1,418 tons	decrease 52 tons
Canvas	-	70,150 metres	increase 5239 metres
Sacks	-	140,225	increase 37905
Ropes	-	3,923 tons	decrease 452 tons
Binder Twine	-	1,960 quintals	increase 1880 quintals.

Considerable quantities of hemp products were supplied to the Services. The present heavy demands for canvas will be more adequately met when the several small factories that have been rehabilitated during the month come into production in May

21. The project for the repair of salvaged footwear is now in operation though only on a small scale pending the arrival of grinders and the increased production of leather. Output is now 500 pairs per day. This can be increased to 1000 pairs per day.

AGRICULTURE, FORESTS & FISHERIES.

22. Agreement was reached with the new Italian Government for a co-ordinated control of agriculture at all levels, Communal to Provincial, Compartmental and Ministerial. The necessary decrees for the collection of wheat and barley have been drawn up and details of the organisation of the committees that will give effect to the decrees have been published.

1946

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23. Retentions of grain for seed will again be permitted but on a reduced scale. Retentions on a production-worker basis have been drastically cut. Both these measures are designed to obtain as large a collection of these vital commodities as possible.

24. To divorce the old associations of AMASSI and FASCISM from the minds of people and farmers and to focus the attention of the Italian people on the efforts that they must make to satisfy their own needs for food, the term "Il granai del Popolo" (The people's grain) is being used instead of "amassi" in all harvest publicity and references to "amassing" will be avoided in favour of "contributing" and "collecting".

25. The price to be paid to the farmer for wheat has been the subject of much discussion. Recommendations varied from 640 lire per quintal to 1800 lire per quintal. The price has been fixed at 1000 lire per quintal for hard wheat, and 900 lire per quintal for soft.

26. Forestry. 500 tons of fuelwood have been provided for 5th Army. Other plans for the provision of timber are in hand in consultation with the Italian Royal Forest Corps.

27. Fisheries. Fish production continues to increase. Materials have been furnished to enable new nets to be made and old ones repaired. The industry can now make a useful contribution to the food supply. Fishermen have been moved from areas where night fishing is prohibited to unrestricted areas.

LABOUR.

28. Negotiations are started in connection with manpower mobilisation, pensions, establishment of Trade Unions, Labour Offices, and the governance of Labour Relations. It is hoped that the Italian Government will produce legislation covering these subjects.

29. The actual labour situation has been especially tense in Public Utilities. Many disputes proved to be complaints about food rather than wages. Wage studies have been instituted in Public Administrative Services, printing trades, sulphur mines, leather goods trade, as well as Public Utilities.

PUBLIC WORKS & UTILITIES.

30. Highways and Bridges. In Southern Italy about 330 miles of military priority highways are being resurfaced, or completely reconstructed. Numerous bridges are being rebuilt, generally involving wholly new designs. The armies are providing 200 trucks, on loan, until the 4000 tons of transport and other heavy engineering equipment arrive from U.S.A. Operatins in stone quarries and crushing plants are increasing.

1440

1947
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31. Electrical Division. The Italian Decree rationing electricity came into force on 5th April. Public Works officers are enforcing observance in conjunction with various electrical supply companies. This rationing is of vital importance to conserve energy for Rome, and north thereof. Arrangements were completed for the reconstruction of a transmission line from north of the Garigliano River to Rome, involving probable employment of 300 to 400 civilian workmen. A very large hydro-electric turbine plant was planned for removal from Sicily to Southern Italy where it is urgently required; actual transfer will take place in May.

32. Public Works. Very good progress has been made in clearing Messina and Cagliari. Arrangements have been made with Malarial Control Branch for execution of necessary engineering projects, e.g., pumping operations, etc. The eruption of Vesuvius necessitated remedial measures, including retaining walls on the mountain, which are expected to cost 370 million lire.

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TRANSPORTATION.

33. No major difficulties were experienced in the first full month's operation of the Sicilian railways under ACC supervision. Some war-damaged lines have been re-opened, train services have been increased, some damaged locomotives are being repaired, and plans are in preparation for sending scrap to U.S.

34. Approximately 70,000 tons of civilian freight were carried on the mainland railways. 45% of this total was arranged through ACC officers in the field and the rest was accepted through the "bidding" system. Though the basic schedule of civilian freight trains has been reduced at military request, ACC are notified daily of available space for civilian freight on military trains. Movement has improved.

35. 512 military trucks with civilian drivers and 120 Italian Army trucks are now being used for the transport of civilian supplies. (An additional 104 military trucks will be in operation during May).

36. Shipping. A scheme for the closer control of all Italian schooners has been submitted to MEDBO with the request that this be issued as a AFHQ directive. Another 225 Italian schooners have been registered making a total of 375 vessels, with a deadweight tonnage of 30,000 tons, the employment of which is directed by MEDBO. Schooners are not now allowed to sail between Sardinia and the Italian mainland and Sicily.

INTERIOR.

37. A Royal Decree reconstituting Local Government has now been published. Its effect is to continue the arrangements in regard to local administration introduced in AMG areas before the restoration. Steps are being taken to secure uniformity by applying when practicable the provisions of the Decree to Military Government territory.

LEGAL.

38. The work of consolidating the original fifteen AMG proclamations into four, with new translations of each, was completed. The mechanisation of the implementation of Italian Government decrees in Allied Military Government territory has been in operation since the beginning of the month and is working satisfactorily.

39. Allied Military Courts continue to function satisfactorily. Arrears are being overcome in the Naples area; there was a reduction in the number of cases compared with the previous month.

1949

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40. A handbook "Consolidated Instructions for Allied Military Courts", containing in addition to the Instructions, specimen Legal Forms and Rules for Procedure together with Italian translations of the latter, has been prepared. This translation is for limited distribution amongst Italian authorities and Avvocati appearing in Allied Military Courts.

41. The figures for April in respect of espionage cases are as follows:- 7 death sentences were confirmed; 7 death sentences were commuted to terms of imprisonment; 6 cases were submitted for confirmation; 2 sentences each of 20 years imprisonment were affirmed on review; 2 accused were acquitted. Proceedings were commenced against a Director and two Managers of the Manifatture Soboniere Meridionali on charges relating to black market offences. The trial attracted much attention and publicity as the three accused were formerly influential Fascists. All three accused were convicted and each sentenced to 5 years imprisonment.

42. The first trial by an Allied Military Court in Unoccupied Territory took place during the month at Salerno. The two accused were charged in respect of a series of thefts from a British Army Post Office. They were both convicted and sentenced to 10 years imprisonment.

1950

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PUBLIC SAFETY.

43. Police. Law and order has been well maintained with the exception of one serious incident between civilian and French troops which occurred in Trapani Province, Sicily. This is the subject of a full inquiry which is now proceeding. The situation is now quiet. The civil police have rendered excellent service in dealing with refugees, clearing military roads and controlling civilian movement.

44. Fire and Civil Defence. The Minister of the Interior has issued instructions for the civil defence organisation in Italian Government territory to be absorbed into the fire service. This will mean a large reduction in civil defence personnel.

45. Prisons. The overcrowding of civilian prisons has become more acute. The latest available figures show that throughout the Regions there are prisoners detained in prisons, the normal capacity of which is 19,963 and some prisons are filled to over twice their capacity. There are many contributory factors, the chief being the requisitioning of civilian prisons by Allied Forces (1860 places), the detention of Italian Military prisoners (1784 places) and war damage to jails (1891 places). A committee has been set up with instructions to find a solution to this problem and has already achieved results.

PUBLIC HEALTH.

46. A few cases of smallpox have been reported. Measures have been taken to prevent epidemic.

Venereal Disease. The setting up of hospitals for the treatment of infected women is retarded owing to the difficulty in obtaining beds and bed furniture. Statistics show a diminution in the number of cases amongst troops stationed in Naples.

Typhus. This is now so well under control that no reason remains for reporting the case incidence.

Veterinary. Four diseases have become marked in different parts of Italy, Rabies, Glanders, Epizootic Lymphangitis and Swine Fever. The Italian Minister of the Interior immediately issued instructions concerning the proper counter measures to be adopted in the territory under its control. Similar instructions have been issued for the Military Government area.

EDUCATION.

47. A number of the decrees issued by Allied Military Government providing for the decentralization of the control of schools have been confirmed by the Minister of Education, and will therefore continue to apply in the territory administered by the Italian Government. The defascistisation of schools is not yet completed, though a plan has been evolved which will authorise Superintendents to suspend undesirable officials.

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1951
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1952
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The publication and distribution of the revised elementary school text books was continued. The new books have met with widespread approval and are to be re-printed by the M.E. Command for use in North Africa.

PROPERTY CONTROL.

48. The Minister of Finance prepared a decree revoking the application of the provisions contained in the War Law to the property of United Nations and French Nationals, and the Minister has sent out an instruction to all Prefects and Intendenti di Finanza detailing the procedure to be followed when the decree is published.

49. In Region I, most of the property of the Italian Government (including that of semi-statal institutions) taken into custody by AMG has been formally handed back. Fascist funds standing in the name of the CP have been or are being transferred to the Commissario Straordinario appointed by the Italian Government.

50. In Region III estates of 80 Allied and French owners and 35 commercial and industrial concerns have been taken into custody.

MONUMENTS, FINE ARTS AND ARCHIVES.

51. List of Protected Monuments No.3 (Lazio and Abruzzi-Molise) is in the press. Work on the preparation of the remaining lists continues.

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COMMUNICATIONS.

Telecommunications.

52. Telegraph. The extension of the internal telegraph service has been authorised to include Avellino Province and Naples Province up to the R. Volturno. Service with Naples City has been inaugurated; by the end of the month about 850 messages a day have been passing through Naples post office. The internal telegraph service is now restored to about 65% of the communes in Italian Government Territory which previously had such service, and includes all provincial capitals and large towns.

53. Telephones. The civil telephone service, previously limited to urban calls, has been authorised for calls within provincial boundaries. Within Italian Government Territory about 12% of the communes now have telephone communications to their provincial capitals and a further 9% to the local large town not a provincial capital. The repair of the main Salerno - Reggio cable has been completed, making many additional long-distance telephone circuits available to the Italian Government. Direct telephone service for official use is now available from Salerno to all provincial capitals on the mainland in Italian Government territory, and to Palermo, Messina and Catania in Sicily.

Plans have been completed as far as practicable for the restoration of telecommunications in enemy occupied Italy. Available equipment in Southern Italy has been inspected and suitable items earmarked for future use; details of additional equipment needed have been forwarded to AFHQ for supply from US or UK.

54. Posts. Arrangements were completed for restoration within the postal zone of internal service for the following classes of mail:

Registered letters
Insured letters
Express letters
Newspaper post
Airmail (Italy - Sicily - Sardinia)

Maximum weight allowed was raised from 90 grams to 250 grams per letter.

Foreign Mail. The first inward foreign civil mails arrived during April, and included consignments from the US, USA, North Africa, Egypt, India and Australia. The first New York consignment to reach Naples arrived on 21 April and comprised some 200,000 items.

55. Censorship. The Civil Censorship Group, Italy, formerly operating under INC, AFHQ, was transferred to ACC towards the end of April. The Headquarters personnel was moved from Palermo to Salerno and the group now forms part of the Sub-Commission, the title of which has been changed to the more inclusive one of the Communications Sub-Commission.

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Insured letters
Express letters
Newspaper post
Airmail (Italy - Sicily - Sardinia)

Maximum weight allowed was raised from 90 grams to 210 grams per letter.

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INTERNEES & DISPLACED PERSONS.

56. General. Refugees this month from Yugoslavia were as in March, composed of children, women encumbered with large families, old men and old women. The orphans' homes at Di LEUCA and Di BAGNI are doing good work and have had a very satisfactory beginning. That at Di Leuca is now in full running order. The school, gardening and games are organised and a large quantity of toys have been made by the RED CROSS representative at No. 1 Camp, BARI and distributed to the children. A large number of Jews were moved from BARI to Di BAGNI Camp, only those remaining who had employment at BARI and their close relatives.

57. Medical. A general all round improvement may be recorded for April. One sign of progress was evident when nearly 2,000 refugees were received on one day and were all disinfested, vaccinated and inoculated before passage to Holding Camps. The entire British Staff at Di LEUCA Refugee Hospital was withdrawn on 24 April and the hospital is now staffed by Yugoslavs who are working as well as can be expected, bearing in mind their lack of experience. One case of typhus occurred during the month. Seven members of a Hospital Unit of the Society of Friends are working at two hospitals of this Sub-Commission and giving invaluable service. Red Cross personnel at Hospitals and Camps have contributed very largely in assuring the welfare of the inmates.

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58. Records Bureau. To the 30 April, 24,400 persons have been recorded, of whom 13,950 have been evacuated. 3,000 present whereabouts unknown, the remainder in camps or residents at known addresses (own or employers), 300 in hospital, 42 dead. 31 nationalities are involved. About 600 RED CROSS messages have been sent out, but as the International Red Cross are now established and have made their services available through Italian post offices in Southern Italy, it has been advocated that this service should be used wherever possible. If it is impossible for the individual to use this service, messages can be sent through the Records Bureau.

59. Repatriation. Work on the selection of Jewish principals to send to PALESTINE within the limits of certificates authorised has been dealt with and it is expected that some 600 immigrants will leave for PALESTINE at the end of May.

60. Statistics. As at 1st May (unless otherwise stated):-

Refugee population in Camps and Hospitals	-	7458 +
Reception during April (by ship)	-	7708 =
Reception by means other than ship	-	12
Shipped to Middle East	-	3571

\+ includes 676 Partisan trainees
= of which 2601 were women, 3796 were children under 16 years.

Gross total shipped to Mideast to date - 19820

REFUGEES (ITALIAN).

61. The Italian military personnel working under the direction of the Refugee Branch for handling refugees from the forward areas has been increased from 58 to 85 officers and from 381 to 767 Other Ranks.

Movement during the month:-

From ANZIO by sea	-	8539
From 5 Army by road/rail	-	1403
From 8 Army by rail	-	656

To dispersal areas southwards:

To Region I (Sicily)	-	5496
To Region II (Bari Province)	-	628
To Region III (Avellino Prov)	-	1336
(Naples Province)	-	2411
(Salerno Province)	-	1469

62. Whilst there is some improvement in the settlement of refugees by the Italian authorities there is still not enough. Efforts to stimulate the local authorities continue to be made by ACC assisted by officers of the Red Cross Organisation. Establishment of feeding points en route has greatly ameliorated

1956
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63. An additional camp was opened at CAPUA and is operating successfully. A camp is in course of preparation in the FOGGIA area and should be ready to receive refugees by mid-May. (This camp is now operating and will be used in connection with harvesting operations if not required for refugees). Aversa Camp had to be closed for two weeks owing to an outbreak of typhoid fever. It is now in operation again.

PUBLIC RELATIONS.

64. The relationship between PRB, HQ and the Regions was more clearly defined and a weekly bulletin was started.

65. Assistance of various kinds was offered to newsmen; precis and trends of copy concerning ACC affairs were prepared, press conferences were arranged - notably one for Mr. Murphy and Mr. MacMillan, which was attended by 28 correspondents - and facilities of transport and liaison offered to reporters covering the change in

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Italian Government and Cabinet meetings. PRB also assisted in organising Italian Ufficio Stampa in Salerno, with a branch in Naples. Photographs were taken of activities of interest: delivery of bread in Naples, work of Education and Fine Arts Sub-Commissions, and personalities of Italian Government.

66. With PWB arrangements were made for publication of a soldier's guide to Rome; this has been printed with a foreword by General Sir H. Alexander. Work was continued with Central and Local Allied Publications Boards. Pre-censorship has been abolished but a reminder on the procedure for military censorship was sent to Italian Government. A scheme for a new Press decree has been discussed with Chief Legal Officer and is in preparation.

Noel Mason Macfarlane

NOEL MASON MACFARLANE,
Lieutenant General,
Chief Commissioner.

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1959

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HEADQUARTERS
ALLIED CONTROL COMMISSION
Public Safety Sub-Commission

Folio for action/information

C.P.S.....

D.C.P.S.....Ok.....

Ex. Officer.....

Police.....

Prisons.....N.Y.SR.....

Fire & C.D.....

Regn. & Licensing.....

Adm. Officer.....

REMARKS.....

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1960

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SECRET

FATIMA 5032

34

15 May 1944

FATIMA (Civil Affairs Branch) Vapor 165-Fiske

SECRET

PRIORITY

PS
17 MAY 1944
B

APHQ

FORTNIGHTLY SITREP ONE MAY TO FOURTEEN MAY FD PAREN TO APHQ FOR MGS FROM ACC MAIN PAREN FD POLITICAL CMA SEE ACC WEEKLY BULLETINS NUMBERS FIVE AND SIX SITUATION FULLY REPORTED FD FOOD CMA NO CHANGE FD SUPPLY CMA REMAINS SATISFACTORY FD CRIME CMA NO IMPORTANT INCIDENTS MINOR CASES SUSPECTED SABOTAGE APULIA PROVINCES FD HEALTH CMA SMALL POX OUTBREAKS TOTAL NINE SIX CASES REGION THREE CONFINED ONE AREA NAPLES VACCINATION BEING CARRIED OUT OTHER VIGOROUS MEASURES SITUATION UNDER CONTROL FD OTHER REGIONS SATISFACTORILY FD PERSONNEL CMA HEATHCOTE SMITH IGHC ITALIAN WAR REFUGEE CO LEFT HE ARRIVED FD REFUGEE CMA PASSED THROUGH CAMPS FOUR EIGHT SIX SENT TO RECEPTION AREAS SEVEN EIGHT SIX FD PRICE CONDITIONS CMA NO CHANGE FD PRICES NINETEEN FORTY FOUR WHEAT CROP FIXED AT NINE HUNDRED FOR SOFT AND ONE THOUSAND FOR HARD LIRE PER QUINTAL FD GENERAL COMMENTS CMA PROSPECTS HARVEST REGION TWO APPEAR EXCELLENT AS REGARD CAMPANIA STRIKES REPORTED LAST SITREP APPEAR POLITICAL .

L.T. MONTANT
1st Lt. AGD
Adjutant.

1961

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HEADQUARTERS
ALLIED CONTROL COMMISSION
Public Safety Sub-Commission

Folio 29 for ~~action~~/information

C.P.S.....

D.C.P.S.....

Ex. Officer.....

Police.....

Prisons.....

Fire & C.D.....

Regn. & Licensing.....

Edu. Officer.....

Remarks.....

.....

.....

Public Affairs
8082

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

REPORT FOR MARCH 1944

1. Certain reorganization and redistribution in the Army areas has resulted in corresponding redistribution and changes in the Allied Military Government personnel attached to them. This has been accomplished the more easily because of the static nature of operations along the whole front. At the end of the month all AMG personnel were in position and ready for whatever calls future operations may make upon them.

2. In the areas handed over to the Italian Government, Regional and Provincial Commissioners are taking stock of the situation and feeling their way slowly in the change from Executive to Advisory status. The new relationship between the Italian Government, the people and themselves needs delicate adjustment because the people still rely in many cases on the American and British officers who have been in charge of their affairs since the invasion last Autumn and in many cases remain the same individuals. The numbers are being very substantially reduced but this adjustment is a delicate one and time must be allowed for the people so long benumbed and muzzled by Fascist officialdom to realize that they have in fact regained their freedom. This is made the more difficult because the bulk of officials were and had to be Fascists to earn their daily bread. The appointment of an efficient man nearly always means the appointment of a Fascist in some degree, with resulting criticism from both press and people. Machinery is now set up in agreement with the Italian Government for a systematic scrutiny and cleansing of the entire Italian administrative machine in all occupied territory, both Italian Government and Allied Military Government Regions.

3. Meanwhile, the administration is suffering from certain inherent disabilities consequent on the character of the Italian people and the nature of our occupation. A Prefect cannot do so much as an alien Governor, yet the natural normal tempo of Italian Government (in peace time) cannot be permitted without serious detriment to the war effort. This is where constant adjustment is necessary and if progress may seem slow it should be remembered that pressure on the Italian Government is only

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4. In the AMG territory, Regions IV and V are either not yet occupied or very partially so. Region III is completely occupied, though one of their four Provinces, Salerno, which is the seat of the Italian Government, has been handed over to them. In this Region great progress has been made in spite of many difficulties. The general condition of the people continued to improve during March, partly due to increased food and trade, and partly also due to more vigorous administration. All the problems caused by large concentrations of foreign troops of various nationalities were present, and the eruption of Vesuvius created an appreciable problem quite of its own.

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5. Efforts during March to improve the administration of Italian agencies were concentrated largely on attempts to instil initiative into local officials and to get them to assume greater responsibility. Frustration of this objective was encountered in two major aspects: The incompetency of several key officials for whom immediate replacements were not available and the inadequacy of procedure and organization to accomplish a satisfactory job. In spite of this, considerable progress was made in preparing the Italian administrative machine for the assumption of responsibility.

6. In Region III the Regional Commissioner has instituted progressive schemes for the improvement of provincial and communal public assistance and child welfare departments. Soup kitchens feeding 10,000 per day were reopened. A nutritional survey covering 148 boys and 125 girls which was started in February was continued in March.

7. In the same Region a vigorous drive against the black market was undertaken with civilian aid through citizen squads charged with reporting exhorbitant prices and trading irregularities. The complete scheme requires to be developed but a good start has been made.

8. Summary and Superior Courts have been set up in sufficient numbers in Naples City and Province to deal with the large number of cases. These courts sit daily. A General Military Court has been convened in three instances. A total of 4908 cases were disposed of during the month.

POLITICAL

9. On March 4, 1944, it was locally reported that President Roosevelt had stated at a press conference in Washington that one-third of the Italian fleet which had surrendered to the United Nations would be made available to the Soviet Government. This gave rise to the interpretation in Liberated Italy that the United States and Great Britain intended to hand over a number of Italian vessels to the Soviets. The Government and Italian public opinion as a whole were deeply disturbed by the implications of such a proposal and the Government threatened to

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10. As a result of the agreement with the Allied authorities cancelling the strike on March 4, the Party of Action, Socialist and Communist Parties and the Confederation of Labor held a mass meeting in Naples on March 12. The meeting approved a resolution to intensify Italy's war effort, that the National Administration be purged beginning with the supporters of the Monarchy, and that a Democratic Government composed of all political parties be created. It is noteworthy that this was the first proclamation of any of the parties condemning the Monarchy as an institution.

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11. The mass meeting was to be followed by the preparation of a petition to demonstrate the extent of popular support of the opposition. It would appear that the Communists have now become indifferent and it seems likely that the whole plan will be dropped. This change of attitude of the Communists has no doubt been influenced by the announcement that the Soviet and Italian Governments had agreed to exchange diplomatic representatives.

12. Following conversations between the Soviet representative, M. Kosomolov, and Marshal Badoglio, the Italian Government issued a statement on March 14 that agreement had been reached with the Soviet Government to exchange diplomatic representatives. No prior consultation with the British and American Governments had taken place, and following Anglo-American inquiries at Moscow, it appeared that the intention of the Soviet Government was not to derogate from the authority either of the Allied Control Commission or of the Advisory Council for Italy. In fact, the Soviet appointment of the diplomatic representative carries only the rank of Counsellor or Minister and he will be under the orders of the Soviet representative on the Advisory Council for Italy. There is no doubt that the Soviet move has had a marked influence throughout Liberated Italy. Some consider that it will strengthen the hand of the Badoglio Government and others believe that it will increase the influence of the Communist Party throughout Italy. There is no question that since the announcement was made, the tone of the Communist press and Communist declarations has altered. Many rumors are current that this will lead to changes in the Government and possibly even in the King's position in the near future.

13. The leader of the Communist Party in Italy, Mario Tagliatti, otherwise known as Ercoli, arrived in Italy on the 26th of March from Moscow after eighteen years of exile. Immediately following his arrival the leaders of the Communist Party met in Naples and indications are that his leadership will be undisputed.

14. Marshal Badoglio paid a short visit to Sicily at the end of the month to be present for the induction into office of Francesco Musotto, the newly appointed High Commissioner for Sicily. The Marshal made an excellent impression in Sicily where he was given a warm welcome.

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FINANCE

15. Joint Directorate:- During March appointment of a Joint Directorate for the Finance Subcommission was announced, consisting of Colonel E. H. Foley, Jr., (A) and Colonel A. [illegible] Grafftey-Smith, (B).

16. U. S. War Department Finance Mission:- In March the Theater was visited by a United States War Department Mission. The Mission was primarily interested in the accounts and records maintained by the Finance Subcommission and the procedures under which supplies and funds are accounted for. The Mission visited Naples, Salerno, and Palermo, and held discussions with sections of the Finance Subcommission and other Subcommissions.

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17. The Lire exchange rate:- Since his appointment to the post, the Italian Minister of Finance has maintained that the exchange rate of 100 lire to the dollar and 400 lire to the pound is the principal cause of the inflation in Italy. He argues that the rate has been responsible for two reasons: Because it has caused Italian sellers to demand higher lire prices and Italian buyers to be willing to pay such prices; and because it has given Allied troops an excessive purchasing power in Italy. On 24 February Marshal Badoglio submitted a statement to ACC requesting that the dollar value of the lire be increased. The request was rejected on the grounds that the Italian Government deficit, and not Allied troop expenditures, has obscured its own failure to prevent its revenues from declining and its expenditures from increasing.

18. Control of Advances and Currency:- As from 1 April, advances on the Italian Government account in King's Italy or AMG Regions must be cleared through Finance Subcommission Headquarters in order to make possible an examination of the cash position of the government as a whole. Thus the Italian Government deficit will be financed in the normal way through the central bank, the Banca d'Italia.

19. Preparation of a new Italian Government Currency:- Samples of the new Italian Government lire currency prepared in the U.S. has been brought to this country. All Fascist symbolism has been removed from the design of the new Banca d'Italia and State notes. The King's portrait, which formerly appeared only on the 5 and 10 lire State notes, has been omitted from the new design. The proposed designs were accepted by the Minister of Finance, subject to certain minor technical changes.

20. Remittances from the U.S. and the U.K.:- The Banco di Napoli is now prepared to act as agent for effecting personal remittances to Sardinia and ten provinces of southern Italy.

21. Proposals have been made to the Italian Government for the revision of the Italian tax system. A plan by which the turnover tax can be made to reflect more closely actual current turnovers, has also been brought to the notice of the Minister.

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ECONOMICS, RESOURCES & SUPPLY

22. Food:- The food situation continued to improve with the arrival of supplies other than wheat and flour, such as meat and vegetable stew, dried pulses and dehydrated soup. Plans for handling all food items have been improved.

23. Existing ration scales have been reviewed and a start has been made on a check of ration cards. Prosecution of persons responsible for illegal manipulations of ration cards are being instituted and a real drive on the black market has been started.

24. Mining:- Work in the Sardinian mines proceeded but the absence of explosives and pit props has resulted in decreased production.

25. During the month, supplies were demanded for other productive industries including 6 metal mines, two lead smelters and a sulphuric acid plant.

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25. Hemp:- Production has been increased; the output for March was:

Hemp & Tow	1,470 tons
Canvas	64,911 metres
Ropes	4,375 quintals
Sacks & sacking	102,320
Binder twine	80 quintals

The production of binder twine, for which the demand is increasing, is insufficient.

27. Seventy-eight industrial plants have now been surveyed covering heavy industries, soap manufacture, olive oil refining, food processing, industrial gases, leather, footwear, clothing, cloth, sewing threads, silk and tobacco. Sewing threads ("findings") in particular will help to meet the clothing deficiency by increasing the possibility of repairs. Importation of Egyptian cotton will be necessary.

28. Requisitions:- As the result of a close examination of the many demands, 1748 separate items representing estimated shipments of 465,000 long tons, were requisitioned during the month.

22. Exports:- Shipments during the month:

To U.K. -	Lemons	3000 tons
	Oranges	550 tons
	Lemon juice	140 tons
	Orange oil	7 tons
	Lemon oil	84 tons
	Almonds (unshelled)	2920 tons
	Pumice	50 tons
	Filberts	73 tons
	Angelli	36 tons
	Mustard seed	47 tons
To U.S. -	Cadmium	1 ton

AGRICULTURE, FORESTRY & FISHERIES

30. Potatoes:- Thirty-seven thousand tons of seed potatoes have been received. One thousand tons were diverted to civilian

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29. Exports:- Shipments during the month:

To U.K. -	Lemons	3600 tons
	Oranges	550 tons
	Lemon juice	140 tons
	Orange oil	7 tons
	Lemon oil	64 tons
	Almonds (unshelled)	2030 tons
	Raisins	50 tons
	Filberts	73 tons
	Argols	36 tons
	Mustard seed	47 tons
To U.S. -	Cadmium	1 ton

AGRICULTURE, FORESTRIES & FISHERIES

30. Potatoes:- Thirty-seven thousand tons of seed potatoes have been received. One thousand tons were diverted to civilian food uses, two thousand tons (approx.) to Army rations whilst there has been an estimated loss due to pilferage and deterioration of 10% to 20% of the total. The remainder has been distributed though some plantings were late and so may be subject to weather hazards and consequent low yield.

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31. Seeds:- All seed stocks have been listed and it is intended to assist seed farmers in order that they may fit their production programmes into future world needs.

32. Timber and Fuel Wood:- Cutting of bridge and other heavy timbers continues under difficulties due to lack of suitable mills within haulage distance. Large supplies of fuel have been provided for the army and the work has provided employment for some refugees.

33. Fishing:- Night fishing has commenced in southern Italy and on the west and southern third of the east coasts of Sardinia. In the Naples Bay area a fish marketing scheme is ready for operation in the first week of April.

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34. Beachhead Survey:- A survey of the Anzio Beachhead was made to estimate its potential for the current year. Nearly all the land suitable for seeding was planted before the landing and the growing wheat is in good condition. Little work is being done in the vineyards. There are many small gardens planted and well cared for. Sheep in the area are estimated at about twelve thousand, with about 30% lamb crop anticipated. It has been recommended that they, with 1000 head of cattle should be allowed to benefit from the improving grazing in the area and be used as food for Indian or French troops.

LABOUR

35. Representations were made to the Italian Government to ensure the validity in liberated territory of Labour pronouncements and acts of the Allied Military Government until such time as substitute Royal decrees could be issued.

36. A threatened strike of electric workers on basic wage adjustments was averted by conference and without the necessity of making adjustments.

37. Wage studies were instituted during the month and draft legislation has been prepared for the establishment of labour offices and the regulations for collective bargaining. An increase in the food ration is, however, the real issue and this aspect has been examined with the other authorities concerned.

PUBLIC WORKS AND UTILITIES

38. Highway Reconstruction:- Progress is slow owing to difficulties encountered in persuading the Italian authorities to take over administrative responsibilities which absorb the energies of A.C.C. officers who should be otherwise employed. Nevertheless, progress has been made with the improvement of between 3500 and 4000 km. of highways. Twenty-two contracts totalling nearly 42,000,000 lire have now been let and a further eleven projects are under consideration in the Army zones.

39. Electricity:- Numerous distribution problems have

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39. Electricity:- Numerous distribution problems have been settled and the rationing scheme, developed during February, was completed during the month.

40. Sunken Ships:- The raising and salvage of sunken ships has been made a responsibility of the Public Works Ministry and work will shortly begin on the raising of two salvage craft in Reggio harbor.

COMMUNICATIONS

41. Transportation:- The road haulage transport organization is proceeding with the allocation of trucks and training of personnel. Five hundred and fifty trucks (300 6x6 2½ ton American and 250 4x2 3 ton British) are available for Italian haulage companies. The 1001 General Transport Coy (Italian), controlled by a British cadre, is now operating in forward areas.

42. Civil movement by railway is still restricted due to the priority requirements of the army but essential civil freight traffic is being conveyed on military trains. Suburban workers trains are inactive. From 1c March the supervision of the Sicilian railways became the responsibility of the Commission

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43. Telecommunications:- The internal telegraph service has been restored between all parts of Italian Government controlled territory and the islands, except Sardinia. Except for official calls, no permission has yet been granted for civil telephone services outside urban areas.

44. Mails:- The internal and foreign mail service has been extended to include parts of Region III south of the rear army boundaries. Special services have been arranged for the Vatican and International Red Cross.

LEGAL

45. Frequent consultations with the Italian Government are necessary on the various problems on property control that have now arisen.

46. Italian Section:- Trials in Italian courts of Italians for offences against Allied interests, particularly in Catanzaro and the Apulia Provinces have been speeded up whilst there has been a marked improvement throughout Region III.

47. A gradual transfer of cases from Allied Military Courts to Italian Courts, with evacuation of premises occupied by Allied Courts, has been arranged.

48. Allied Courts:- In Region II trials by Allied Courts of cases pending prior to the transfer have ended. In Region III, by attachment of spare legal officers from other Regions, congestion has been greatly relieved.

49. One feature is the exceptional number of spy cases; the Court has been in practically constant session. Fifteen were sentenced to death during the month and other sentences up to twenty years imprisonment have been imposed.

INTERIOR

50. A Royal Decree is in preparation dealing with the reconstitution of local government. A course of lectures and practical work on all aspects of Italian local government was held during the month for Provincial officers. Further courses

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PUBLIC SAFETY

51. Police:- The Carabinieri Reale and Guardia di Finanza, are regaining their confidence and becoming more efficient bodies.

1446

52. Fire and Civil Defence:- In Region III a reduction of Civil Defence paid personnel has been effected and there is more supervision of volunteers. Schemes are in preparation for the interchange of officers of fire brigades and the pooling and distribution of equipment and supplies.

53. Motor Vehicle Circulation:- Plans for registration and licensing of vehicles, the issue of circulation permits and the authorization of petrol and oil supplies have been completed. They are being put into operation in both Italian Government and Military Government territory.

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54. Prisons:- Prisons in Regions II and VI are overcrowded. Those in Region III are full. These conditions are attributable to:-

(a) Distruction or damage caused to prisons by Military operations.

(b) The use of prison accommodation by Allied Forces.

(c) The increased number of arrests.

(d) Delay in bringing prisoners to trial.

(e) Confinement of Italian Military prisoners in civil prisons.

Orders have been issued for a general survey of prisons with particular reference to accommodation, rebuilding, sanitation and hygiene and in the provision of work for prisoners. The supply of soap and disinfectants is unsatisfactory.

PUBLIC HEALTH

55. The general health of the population continues good. Due to the activities of the Typhus Control Service the incidence of typhus is so reduced that it need no longer be considered a menace. The work of the service is now to be handled by the Rockefeller Foundation and the Italian Civilian medical and lay group.

56. Additional campaigns are:

(a) Disposal of refuse.

(b) Anti-Malaria.

(c) Venereal disease and prostitution.

(d) Veterinary measures and the control of rabies.

Progress is being made in (a) in all large towns and communes, particularly in areas occupied or frequented by Allied troops. The Malarial control section has been set up to direct and advise all areas. Hospital beds are being provided [illegible]

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57. Medical Supplies:- Continue to arrive satisfactorily. Warehousing of stocks of American Red Cross clothing has been undertaken by medical supply section now that distribution has been properly organized.

58. Welfare:- The formulation of a unified Italian welfare program for all territory under the control of the Italian Government has been under discussion.

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EDUCATION

59. Schools:- Opening of schools has continued in Foggia and Bari though many difficulties over accommodations have been encountered. Picture theaters, teachers homes, sacristies and unused tramway cars have been used as class rooms.

60. Textbooks:- Of the ten text books being prepared for the elementary schools two are ready for distribution and the others will be available shortly. Distribution includes sale by booksellers in each provincial center. Each text book has a preface giving suggestions to teachers and pupils for the modernization of the school program. In Region 1, and Calabria four of the books have already been published.

61. Copy books:- Waste paper from the text books has been salvaged for the preparation of 200,000 copy books which will be sold to pupils through the proveditore at a nominal cost. Other writing paper will be distributed gratis.

62. Denazification of teachers and school officials is proceeding and dismissals have been recommended to the Minister. A plan for classifying all teachers and officials is being prepared.

63. Youth Committees:- Youth Committees established in Naples have considered the following:

(a) For University students, establishing a political forum, a students mess and printing house.

(b) For "Scuole medie Superiore" the establishment of clubs in the secondary schools (the first has already been started) and the publication of a newspaper.

(c) For "Scuole Elementiare" a detailed plan for furnishing meals to school children. This plan will be executed in conjunction with the Public Health and Welfare organizations.

MONUMENTS, FINE ARTS & ARCHIVES

64. Protection of houses

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MONUMENTS, FINE ARTS & ARCHIVES

64. Protection of Monuments:- Action taken on the recommendations of the "Collier" report includes:

(a) Preparation of lists of protected monuments of Italy.

(b) Preparation of a pamphlet for the Army Bureau of Current Affairs (ABCA).

(c) Evacuation of troops from buildings ranked 1440 monuments.

(d) Establishment of guards at places where evacuation is not possible.

(e) Issue of air photographs showing the location of monuments of historical, cultural and religious importance in Italy to formations of MAAF, on request of the Commander.

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65. Publications and publicity regarding Monuments, Fine Arts and Archives have been discussed with Public Relations Branch; the intention being to educate the armed forces and the public on the importance of the preservation of monuments.

PROPERTY CONTROL

66. Measures have been concerted with the Italian Government on the legislative and administrative details required to regularize the position of the Controller of Property in restored territory. By agreement, the Italian Government will:

(a) Pass a decree in general terms suspending the application to United Nations and French property of the relevant provisions of the War Law of 1938.

(b) Instruct Prefects in restored territories to issue individual decrees revoking the sequestration of Allied and French properties and ordering the reconsignment of properties to the owner or his representative. Financial arrangements were agreed in principle, the details to be worked out between the responsible authorities.

67. In Region III, of the total of 336 real properties on which sequestration could have been effected under Italian law it has been found that in 27 cases sequestration was not carried out. Custody has been taken of 81 properties (including 17 at Capri). In 90 cases the securities or proceeds of sale have been transferred to Rome in North Italy. The total of business concerns being investigated is now 48, of which half have been taken into custody.

DISPLACED PERSONS

68. The bulk of the refugees handled are Yugoslavs and of these, approximately 96% are Yugoslav Partisans and 4% Royalists. The type of refugee has changed considerably during the last month. Those now coming are mainly old men and old women, women with large families and orphans. Practically no men fit for fighting are being received, and the overall proportion of those requiring medical care has increased. One orphan's home has been established and another is planned.

69. The medical situation has been eased by the assign-

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67. In Region III, of the total of 650 real properties on which sequestration could have been effected under Italian law it has been found that in 27 cases sequestration was not carried out. Custody has been taken of 61 properties (including 17 at Capri). In 90 cases the securities or proceeds of sale have been transferred to Rome in North Italy. The total of business concerns being investigated is now 45, of which half have been taken into custody.

DISPLACED PERSONS

68. The bulk of the refugees handled are Yugoslavs and of these, approximately 90% are Yugoslav Partisans and 4% Royalists. The type of refugee has changed considerably during the last month. Those now coming are mainly old men and old women, women with large families and orphans. Practically no men fit for fighting are being received, and the overall proportion of those requiring medical care has increased. One orphan's home has been established and another is planned.

69. The medical situation has been eased by the assignment of six Italian Army medical officers to various camps and hospitals. Medical stores have been received from Central Medical Supply. Clothing is in short supply and thread and needles for Singer sewing machines are urgently needed. (See also para 27).

70. Records Bureau:- The Records Bureau though not a Red Cross responsibility has been set up by an officer of the British Red Cross, loaned for the purpose. Twelve thousand one hundred and thirty displaced persons have been recorded to date. Twenty-nine nationalities are represented; Yugoslavs accounting for 9,900. The total figure does not yet include 11,281 Yugoslavs and Jews shipped to Middle East. There is also a service of inquiries.

1981

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71. Statistics:- (all as at 31st March unless otherwise stated)

Refugee population in camps & hospitals	5731
Reception during March. Arriving by ship	4404*
Entrained for other areas	4243
Reception by means other than ship	191
Number of wounded & sick in shipments	100
Shipped to Middle East	4918

*Of these 5426 were under 16 years of age and 1416 were women.

REFUGEES (Italian)

72. This branch now controls the activities of 58 Italian officers and 351 Italian ORs who are performing the majority of the tasks of handling the refugees from the forward areas.

73. Movement during the month has been as follows:-

From Anzio by sea	5588
From 5 Army by road/rail	6762
From 8 Army by rail	1168

To dispersal areas southwards:

To Province of Potenza	1989
To Province of Cosenza	2264
To Province of Catanzaro	4382
To Province of Reggio	5753

Region II is temporarily saturated and plans are being made for subsequent dispersals in Regions I and III. It is expected that 20,000 can be absorbed in Region I (Sicily).

74. The work of settling refugees into new areas is made more difficult by the indifference on the part of the Italian Government and people towards their fellow countrymen. The authorities have constantly to be prodded and are slowly being made to alter their attitude. Assistance is being given to the formation of reception, feeding and welfare committees.

PUBLIC RELATIONS

1982
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From 5 Army by road/rail	6762
From 8 Army by rail	1166

To dispersal areas southwards:

To Province of Potenza	1989
To Province of Cosenza	3284
To Province of Catanzaro	4332
To Province of Reggio	3733

Region II is temporarily saturated and plans are being made for subsequent dispersals in Regions I and III. It is expected that 20,000 can be absorbed in Region I (Sicily).

74. The work of settling refugees into new areas is made more difficult by the indifference on the part of the Italian Government and people towards their fellow countrymen. The authorities have constantly to be prodded and are slowly being made to alter their attitude. Assistance is being given to the formation of reception, feeding and welfare committees.

PUBLIC RELATIONS

75. Correspondents are displaying greater interest in the work of the Commission. The Chief Commissioner held his second press conference on March 10 and requests for interviews and information have grown.

76. The eruption of Vesuvius called for special activities in the collection and release of accurate news. The material and photographs gathered are being worked into the record of the Commissions activities.

77. In the future there will be more effective reporting of Military Court proceedings, particularly in connection with the black market and sabotage cases. This should add to the effectiveness, as deterents, of the sentences imposed.

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1983

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76. Relations with the press generally are close and cordial. The associations and publications with which the branch has had contact during the month number 46, including American, British, Canadian, New Zealand, French and the newspapers published in Italy for Allied troops. There was continual contact with the P.W.B. and the furnishing of news for broadcasting and for the licensed local publications in Italian; "Resorgimento" - Naples and "Sicilia Liberata", etc.

NOEL MASON MacFARLANE
Lieutenant General
Chief Commissioner

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NOEL MASON MACFARLANE
Lieutenant General
Chief Commissioner

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1986

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HEADQUARTERS
ALLIED CONTROL COMMISSION
PublicSafety Sub-Commission

Folio 14 for action/information

C.P.S. ..... Mrs. PSA .....

D.C.P.S. .....

Police Alton Ellen .....

Prisons H.Z.SP .....

Fire & CD Luther .....

Regn. & Licensing Lock. .....

Adm. Officer ..... MW .....

Remarks:

PA 18/4

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

14 APR

3092

(1A)

HEADQUARTERS
ALLIED CONTROL COMMISSION
[redacted]
APO 394

1. This report covers the activities of the Allied Control Commission in Regions I, II, III, V, VI and in the 5th and 8th Army areas during the month of February 1944, which was the first complete month of the united Headquarters under Lieutenant General Leson MacFarlane. As from 15 February, Foggia, the only territory which was being administered by Region IV, was placed in Region V.

POLITICAL

2. Upon the return to Naples of the delegates from the Congress of the six parties of National Liberation, which was held in Bari on January 28 and 29, the Executive Giunta was formed. The Giunta has met several times in Naples, one of its first acts being the dispatch of a communication to the King, which recited the decisions of the Bari Congress and invited him to abdicate forthwith. This communication was made on February 6, but has up to the present elicited no apparent action from the monarch or his Government. Pending further developments in this respect, which are however not anticipated, the Giunta is endeavoring to reach a greater degree of agreement in respect of the points not clarified at Bari. Count Sforza and Senator Croce, with whom the Giunta's terms of reference require it to maintain close association, are likewise attempting to bring about a compromise, which will enable the opposition to present a united program of action to the Badoglio Government and the Allies.

3. Meanwhile, as previously scheduled, the transfer of administration of the southern mainland provinces, Sicily and Sardinia to the Italian Government took place on February 11 and the Badoglio Government with the exception of the Defence Ministries began to operate from its new temporary capital of Salerno. The transfer created very little reaction throughout the territory concerned. Some regret has been expressed that this handing back of territory seemed to show the intention of the Allies to strengthen the Badoglio Government.

4. At Taranto two manifestations of labor disturbances occured during the first week in February which resulted in the removal of the Prefect but did not take the form

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4. At Taranto two manifestations of labor disturbances occurred during the first week in February which resulted in the removal of the Prefect but did not take the form of the threatened strike among the dock workers. Although the alleged cause had been lack of food and dissatisfaction with working conditions, investigation indicates that the underlying reason was political in order to discredit the government.

5. On 22 February the British Prime Minister made a statement in the House of Commons that the "policy which his [illegible] Government have agreed to provisionally with the Government of the United States was to win the battle of Rome and take a new view when we are there." This statement was received with satisfaction in royal and Governmental circles, but was taken by the opposition as a negative reply to their proposals. The Party of Action and the Socialist and Communist Parties in Naples decided to call a ten minute strike for eleven a.m. Saturday, 4th March, as a protest, but in order to emphasize that they did not intend any damage to the Allied war effort they called upon workers to do fifteen minute overtime during the luncheon period on the same day. It was made

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1989

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between parties of the left and center. The feeling for some form of increased autonomy for Sardinia is strong.

6. The Badoglio government has announced the appointment of Signor Casati as High Commissioner for the purging of fascism from public life. Casati was elected a Socialist Deputy in 1919, continued in active opposition to fascism after the advent of Mussolini and was involved in an attempt on his life in 1925. Since that date he has been in prison and only reached the mainland of Italy from the island of Ponza with the arrival of Allied troops. He has expressed his intention of working in the closest possible collaboration with Allied authorities and his determination to carry out his duties with thoroughness and method. On accepting this post, he was expelled from the Socialist Party of Naples which continues to refuse to permit any of its members to collaborate with the Badoglio Government.

PUBLIC SAFETY

9. Public Security during the month can be said to have been "normal" in all Regions. No case of sabotage or subversive activities were reported but there were several cases of violence, including a few of shooting at British and American soldiers. Arrests were made in all cases. In the 5th Army area, Algerian and Moroccan troops have become involved in a considerable number of cases of alleged rape or attempted rape and have used fire-arms to enter houses.

10. The morale and efficiency of the Carabinieri, Guardia di Finanza and the other police agencies continues on the whole to be good and useful work was accomplished by them in all regions. Examples of their activities are, policing of ports and railways, checking civilian vehicles at road blocks in search of contraband, dealing with the problems of vagrant children and the prompt dispersal of various minor disturbances, all in connection with the desire for more food. A decision by AFHQ that the Carabinieri and the Guardia di Finanza are to be classified, in so far as rations, uniforms and equipment are concerned, as parts of the

[redacted]

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Italian Armed Forces, should have a very good effect on morale.

11. Extracts from civilian calls collected by the censors have proved a useful means of assessing public morale in various parts of the country. Allegations of black market activities by named individuals have proved of value.

12. The prison situation remains satisfactory. In Sardinia there is considerable congestion and steps to relieve it are being taken (see paragraph 19 of this report).

13. The publication of General Order No. 20 which relates to the issue of motor vehicles and petroleum permits was delayed pending discussions with the Italian Government in regard to their issuing a similar order in their territory.

ALLIED COURTS

14. Allied Courts continued to function satisfactorily during February. Totals of cases disposed of were much the same as the previous month, namely, around 300 for the army areas and around 600 for the other regions. An exception was Region III in which no less than 4207 cases were tried in Allied Courts, of which 3840 resulted in convictions. This large number is due mainly to curfew and petty theft cases in the city of Naples. In all regions the large proportion of the cases dealt with were for very minor offences.

15. Among the more important cases tried were those of the leader of a gang of mail robbers in Bari, of a man charged with murdering an Allied soldier in Catanzaro and 70 persons in Reggio for taking part in disturbances. The mail robber was sentenced to death for interference with allied mail. Those convicted of disturbing the peace in Reggio received sentences ranging from three months to ten years. 536 grain cases were tried in Matera Province. Four cases of wire cutting were dealt with in Sicily and in the 5th Army area a man was charged with espionage before a General Military Court but was acquitted.

ITALIAN COURTS

16. During the month H. E. Guiseppe de Santis, who had been acting for some months as Minister of Justice, was replaced by H. E. Ettore Casati. The Ministry of Justice was at all times cooperative and the transaction of business between it and the Legal Subcommission was smooth and expeditious.

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15. Among the more important cases tried were those of the leader of a gang of mail robbers in Bari, of a man charged with murdering an Allied soldier in Castellaro and 75 persons in Reggio for taking part in disturbances. The mail robber was sentenced to death for interference with Allied mail. Those convicted of disturbing the peace in Reggio received sentences ranging from three months to ten years. 856 grain cases were tried in Matera Province. Four cases of wire cutting were dealt with in Sicily and in the 5th Army area a man was charged with espionage before a General Military Court but was acquitted.

ITALIAN COURTS

16. During the month H. E. Guiseppe de Santis, who had been acting for some months as Minister of Justice, was replaced by H. E. Ettore Casati. The Ministry of Justice was at all times co-operative and the transaction of business between it and the Legal Subcommission was smooth and expeditious.

17. The Italian Corti-d'Appelo at Avellino and Benevento have been reopened. Two officers, specialists in Italian law, were loaned to Region III to aid the regional legal officer and his Italian Court officer in bringing about the more efficient functioning of the Italian courts and securing speed for the conduct of such courts.

18. In Region II the Italian courts are functioning satisfactorily except in Apulia where little or no progress was being made before February 11th. In the trial and punishment of civilian offenders against the Allied Forces, many of whom had committed serious crimes. Constructive steps are being taken to remedy this situation.

19. The crowded state of the jails is a disturbing feature of the present situation in Sardinia. Of the 300 inmates of Cagliari jail only 8 have received legal trial. The situation is

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rendered difficult by the dispersion of the judiciary in a number of small villages and the lack of suitable accommodations in Cagliari. At the beginning of March an officer with wide knowledge of Italian law proceeded to Sardinia to help clear up the situation with regard to Italian courts in that island.

20. In Region V the Court of Assize opened at Lucera on 19 February and disposed of 5 cases. The tribunali of both Foggia and Lucera have been in constant session throughout the month, and arrangements have been made for the Court of Appeal to open in Lucera on April 1st.

21. In other areas no special problems have arisen during the month and Italian Courts have functioned with reasonable efficiency, if somewhat slowly. The policy of handing over to these Courts all possible cases except where military interest are directly involved is being developed.

ECONOMICS, RESOURCES AND SUPPLY

Food

22. The food situation improved during the month in all Regions. On February 7th the bread ration was increased to 200 grams per capita per day and in some regions a limited amount of pasta was made available. In other areas the 200 grams was distributed in the form of 150 grams of bread and the balance in flour, in order that the people could make pasta. The increased ration of bread, although less than normal, is nevertheless a sufficient subsistence ration and has been generally welcomed. Supplementary meals are available for heavy workers in some industries.

23. The arrival of a considerable quantity of sugar at Reggio made possible a general distribution throughout Region II on the basis of 200 grams per head per month. This distribution, the first for many months, has given great satisfaction. In this Region the milk situation, both tinned and fresh, has improved. In most areas soup, peas and beans were received in sufficient quantities to allow of a limited distribution. Dehydrated soup is, however, proving an unsatisfactory issue, since this food is not understood by the people and they do not want to accept it. Instructions as to its use in English and Italian are being prepared for general distribution. Considerable difficulty in distribution was experienced during the month due to heavy snowfalls in the mountain districts, preventing movement of transport, particularly in Campobasso Province. No communes, however, lacked

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24 Supply officers in all Regions are trying to keep control of the constant tendency towards further inflation. Unfortunately, they receive very little real help from Italian officials, even in the areas handed back to the Italians, though promises and fair words are plentiful. Possibly this is due to the natural inertia of most Italian officials, or it may be that they take a realistic view of the fact that the only "work" a very large proportion of southern Italians have to do is the planning of black market operations, a vocation in which most have had considerable experience in the years since the Italian "self sufficiency drive" was initiated. The black market plays a very important part in the life of Italy, and evidence is constantly accumulating that the Consorzii play a very important part in the black market. It is to be hoped that the new Minister of Agriculture can be persuaded to do something about this.

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25. From Sardinia came reports of a notable increase in the number of ration card holders. Part of them are due to the fact that farmers, having been allowed to keep a portion of their crop for their own needs sold part of this in the black market. Having sown for the next season they are now coming to the end of their store bins and are asking for Allied flour. This situation is being fully investigated. The Island is almost entirely without olive oil.

Export Trade

26. Total shipments to U.K. up to end February include:

Lemons	377,000	boxes approx. 15,000 tons
Lemon Juice	25,000	imperial gallons
Lemon Oil	100,000	lbs
Bitter Oranges	30,000	boxes
Sweet Orange Oil	1,800	lbs
Bitter Orange Oil	6,300	lbs
Tangerine Oil	750	lbs
Bergamot Oil	25	tons
Citric Acid	500	tons
Arzolls	110	tons
Filberts	570	tons
Almonds (all kinds)	1,100	tons
Mustard Seed	49	tons
Sumac	400	tons
Pumice Stone	110	tons
Sulphur	45	tons

27. Two filatures in Reggio and Cosenza started production. Allocations of last season's cocoons were made to them and at the end of the month about a ton of spun silk was ready for shipment.

Mining and Fuel

28. In accordance with instructions from AFHQ, production of coal from the Sardinia mines was limited to 25,000 metric tons for the month of February. These mines are in fact in a position at the present time to produce well over 2,000 metric tons of coal per day, provided adequate timber and other supplies are available. The total number of workers employed at the mines is 5,584.

29. Arrangements have been completed for exporting 2,623 metric tons of lead metal from Sardinia to North Africa and

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Almonds (all kinds)	3,000 tons
Mustard Seed	40 tons
Sumac	400 tons
Pumice Stone	110 tons
Sulphur	45 tons

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29. Arrangements have been completed for exporting 2,623 metric tons of lead metal from Sardinia to North Africa and future production is to be stockpiled in Sardinia pending allocation.

30. A comprehensive study has been made of barite deposits and stocks in Sardinia. An existing stockpile of 1500 metric tons with not less than 92% barium sulphate content is available at mine near the port of Sant'Antioco. Investigation indicates that production of barite from Sardinia could be made with an average of 1,000 metric tons per month during the first three months and an output of over 3000 tons per month at the end of one year's operation. Most of the heavy equipment required is available in Sardinia.

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

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

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

Development of Industry

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

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

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

86. The Hemp Industry has commenced production and is already

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on the Industriale Meridionale Exeto a Bariveti, Naples; the Ilva Steel Works, Bagnoli; the Ansaldo Works, Bagnoli; and the Sulurificio Plant, Gaia. All these had been heavily damaged by enemy demolitions and are incapable of rehabilitation except under a long term policy. Considerable quantities, however, of valuable raw materials, special alloy steels, non-ferous metals and machine tools escaped destruction and reports have been made on these, with recommendations as to their recovery and utilization.

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

Rope & Twine	1605.93 quintals
Fabrics	109119 metres
Sacks	20000

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

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

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AGRICULTURE, FORESTRY & FISHERIES

38. During the month the work was continued of replacing the top-heavy and cumbersome group of corporate organizations in agriculture which grew up under the Fascist system, with a simplified organization, running down from the Minister through the Compartments, Provinces and the Communes. When this work is completed it will bring all agricultural, forestry and fisheries control under the absolute authority of the Ministry of Agriculture.

39. Estimates were secured of the probable production of all the principal crops this year.

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

41. Late in 1943 arrangements were made to ship about 40,000 tons of seed potatoes into southern Italy, Sicily and Sardinia for planting. This seed has arrived in large quantities and during February distribution was made and planting begun.

42. Timber cutting by 5th and 8th Army representatives in Calabria was reviewed. Neither army has so far cut much standing timber in this area; both have confined operations to the sawing of large stockpiles of logs, produced by the Italians previous to occupation and the work seems to have been carried out according to good forest practice. There is no doubt that the Italians themselves have cut the private lands very heavily.

43. A plan to meet 5th Army's requirements of fuelwood was initiated during the month in cooperation with the Peninsular Base Section Quartermaster Corps. The Army has agreed to refer all proposed contracts for fuelwood to the Allied Control Commission and to bring prices paid by the army more in line with present market conditions.

44. An area containing suitable timber for fuel was located between Mignano and Cassino and a contract was signed by PBS with a civilian contractor for 3000 tons of wood, at a price of 700 lire per ton delivered to a motor road usable by 5th Army

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44. An area containing suitable timber for fuel was located between Lignano and Cassino and a contract was signed by PBS with a civilian contractor for 3000 tons of wood, at a price of 700 lire per ton delivered to a motor road usable by 5th Army trucks.

45. Cutting is now in progress and is being supervised by the local representative of the Royal Forest Corps.

46. Considerable progress was made during the month in regard to fishing in the bay of Naples and to the marketing of fish in the city. Night fishing is, however, still prohibited except around Sicily and in certain areas around Sardinia. New regulations were drafted during February which aim at restoring night fishing in many areas in southern Italy where it is compatible with security.

1430

PUBLIC WORKS AND UTILITIES

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

2000

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

49. A special investigation was made of existing conditions at the large Naples Gas Works, which were subject to extensive and most destructive bomb damage. Production has now reached about 55% of normal, giving a supply of gas to many areas of the city and efforts are being made to increase this still further.

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

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

LABOR

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

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

54. Provincial Labor Offices are now functioning in Naples,

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

LABOR

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

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

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

FINANCE

Prices and the Cost of Living

55. In Naples the effect of the increase in the bread ration to 200 grams was to reduce the weekly expenditure necessary for the purchase of 2 kilos of bread nearly 50%. Increases in the prices of other foods have partially offset this gain, but the cost of purchasing the representative food budget for one person for one week declined to about 370 lire for the week ending

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

Month of January	-	348
Week ending 30 January	-	391
Week ending 7 February	-	369
Week ending 15 February	-	319
Week ending 23 February	-	334
Week ending 29 February	-	342

The price of black market bread in Naples rose sharply during January and the first week of February, reaching 165 lire per kilo. After the increase in the ration the price fell to 120 lire on 15 February and rose again to 130 lire, the current price.

56. An increase of 12% in living quarter rentals and 15% in other rentals has been proposed by the Italian Government. The Finance Subcommission recommended that the increase should not be granted. While it is true that rents are very low in comparison with other prices, it was believed that the hardship that would be imposed upon hard-pressed urban workers by a rent increase would not justify an increased income to the owners of urban real estate who are for the most part wealthy and who are holding real estate more as a hedge against inflation than as a source of current income.

Allied Financial Agency

57. On 7 February 1944 the U.S. Treasury and War Department announced the restoration of facilities for living expenses remittances to Sicily, and the Treasury Department issued General License No. 82A to implement the decision.

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

Financial Institutions

59. To implement AFHQ Administrative Memorandum No. 95, a comprehensive program was developed whereby the Italian Government is to pay for all goods and services furnished to the Allied armed

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increase would not justify an increased income to the owners of urban real estate who are for the most part wealthy and who are holding real estate more as a hedge against inflation than as a source of current income.

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Financial Institutions

59. To implement AFHQ Administrative Memorandum No. 95, a comprehensive program was developed whereby the Italian Government is to pay for all goods and services furnished to the Allied Armed Forces.

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

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

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

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

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

Italian Government Finance - Expenditures and Revenues

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

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66. Figures submitted by the Banca d'Italia on cash disbursements by the Civil Ministries in Puglia are very incomplete. They total only 30 million lire for December and 40 million lire for January. The great incompleteness of these data is shown below, where they are compared with the Finance Minister's estimates of expenditures.

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Comparison of Estimates for Civil Ministries
Made by Minister of Finance with Disbursements
Recorded by the Banca d'Italia (Public)

(millions of lire)

Ministry	Dec. 1943 Estimates	Dec. 1943 Disbursements	Jan. 1944 Estimates	Jan. 1944 Disbursements
Finance	93.0	24.0	20.0	29.9
Justice	2.5	1.5	3.0	3.4
Foreign Affairs	1.0	-	1.0	-
Italian Africa	-	-	-	-
Education	7.0	2.2	15.0	3.9
Interior	100.0	1.0	55.0	1.4
Public Works	5.0	.5	6.0	.5
Communications	165.0	-	190.0	.3
Agriculture	1.0	.3	3.0	.4
Industry & Commerce	1.0	.1	.3	.1
Popular Culture	1.0	-	-	-
Foreign Exchange	-	-	-	-
Total Civilian Ministries	376.5	29.7	293.5	39.8

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

67. It is sometimes thought that ACC can control Italian Government expenditures through its ability to provide or refuse AM lire to the Government. The experience in February, when no currency advances were made, clearly demonstrates that this is not the case. Specific control cannot be achieved because there is no direct relation between any particular expenditure and the advance of currency to the government. General control cannot be achieved because total government expenditures are only one of the factors which affect the cash position of the Banca d'Italia and, therefore, the necessity for making currency advances. With effective control of the money market and with

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Commerce	1.0	-	-	-
Popular Culture	1.0	-	-	-
Foreign Exchange	-	-	-	-
Total Civilian Ministries	376.5	29.7	293.5	39.8

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

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

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

69. A copy of the full report of the Finance Subcommission is attached as Appendix 'A'.

COMMUNICATIONS

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

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

72. The registration of schooners within the whole area of occupied Italy, Sicily and Sardinia, as requested by the C.-in-C., Mediterranean, has continued; 56 vessels of some 6,400 deadweight tons having been added to the list.

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

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

75. Some progress was made in the salvage of ships in Sicily. The "Modena" and her cargo of coal has been completely [illegible] and refloat of "Giacomo Costa" is well under way and

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of occupied Italy, Sicily and Sardinia, as requested by the C.-in-C., Mediterranean, has continued; 80 vessels of some 6,400 deadweight tons having been added to the list.

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

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

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

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

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

78. By the end of the month the Regions (except Region I) had not completed their arrangements for the reception of the 800 M.T. trucks which are being made available, though considerable progress was made.

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79. As regards 1001 G.T. Coy (120 trucks organized on an Italian military basis), it was most disappointing to find this Company was not in a fit state to work when due to be handed over to Region II. The 21st and 22nd QM Truck Coys (Italian) (80 trucks) are now being operated by Region III.

PUBLIC HEALTH

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

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

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

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

EDUCATION

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

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

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

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

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

88. On the mainland the public schools throughout Campania and 45 private schools have now been opened. About 50% of elementary school class rooms in Naples are still requisitioned for military purposes and 25% of the secondary schools. In normal times there were about 390 schools in Naples Province and at present there are 225 schools in session, many of them in temporary quarters.

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

PROPERTY CONTROL

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

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

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

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

MONUMENTS & FINE ARTS

93. A further case of the requisition of a monumental building was reported, this time from Sicily, where the Palazzo Reale at Palermo was requisitioned on 4 February without any advice to the Regional Commissioner. The Palace itself is not in the Zone Handbook lists of monuments, only the Cappella Palatina being mentioned. Protest was made to the military authority but it was without effect. Shortly after the requisition, the quarters occupied by the military were considerably damaged by fire; fortunately the Cappella Palatina was not effected, though at one time the priceless wooded ceiling was in considerable danger. It is estimated that the cost of repair of damage will be over 1 million lire.

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94. In the Palazzo Sclafani in Palermo the removal of the "Triumph of Death" fresco is progressing and in the same town it is reported that the temporary quarters of the National Library will open in March.

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

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

PRESS & PUBLIC RELATIONS

97. In Sicily the daily papers controlled by P.W.B., "Sicilia Liberata" and "Corriere di Sicilia" continued to provide a source of news to the Italian population, as did "Risorgimento" in Region III.

98. The growing shortage of newsprint seriously affected the control and publication of newspapers. Paper stocks on the open market in Bari were exhausted, but black market stocks facilitated the issue of many clandestine journals and brochures. To meet this problem the Allied Publications Board drafted two decrees, laying down a procedure with suitable penalties for applications to publish and for the declaration of all stocks of paper. Authority was also received, permitting the distribution of Bari newspapers in Foggia Province, thus giving the people there the first opportunity in many months to obtain printed news. For this purpose the "Gazzetta del Mezzogiorno" was permitted to increase its daily circulation from 20,000 to 40,000 copies.

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

"Liberta"
"Orto Bene"

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"Liberta"
"Orto Bene"
"Sardegna Catolica"

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

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

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Press releases were issued on the transfer of territory to the Italian Government, the increase in the bread ration, the resumption of foreign mail services, the proposals of the Executive Giunta, the withdrawal of the Giunta's manifesto, the meeting of the Labor Conference, conditions in Sicily, the issue of revised text-books to elementary schools and the three-party cancellation of the proposed strike. Interviews were arranged with all the leading press correspondents and contact was established with P.R.Os of all organizations in the area.

REFUGEES

101. During the first three months of the campaign in Italy there have been large movements of refugees. On the west they had moved uncontrolled and dispersed themselves. On the east, S.C.A.O., 8th Army, with his limited staff and no refugee specialist officers, had collected and sent them to the rear areas, where they had dispersed independently.

102. From the start of the campaign until 31 January 1944 the movement was:-

8 Army side	30,600
5 Army side	1,800

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

8 Army side	800
5 Army side	13,800

Included in the 5 Army figure are refugees from the beachhead numbering 4,800. The main evacuation started on Feb. 14. All these refugees have been sent back to the provinces of Potenza, Cosenza, Catanzaro and Reggio in Region II.

103. Great difficulty has been experienced in the matter of transit camps and the whole of the numbers handled during February have been passed through 2 small centers. These two centers can accommodate some 750 persons but are devoid of proper cooking and sanitary facilities. In the hot weather the situation [illegible] the refugees were fed

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103. Great difficulty has been experienced in the matter of transit camps and the whole of the numbers handled during February have been passed through 2 small centers. These two centers can accommodate some 750 persons but are devoid of proper cooking and sanitary facilities. In the hot weather the situation would have been impossible, but as it was, the refugees were fed and the children given milk, doctors were in attendance and the sick sent to hospitals. Security screening was done and the Red Cross distributed clothing to all the needy.

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

West:

Capua - Capacity 4000 - Tented and mobile
Aversa - Capacity 3000 - In existing buildings
Naples - Capacity 2000 - In existing buildings

East:

Foggia - Capacity 5000 - huts

The camp at Aversa is already functioning.

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

106. The civilian population of Anzio and Nettuno were evacuated by the Germans in September 1943. These civilians were sent inland to the northern wooded Campana region where they have been confined ever since. The Germans left about 350 persons in the two towns and issued them with passes. They are bakers, doctors, electricians, railroad workers, etc. Approximately 15,000 were evacuated to the Campana region and it is estimated that about 3000 additional refugees have filtered in, making a total population of about 18,000 in this area.

107. This rather unusual situation of the two towns being almost entirely evacuated and the population being concentrated and controlled in one area is working well. AMG is carrying out food distribution along the lines established during the last five months. There is no major problem in the Campana area, the people having thoroughly settled down and become used to their life. The bread ration is being increased to 200 grams a day as evacuation reduces the number of civilians to be fed.

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

	Living in the Camp			Living without the Camp		
Nationality	Men	Women	Children	Men	Women	Children
Yugoslavs	69	9	5	19	13	4
Greeks	6	-	-	-	-	-
Polish	9	-	-	2	1	-
Czechoslovaks	5	-	-	-	1	-
Bulgerian (friendly)	1	-	-	-	-	-
French	2	-	-	-	-	-
Total	92	9	5	21	15	4
Grand Total:- 146						

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

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French	2	-	-	-	-	-
Total	92	9	5	21	15	4

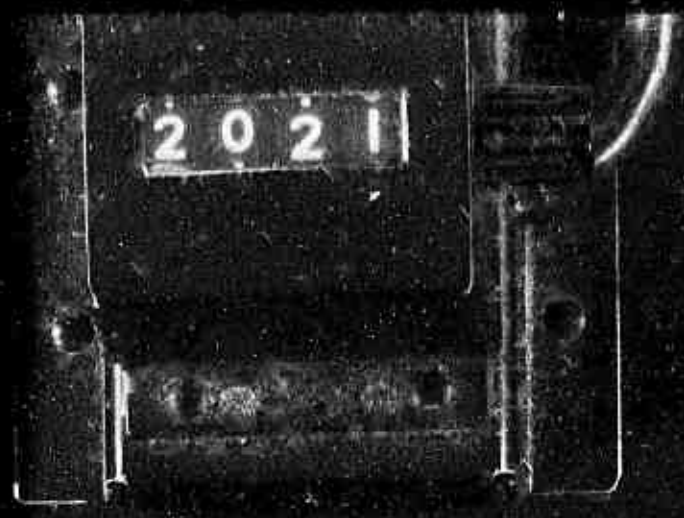
Grand Total:- 146

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

NOEL MASON MACFARLANE
Lieutenant General
Chief Commissioner

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Declassified E.O. 12356 Section 3.3/NND No. NB5016


2021