

MR 002 SICILY (HUSKEY) FINANCE, CURRENCY FOR SICILY

SECTION I -- 1943

MR 002 SICILY (HUSKEY) FINANCE CURRENCY FOR SICILY  
SECTION I -- 1943

DECLASSIFIED

Map Room  
Box 47

WCR 5  
201208Z  
1hi

QCC  
20 Aug 43

~~SECRET~~  
WAR DEPARTMENT  
CLASSIFIED MESSAGE CENTER

# INCOMING MESSAGE

From: WAR (Relay of Algiers W-7558/2372, 17 Aug 43)  
To: BOSCO

No. 124                      20 August 1943                      FAN 328

Early reports from AMG Sicily indicate no criticism in general of rate of exchange or from bankers or business men in particular. (To ACWAR for Combined Chiefs of Staff and to USFOR for British Chiefs of Staff signed Eisenhower cite FHCIC reference your 4931 of 13th August NAF 328.)

There does not therefore appear to be any reason for altering rate in Sicily.

As to rate for mainland we have as yet no adequate evidence to indicate what if any alterations should be made in rate. We are enquiring all sources regarding 5145 for ACWAR.

No Sig

Note: 4931 and 5145 not in BOSCO CMC files; will be obtained upon request.

ACTION: CC/S

Information: White House                      Gen Handy  
Adm Leahy                                      Gen Arnold  
Adm King                                        Gen Kuter  
Adm Cooke                                      Gen Fairchild  
Adm Willson                                    Gen Wedemeyer  
Gen Marshall                                    Col Connor  
CAD

BOSCO-IN-163

(20 Aug 43)

1310Z

Franklin D. Roosevelt Library

DECLASSIFIED JCS 29-71

~~SECRET~~ RHP 7-1-71 COPY No.

32

THE MAKING OF AN EXACT COPY OF THIS MESSAGE IS FORBIDDEN

002 Sicily

WAR DEPARTMENT  
CLASSIFIED MESSAGE CENTER

JTD B33  
Filed 17/1448  
VE

INCOMING MESSAGE

SECURITY  
CONTROL

10142

SECURITY CONTROL

From: Algiers  
To: WAR W-7558/2372  
London USFOR Unnumbered

17th Aug 1943

Early reports from AMG Sicily indicate no criticism in general of rate of exchange or from bankers or business men in particular. (To AGWAR for Combined Chiefs of Staff and to USFOR for British Chiefs of Staff signed Eisenhower cite FHCIC reference your 4931 of 13th August NAF 328).

There does not therefore appear to be any reason for altering rate in Sicily.

As to rate for mainland we have as yet no adequate evidence to indicate what if any alterations should be made in rate. We are enquiring all sources regarding 5145 for AGWAR.

No Sig

NOTE: 5145 is CM-OUT-6143 (15 Aug 43) CAD  
4931 is CM-OUT-4916 (13 Aug 43) Gen Hilldring

ACTION: CCS

INFORMATION: OPD, GEN STRONG, GEN ARNOLD,  
ADM KING, GEN HILLDRING

CM-IN-14295 (19 Aug 43) 2028Z vc

DECLASSIFIED  
JCS LETTER, 7-8-72  
BY RT, DATE

DEC 28 1973

19

COPY No.

THE MAKING OF AN EXACT COPY OF THIS MESSAGE IS FORBIDDEN

002 Sicily

WOR No. 3  
160423Z

WAR DEPARTMENT  
CLASSIFIED MESSAGE CENTER

QCC  
16 Aug 43

# INCOMING MESSAGE

FROM: WAR (Relay of W-7432/1679 from Algiers)

TO : BOSCO

No. 64 August 16, 1943

AMG reports that Allied military lire have been circulation in western side of island for about 2 weeks (to AGWAR for Combined Chiefs of Staff and to USFOR for British Chiefs of Staff signed Eisenhower cite FEBGS NAF 323) and are beginning to come into circulation eastern side, that preliminary reports indicate satisfactory reception of the currency, that there have been no reported instances of refusal or reluctance to accept such currency, and that in Palermo the public has been bringing in yellow seal currency and other non-lire currency for conversion into Allied military lire.

NoSig

Franklin D. Roosevelt Library  
DECLASSIFIED JCS 29-71  
RHP 7-1-71

ACTION CC/S

Information	White House	Gen Marshall	Gen Wedemeyer
	Adm Leahy	Gen Handy	CAD
	Adm King	Gen Arnold	Col Connor
	Adm Cooke	Gen Kuter	
	Adm Willson	Gen Fairchild	

BOSCO-IN-74

(16 Aug 43)

0508Z

dmk

COPY No. 31

THE MAKING OF AN EXACT COPY OF THIS MESSAGE IS FORBIDDEN

002 Sicily

WAR DEPARTMENT  
CLASSIFIED MESSAGE CENTER

# OUTGOING MESSAGE

OPD 311.23 Sec-CAD (7 Aug 43)  
Civil Affairs Division  
Office Chief of Staff  
By: Oper. Div. WDGS, North African  
Sect. WDOFD Maj Charles Hilliard

August 7, 1943

CG NORTH AFRICAN THEATER OF OPERATIONS  
FREEDOM ALGIERS

Number 4469

USFOR LONDON ENGLAND

Number R-1594

Reference our cable number 2590, dated 15 July, (to Eisenhower for action from Marshall to USFOR London for information) concerning supplemental instructions regarding currency accounts and records for operation HUSKY, U S Navy procedure will be as follows: Navy will obtain any currency from AMFA for expenditures in area for pay of Navy personnel and other expenditures normally chargeable Naval appropriations. AMFA will radio Busanda Navy Washington of amounts of lire delivered to each disbursing officer who will also radio confirming advice. Navy will advise Treasury of amounts delivered and Treasury will set aside in earmarked account U S dollar equivalent at decreed rate analogous to War Department procedure. 5 Naval Officers Supply Corps, 1 captain, 3 Lieutenant Commanders, 1 Lieutenant being ordered from U S for duty COMNAVRAN Sicily for special Liaison and study AMFA. This group will set up and maintain financial control records for reconciliation with AMFA and Navy Department Washington accounts.

ORIGINATOR: CAD  
INFORMATION: ASF CG  
OPD  
Gen Deane (CCS)  
CM-OUT-2612 (7 Aug 43) 2226Z lmp  
CM-OUT-2635

DECLASSIFIED  
E.O. 11652, Sec. 2(b) and 5(D) or (E)  
OED letter, May 3, 1972  
By REP. NARS Date DEC 28 1973

COPY No. 36

THE MAKING OF AN EXACT COPY OF THIS MESSAGE IS FORBIDDEN

002 Sicily

~~SECRET~~

WAR DEPARTMENT  
CLASSIFIED MESSAGE CENTER

# OUTGOING MESSAGE

Combined Chief of Staff

August 1, 1943

CG  
FREEDOM, ALGIERS

Number 3972

BRITISH CHIEFS OF STAFF  
USFOR LONDON ENGLAND

Number R 1369

We will appreciate your comments (for Eisenhower Freedom Algiers, FAN 179, from Combined Chiefs of Staff) as suggested in NAF 294.

ORIGINATOR: CCS  
INFORMATION: OPD  
Adm. King  
Gen. Arnold  
Gen. Strong  
Gen. Hilldring  
LOG

CM-OUT 242 (1 Aug 43) 1607Z fbh  
CM-OUT 243

Franklin D. Roosevelt Library

DECLASSIFIED JCS 29-71

13

 COPY No.

002 *Lucy*  
THE MAKING OF AN EXACT COPY OF THIS MESSAGE IS FORBIDDEN

~~SECRET~~

JDJD C 104  
23/1801B  
alt

WAR DEPARTMENT  
CLASSIFIED MESSAGE CENTER

# INCOMING MESSAGE

CCWD  
23 July  
2337Z

P R I O R I T Y

From: Algiers  
To: WAR

No. W-5541/3723, 23 July, 1943

Fan 161 and 167 of yours our W 4907 referenced.  
(to AGWAR for Combined Chiefs of Staff and USFOR for  
British Chiefs of Staff signed Eisenhower cite FMGS  
NAF 294). Consider directive suitable for Sicily and  
have today relayed it AMGOT. We should wish to feel  
free to comment later in light of (A) further operat-  
ions (B) need for coordination at level AFHQ and (C)  
appreciation of broad accounting problems.

No Sig

Note: FAN 161 is CM-OUT-4746 (11 Jul 43) CC/S  
W 4907 is CM-IN-10502 (15 Jul 43) CC/S  
FAN 167 is CM-OUT-7461 (18 Jul 43) CC/S

Action: CC/S

Information: OPD  
Gen. Strong  
Gen. Arnold  
Adm. King  
Gen. Hilldring  
LOG

Franklin D. Roosevelt Library

DECLASSIFIED JCS 29-71

RHP 7-1-71

CM-IN-17009 (24 Jul 43) 0251Z vc

COPY No. 20

THE MAKING OF AN EXACT COPY OF THIS MESSAGE IS FORBIDDEN

002 Sicily

R0596  
22/1700B  
MC

WAR DEPARTMENT  
CLASSIFIED MESSAGE CENTER

CCWD  
23 July/43  
0102Z

# INCOMING MESSAGE

OPERATIONAL--PRIORITY

From: AFHQ in North Africa  
To: War

Nr: 957 22 July 1943

For Carter. ( From AMGOG FANTOX to AGWAR cite CA/550 ) Ref your R 150/2951 of 20 July 160 boxes reached Tunis 1230 hours today. We are sending these on to HORRIFIED tomorrow with AMFA Officers who will also take with them copies of proclamation 12 announcing Allied Military lire to be legal tender and interchangeable with other lire currency intended that this shipment will be delivered principally to 7th Army Disbursing Officers.

No Sig.

Note: 2951 is CM-OUT-7932 (20 Jul 43) ASF FISC

Action: ASF

Information: OPD  
Gen. Deane (CC/S)  
CAD

CM-IN-16159 (23 Jul 43) 0200Z vc

DECLASSIFIED  
JCS LETTER, 7-5-72  
BY RT. DATE DEC 26 1973

35  
COPY No.

THE MAKING OF AN EXACT COPY OF THIS MESSAGE IS FORBIDDEN

002 Saily

**SECRET**  
WAR DEPARTMENT  
CLASSIFIED MESSAGE CENTER

# OUTGOING MESSAGE

Civil Affairs Div., War Dept.

July 15, 1943

ALLIED FORCE HEADQUARTERS  
FREEDOM ALGIERS

DECLASSIFIED  
JCS LETTER, 7-5-72  
BY RT, DATE DEC 20 1973

Number 2590

Paragraph 9 of supplemental instructions regarding currency accounts for operation HUSKY which should now be in your hands states "The United States Army will, when it obtains Allied military Lire from the AMFA for expenditures in the area for pay of troops and other expenditures that would normally be charged to its appropriation, set aside in an earmarked account with the United States Treasury the dollar equivalent at the decreed rate of exchange and the relevant United States War Department appropriation will be thereupon debited accordingly". Procedure outlined your message W 4617 dated 11 July 1943 is in general accord with that referred to above and is considered satisfactory with the exceptions that, for expenditures as indicated in paragraph 10 of supplemental instructions, the accounting should be made to AMFA and that Navy Department procedure in relation to AMFA will be advised by subsequent cable. It is essential that all War Department accounting procedures be maintained as usual to fullest extent possible and that every evidence be given that AM Lire have equal value at decreed rate of exchange with other currencies utilized in the area. More specific War Department accounting procedures are being formulated here and your views on this subject could be considered if forwarded at the earliest practicable date. For Eisenhower Freedom Algiers from Civil Affairs Division signed Marshall. They should conform to general procedures outlined in supplemental instructions referred to above. In view of necessity of earmarking War Department appropriation adequate reserves of AM Lire should be held at AMFA and withdrawals of AM Lire by central funding officers should be restricted to known requirements avoiding placing large floating reserves in hands of Disbursing Officers. If circumstances require Treasury Department is prepared to designate AMFA as a depository of the United States. British procedure will be in line with the above.

No Sig

ORIGINATOR: CAD  
INFORMATION: OPD

33  
COPY No.

CH-OUT-4293 (15 JUL 1943) COPY 80106 MESSAGE IS FORBIDDEN

WAR DEPARTMENT  
CLASSIFIED MESSAGE CENTER

# OUTGOING MESSAGE

Combined Chiefs of Staff  
ccs JRD

July 18, 1943

DECLASSIFIED  
J.C.S. Regrading Memo # 29-71  
By RAE Date DEC 28 1973  
Number 2844

CG FREEDOM ALGIERS

USFOR LONDON ENGLAND  
FOR BRITISH CHIEFS OF STAFF

Number R-861

The following paragraphs of supplemental instructions regarding currency accounts are repeated as requested "Paragraph 9 reference your W 4907 dated 15 July 1943. The U S Army will, when it obtains Allied military lire from the Allied Military Financial Agency for expenditures in the area for pay of troops and other expenditures that would normally be charged to its appropriation, set aside in an earmarked account (with the U S Treasury) the dollar equivalent at the decreed rate of exchange and the relevant U S War Department appropriation will be thereupon debited accordingly. The UK War Office will deal in like manner with amounts certified as pay etcetera for British Troops. For Eisenhower Freedom Algiers, FAN 167, from The Combined Chiefs of Staff. Para 10 expenditures in the area for and by the Allied Military Government in terms of lire, as distinct from Allied military expenditures outlined in section 9 above, will be effected without specific dollar or pound sterling equivalent payments into earmarked accounts." By earmarked account is meant bookkeeping transfer by the U S Army from its Congressional appropriation into a special account to be held by the Treasury Department, of the dollar equivalent at the decreed rate of exchange for an lira or other lira, currency or credit, obtained from the AMFA when such funds are to be used for the pay of troops and other expenditures that would normally be charged to the U S Army's Congressional dollar appropriation.

No Sig

ORIGINATOR: CC/S  
INFORMATION: OPD GEN HILDING  
GEN STRONG ADM KING  
GEN ARNOLD SGS  
(18 July 43) 1748Z

CM-OUT-7461

CM-OUT-7462

COPY NO. 0  
ved

THE MAKING OF AN EXACT COPY OF THIS MESSAGE IS FORBIDDEN

JDJD B49  
151201B  
BMK

[REDACTED] L  
WAR DEPARTMENT  
CLASSIFIED MESSAGE CENTER

CCWD  
15 July 43  
1305Z

# INCOMING MESSAGE

From: Algiers  
To: WAR

No: W 4907, 15 July 44

Reference your 2305 of July 11. (For Combined  
Chiefs of Staff) (signed Eisenhower cite FHMGS) Please  
repeat paragraphs 9 and 10 and define "Earmarked accounts"

Nosig.

Note: 2305 is CM-OUT-4746 (11 Jul 43) CC/S

Action: CC/S (Gen Deane)

Information: OPD  
CAD

CM-IN-10502 (15 Jul 43) 1736Z vc

DECLASSIFIED  
JCS LETTER, 7-5-72  
BY RT, DATE

[REDACTED]  
COPY No.

28

THE MAKING OF AN EXACT COPY OF THIS MESSAGE IS FORBIDDEN

~~SECRET~~  
WAR DEPARTMENT  
CLASSIFIED MESSAGE CENTER

**OUTGOING MESSAGE**

**SECURITY  
CONTROL**

SECURITY CONTROL

Combined Chiefs of Staff

July 11, 1943

COMMANDING GENERAL  
FREEDOM, ALGIERS

Number 2305

BRITISH CHIEFS OF STAFF  
USFOR, LONDON ENGLAND

Number R-581

This message in 3 parts. For Eisenhower, Freedom  
Algiers, Fan 161, from the combined Chiefs of Staff.

Part 1 begins. The combined Chiefs of Staff have approved the following instructions regarding currency accounts and records as a supplement to the directive for Military Government for HUSKY cabled to you on 31 May, 10 June and 25 June 1943. The supplementary instructions follow:

Para 1. Appropriate records will be kept (A) in Washington, (B) in London, and (C) at the Allied Military Financial Agency's headquarters or other designated Agency in the field of operation, of all receipts, expenditures and transfers of special currencies obtained or expended in the HUSKY operation. Similar records will also be kept of the disposition of Allied Military Lira Postage Stamps utilized in this operation. The Allied Military Government will furnish such monthly reports as may be necessary to the British and U.S. Treasuries.

The terms "Special currencies" will for the purpose of this directive include: (A) U.S. yellow seal dollars and U.S. subsidiary coin, (B) British Military authority notes and British subsidiary coin, (C) Allied Military Lira notes, (D) other imported Lira currency, whatever the source, (E) Lira funds confiscated and made available for Allied expenditures within the area, (F) North African francs or any other foreign currency or Allied Military notes not listed above.

CM-OUT 4746 (11 Jul 43)  
CM-OUT 4747

Franklin D. Roosevelt Library

DECLASSIFIED JCS 29-71

RHP 7-1-71

COPY No. 15

OUTGOING MESSAGE

SECURITY  
CONTROL

Book Message

Page 2

July 11, 1943

Para 2. The U.S. Army will account for all B M A notes in the same manner as it accounts for all yellow seal dollars.

Para 3. Any transfer of yellow seal currency from U.S. Army to British Army account or from the A M Financial Agency to British Army, or U. S. Army account, will be recorded in terms of yellow seal dollars.

Para 4. The U S Treasury will prepare, print, and package A M Lira currency notes and A M Lira postage stamps in accordance with requirements stated by the U S Military Authorities. The costs incident thereto will be borne initially by the U S Army. The British Army will be liable to the U S Army for its share of the costs on a basis to be determined later.

Para 5. The U S Treasury will release for shipment A M Lira currency and stamps to the U S Military authorities, as requested. The amounts released to the U S Military authorities will be recorded by the U S Treasury at face value in terms of Lira. The recording of such Lira in terms of dollars or sterling for bookkeeping purposes shall be left for subsequent determination and adjustment, except as hereinafter indicated.

This is part 2. For Eisenhower, Freedom Algiers, FAN 161, from the combined Chiefs of Staff.

Para 6. The U S Military authorities will consign all A M Lira currency and stamps to the A M Financial Agency, which acting on behalf of and for the Allied Military Government will assume responsibility for issuance. The A M Financial Agency will keep careful records by values and dates of the currency and the stamps issued to (A) the US Army, (B) the British Army, (C) the Allied Military Government.

Para 7. Local Lira funds and assets seized or taken over within the area of operations will be deposited with the A M Financial Agency as soon as possible. Careful records as to amount and source will be maintained. If such Lira funds are made available to either the American or British Armies for local expenditures, the transaction will be recorded as an

CM-OUT 4746 (11 Jul 43)  
CM-OUT 4747

Franklin D. Roosevelt Library  
DEPT. OF THE ARMY  
FORM 2-1-31  
COPY No. 15

~~SECRET~~  
WAR DEPARTMENT  
CLASSIFIED MESSAGE CENTER

**OUTGOING MESSAGE**

**SECURITY  
CONTROL**

Book message

Page 3

July 11, 1943

advance from the general pool of Lira currency available to both armies and the amount so advanced will be charged to the army receiving it, as in section 9 below. On the other hand, all gold, foreign currencies, foreign securities and other foreign exchange assets seized or taken over by the Allied Armies will be impounded with the A M Financial Agency and will be held pending settlement at a later date. Nothing in this section will be interpreted as applying to funds in the physical possession of Prisoners of War.

Para 8. The British Treasury will report to the U S Treasury the amount of Italian Lira currency obtained outside the area and made available for the operation. The British Military authorities will report such Lire as are turned over to their forces, to the Allied Military Financial Agency, which will consider the amount as an augmentation of its currency reserve and immediately record it as an advance to the British Military Forces. It is agreed that for all purposes of accounting and conversion the Lire so utilized will be identical with the Allied Military Lire prepared by the U S Treasury.

Para 9. The U S Army will, when it obtains Allied Military Lire from the Allied Military Financial Agency for expenditures in the area for pay of troops and other expenditures that would normally be charged to its appropriation, set aside in an earmarked account (with the U S Treasury) the dollar equivalent at the decreed rate of exchange and the relevant U S War Department appropriation will be thereupon debited accordingly. The U K War Office will deal in like manner with amounts certified as pay, etcetera, for British troops.

This is part 3. For Eisenhower, Freedom Algiers, Fan 161, from the combined Chiefs of Staff.

Para 10. Expenditures in the area for and by the Allied Military Government in terms of Lire, as distinct from Allied Military expenditures outlined in section 9 above, will be

CM-OUT 4746  
CM-OUT 4747

(11 Jul 43)

Franklin D. Roosevelt Library

DECLASSIFIED JCS 29-7

~~SECRET~~ COPY No. 15

THE MAKING OF AN EXACT COPY OF THIS MESSAGE IS FORBIDDEN

~~SECRET~~  
WAR DEPARTMENT  
CLASSIFIED MESSAGE CENTER

**OUTGOING MESSAGE**

**SECURITY  
CONTROL**

Book message

Page 4

July 11, 1943

effected without specific dollar or pound sterling equivalent payments into earmarked accounts.

Para 11. The British Treasury will report to the U S Treasury the amount of B M A notes made available to the British Forces, and the amount on hand as of a date later to be agreed upon. Similarly, the U S Treasury will report to the British Treasury the amount of yellow seal dollar notes made available to the U S Forces, and the amount on hand as of a date later to be agreed upon.

Para 12. Mutilated and worn out currency will be withdrawn from circulation. Such B M A notes and yellow seal dollars will be held in the custody of the A M Financial Agency pending further decision. A M Lira notes and Italian Lira notes so designated will be held by the A M Financial Agency pending the working out of a satisfactory method of destruction with an adequate records system for subsequent identification of notes destroyed.

Para 13. Expenditures of the operation will be recorded in terms of (A) dollars, (B) sterling, (C) Lira, or (D) other currencies. These categories of expenditures will be kept separate and shall not be lumped in terms of a common unit. The allocation of the cost of military occupation as between the American and British Treasuries on the one hand, and the country of occupation on the other, will be a matter for negotiation and agreement between the U S and British Governments. Discussion of the distribution of military occupation expenses will be undertaken by the representatives of the U S and British Governments upon receipt of the first extended financial report from the appropriate Military authorities in the field.

No Sig

ORIGINATOR: CC/S

INFORMATION:

OPD

Gen. Strong

Adm. King

SGS

(11 Jul 43)

Gen. Arnold

Gen. Hilldring

LOG

1948Z fbh

Franklin D. Roosevelt Library

DECLASSIFIED ERS 297)

RAMP 7-1-71

CM-OUT 4746

CM-OUT 4747

COPY No.

15

~~SECRET~~  
THE MAKING OF AN EXACT COPY OF THIS MESSAGE IS FORBIDDEN