

ITALY'S COLONIAL EMPIRE - A PAPER MONEY TRAIL

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Italian Territorial Acquisitions Through World War I

Prior to the unification of Italy, the Italian peninsula consisted of numerous independent states, kingdoms, principalities, grand duchys, and city-states, and the lands of the Catholic Church. Most of these (the Kingdom of the Two Sicilies, the Kingdom of Sardinia [also know as Piedmont], the Grand Duchy of Tuscany, Lombardy-Venetia, and the Papal States) issued their own currencies. These fiefdoms were ruled over by hereditary rulers, soldiers-of-fortune or wealthy families. All this suddenly changed when Giuseppe Garibaldi, Cavour, Mazzini and others succeeded in unifying Italy in 1860-1870. Thus the Kingdom of Italy, with Victor Emanuel II at its head, was born.

Modern Italy, as a unified state, existed from 1861 onwards. The newly established Kingdom of Italy was quick to realize that she was late in arriving for the “scramble for Africa”; wherein other European powers, notably Great Britain and France, were expeditiously establishing overseas colonies in Africa. By now Britain, France, Germany, Spain, Portugal and even little Belgium had already carved out large empires on the African continent. Italy believed that she too had a right to her own overseas empire. Arriving last to the colonial race, and being weak in the foreign relations department, meant that Italy was largely dependent upon the acquiescence of Great Britain, France and Germany toward its empire building. One of the last remaining areas open to colonization was the east coast of Africa.

Italy's search for colonies was rewarded in 1885 when she annexed the port of Massawa in Eritrea on the Red Sea from the crumbling Egyptian Empire. This was accomplished through a secret agreement with Great Britain. Several years later the territory south of the Horn of Africa was acquired from the Sultan of Zanzibar and occupied by Italy. This area became known as the Italian Somaliland. With these two territorial acquisitions, Italy's colonial expansion was underway.

In 1920 the Banca d' Italia issued a set of notes under the caption Somalia Italiana. The notes were of 1, 5, 10, 20 and 50 rupia denominations. The obverse of the notes were in Italian and the reverse in Arabic. All are extremely rare and seldom encountered. The 20 and 50 rupia notes were stamped “invalid” in Mogadiscio and never placed into circulation, which accounts for their absence from collections.



The first of the Italian colonial notes. This Italian Somaliland 1 rupia note is dated 1921.

The next Italian triumph came in 1901 when a concession in Tientsin was ceded to the Kingdom of Italy by Imperial China. This territory was administered from Rome and enforced by several ships of the Italian navy which were based there. (See my article *Foreign Bank Notes in China, Part III – Republic of China Issues* for bank notes resulting from this concession).

About this time, the notion of *Mare Nostrum* (Our Sea) was rekindled by the Italian press. After the defeat of Carthage in the Punic Wars, the entire north coast of Africa had been added to the Roman Empire. By 30 BC Rome had conquered all lands surrounding the Mediterranean Sea from Spain to Egypt. It was then that the term *mare nostrum* gained favor, inferring Roman dominance over the entire Mediterranean.

Italy had long considered its former Roman possessions in Africa, now ruled by the Ottoman Empire, as falling within its own sphere of influence. A wave of nationalism swept across Italy after 1900. The Italian Nationalists (referring to themselves as irredentists) clamored for the expansion of Italy's empire. The concept of irredentism was limited to controlling lands adjacent and contiguous to Italy such as Corsica, Nice, Fiume, Istria, the Dalmatian coast and Malta; however, the term was soon widened to include all former Roman regions such as Albania and Montenegro. The Italian press was soon stirring up nostalgia for the old Roman era. It was suggested that Libya and Tunisia, both with heavy populations of Italians, should be taken back as rightfully theirs. To this end Prime Minister Giovanni Giolitti, in 1911, ordered a declaration of war against the Ottomans. As a result of the Italo-Turkish war, Italy was

awarded possession of Libya in north Africa and the Dodecanese Islands in the Aegean Sea. Due to French resistance, Italy put the occupation of Tunisia on hold for another time.

By the outset of World War I in 1914, Italy had annexed Eritrea and Somalia and had bested the Ottoman Empire in its bid for Libya and the Dodecanese Islands. Its first attempt to conquer Ethiopia had failed, however. Italy entered World War I on the side of Great Britain and France. In return, she was guaranteed territory from Germany's African possessions should Germany lose the war. Things did not work out as expected. At the Treaty of Versailles, Britain and France kept the former German colonies for themselves, excluding Italy's territorial ambitions in their entirety.

The Birth of Fascism in Italy

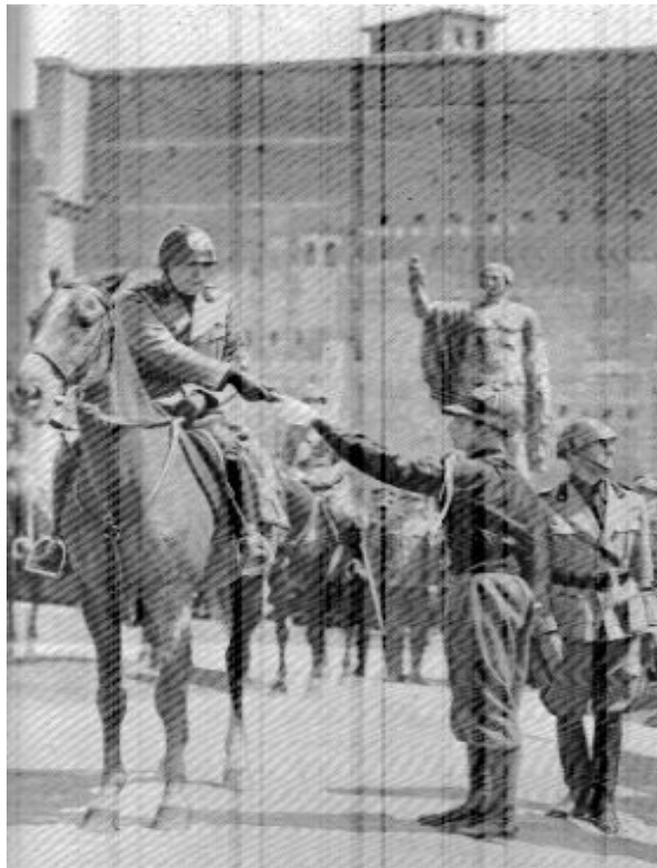
Benito Mussolini was the Fascist dictator of Italy from 1922 to 1943. He came to power through a coup d'etat initiated by king Victor Emanuel III after a succession of Italian democratic governments fell in rapid order. Italy had fallen prey to the socialism sweeping Europe after World War I. Food riots, lawlessness and industrial conflict raised the possibility of revolution. The Fascist Party, strong on nationalism and with a forward looking vision of colonization to relieve internal stress, soon organized itself along paramilitary lines in an effort to put down the Socialists. The party's strong-arm radicals, known as "black-shirts", would descend by the truckload upon all opposition to deliver their punitive attacks. Black-shirt violence culminated when Mussolini, dropping all pretense at democratic government, marched on Rome in October 1922. Political opposition ended when all power was seized by the Fascists, marking the beginning of two decades of authoritarian Fascist rule in Italy.

Known as *il Duce* (the leader), Mussolini centralized all power in himself. He was a manipulator of the highest order and a true propagandist. He was also cruel, vain and violent. While espousing his own genius as *il Duce*, Mussolini also elevated the status of Italy, the nation-state, in the eyes of the world. He yearned to re-establish the glory of Rome, believing that Italy was the successor state to the Roman Empire and the most powerful of the Mediterranean nations. Once they had come to power in 1922 his fellow fascists sought to ultimately control all the ex-Roman lands of the Mediterranean. By so doing, Mussolini's *Mare Nostrum* would eventually become an Italian lake. These objectives were accomplished by force or threat of force. The Fascist militia was organized along the lines of the old Roman legions. Their function was to preserve public order and to put down any attempts to interfere with the Fascist government.

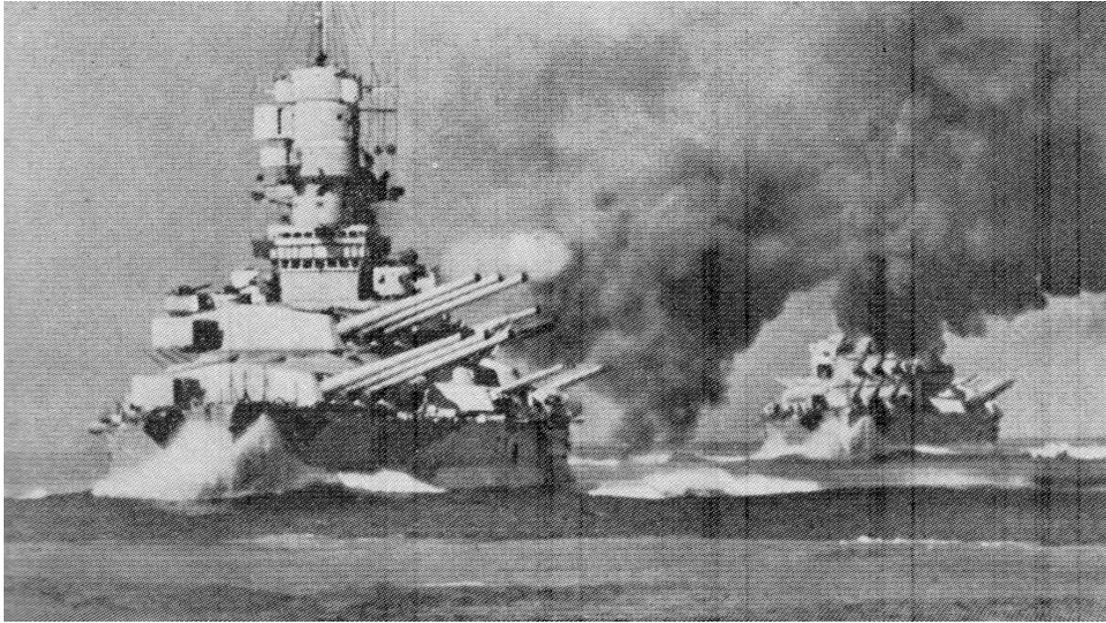
To acquire control over the Mediterranean, Italy required a strong navy. Mussolini set about building one of the most powerful navies of the world. A total of 320 ships of 136,634 gross tonnage were built between 1939 and 1943 alone. These included



Benito Mussolini with Adolf Hitler at the Brenner Pass in June, 1940. This picture was taken right after the fall of France and just before announcing that Italy would join an 'Axis' with Nazi Germany.



Mussolini bestowing an award upon a member of the Fascist Party Youth group.



To occupy and hold the territory incorporated into the Italian Empire required a strong army and navy. Mussolini built the fourth largest navy in the world at that time. Above are seen the Italian battleships *Littorio* and *Vittorio* in action. Below is an army anti-aircraft gun set up in front of the ruins of the Temple of Zeus in Athens during the Italian occupation of Greece.

battleships, cruisers, destroyers, submarines and escort vessels. Oddly, no aircraft carriers were built, a strategic error which was to cost Italy dearly.

All progressed smoothly until Adolph Hitler abruptly appeared upon the European scene in 1933. Mussolini was glad to have another forceful leader to challenge the status-quo brought about by the Treaty of Versailles, but he was also fearful lest the Germans overstep and attempt to incorporate the German speaking Italian region of Italy's South Tyrol into an Austrian anschluss. Knowing he was not prepared militarily for war, il Duce stalled for time. In the meantime, he believed the time was right for Italian expansion - convinced that he would encounter no opposition from a Europe preoccupied with Hitler's territorial ambitions.

The 'Greater Italia' Concept

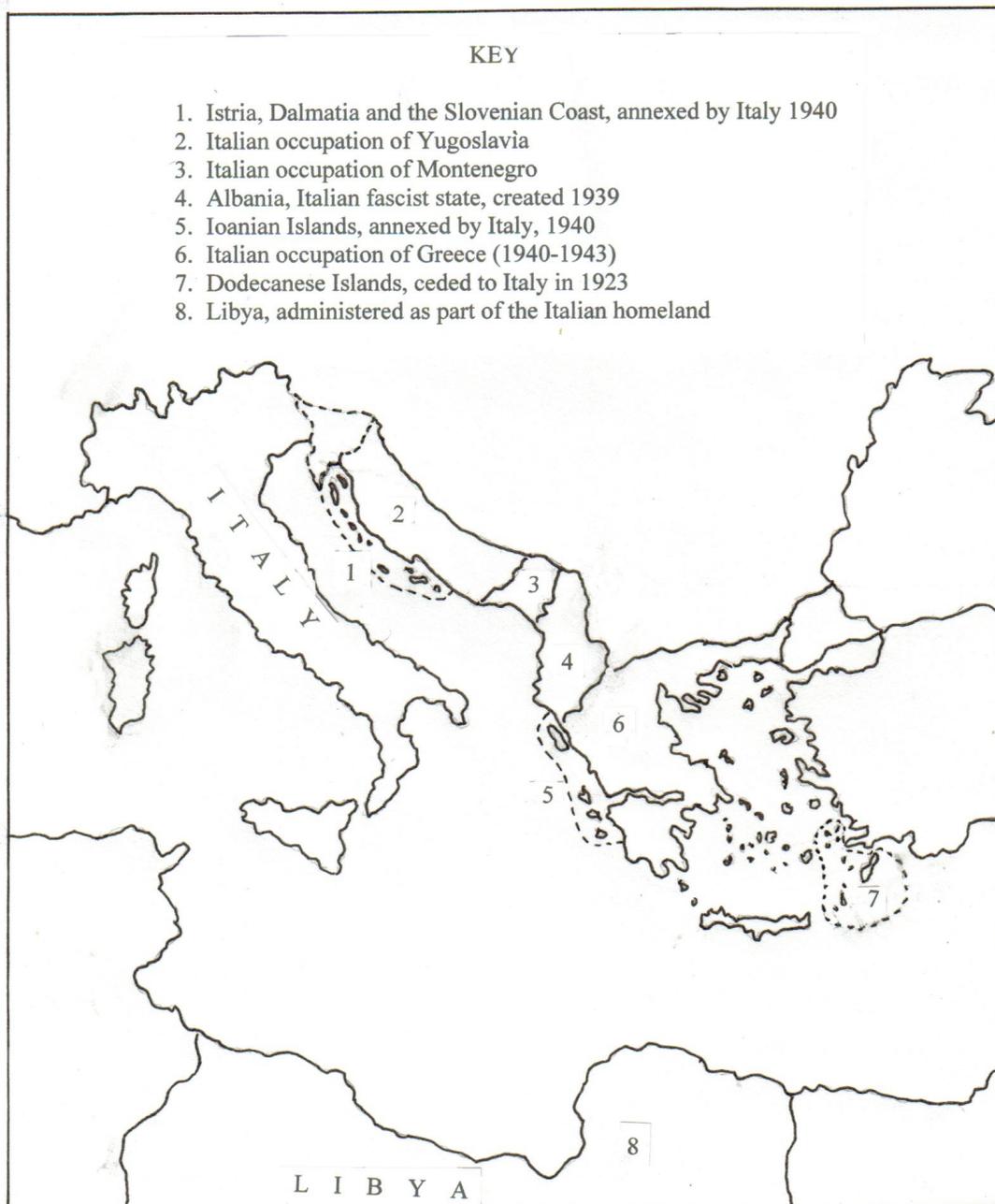
To implement these schemes the Fascists introduced the concept of a *Grande Italia* (Greater Italy). This project envisioned a fascist Italy which greatly expanded upon the nationalist designs on contiguous areas such as the French territory of Corsica, Nice and Savoy, and Dalmatia in Yugoslavia and the island of Malta. Such a Greater Italy would add additional Mediterranean territories to Italy's colonial empire. These included northern Tunisia and Libya, Albania and Montenegro. These areas already had sizable Italian populations, The intent was to create Italian colonies wherein additional Italian colonization was promoted and the non-Italian areas assimilated into Italian culture. Further colonization would also alleviate the overpopulation which had occurred in southern Italy. Emigration to the colonies was encouraged, with the greatest numbers going to Libya. In 1938 steps to colonize Libya were accelerated with most emigrants settling in Tripoli and Benghazi on the coast. Libya was officially incorporated into metropolitan Italy on 9 January, 1939. The Italians embarked upon huge public works projects including highway construction, railroad building, port expansion and new buildings until the Libyan economy again flourished as it had done in the Roman days. Farmers cultivated lands which had been lost to the desert for centuries. Most land was dedicated to olive groves and vineyards. Archeological exploration uncovered past Roman civilization, such as Leptis Major and other ruins, which tended to underline Italy's right to be there.

The Greater Italy concept envisioned an Italian Empire eventually stretching from Tunisia, through Libya, Egypt, the Sudan to Italian Somalia on the Indian Ocean. This fascist project took the highest priority and was to ultimately be realized at a future peace conference once the expected Axis victory was realized.

After 1936 the Ionian Islands were included in the Greater Italy project. Efforts were stepped up for the Italianization of these former Greek islands. With the Italian occupation of Corsica and Tunisia in 1942, the territories of Greater Italy were fully in

Italian hands. The Greater Italy project was never fully implemented due to the war turning against the Axis powers. (See Map A.)

Map A. - Italian Expansion in the Mediterranean



The Acquisition of Fiume and the Istrian Peninsula

The city of Fiume, a major port on the Adriatic Sea, and the surrounding Istrian peninsula had once been a part of the ancient Venetian Republic. Napoleon overran the area in 1805, and after his defeat the region was awarded to Austria. Fiume and Istria were incorporated into the new kingdom of Lombardy-Venice, an Austrian vassal state. The kingdom ceased to exist after Italian unification when Italian troops reestablished control there in 1866. Later this district was absorbed into the Austria-Hungarian empire.

Fiume was populated predominantly by Italians and had long been viewed as rightfully belonging to Italy. After the defeat of Austria-Hungary in World War I, the future of Fiume again came into question. At the Paris Peace Conference, which decided the question of war reparations and the division of former German and Austria-Hungarian territory, President Wilson rejected the Italian claim to Fiume and Istria. After World War I Italy, as a state on the winning side, had expected to share in the carving up of the former Turkish and German colonies. The British and French had other ideas, however, and succeeded in shutting Italy out of her colonial ambitions, keeping the colonies for themselves. Rome developed a legitimate sense of grievance when her colonial dreams did not materialize. Despite Wilson's objection, the Italians went ahead and occupied the city in 1919. At the Treaty of Rapallo, in the following year, Fiume was declared an independent "free" city, Dalmatia went to Yugoslavia with Italy receiving the Zara enclave in Dalmatia and several coastal islands. The local population considered themselves free only until such time as they could be annexed by Italy. Fiume, as a free city-state, had a short life as it was reoccupied by Italian forces in late 1923 after the success of Mussolini's march on Rome.

As a result of these political maneuvers there exists a series of Austria-Hungarian bank notes overprinted for use in the free state. These notes bear three different varieties of overprint: (1) a circle surrounding the words CITTA DI FIUME (both hand stamped and machine stamped), (2) a round stamp containing the coat-of-arms of Savoy, and (3) a large rectangular machine stamp reading ISTITUTO DI CREDITO CONSIGLIO NAZIONALE, CITTA DI FIUME (Credit Institute of the National Council, City of Fiume). The stamps may be found on Austria-Hungarian 1, 2, 10, 20, 50, 100 and 1,000 kronen notes. The circular stamps appeared as early as 1919, while the rectangular stamps appeared later. It is possible in rare instances, to find both types on the same note.



Independent city-state of Fiume 2 kronen note bearing a Citta di Fiume handstamp on a former note of Austria-Hungary.



Fiume 50 kronen note bearing the Citta di Fiume machine-stamp.



An extremely rare note containing both a Citta di Fiume stamp and the machine-stamp of the Instituto di Credito Consiglio Nazionale.

Banco d' Italia Fascist Issues for the Homeland and Libya

Since Libya was considered part of Greater Italy, it was decided not to prepare a separate series of notes for the African colony. Instead it was decreed that the bank notes of the homeland would circulate in Libya as well.

Bank of Italy notes took on a uniform appearance, with modest alterations, commencing about the turn of the century and lasting until after World War II. This fact adds confusion for the collector as to which note belongs to which era. The solution to this dilemma is simple, however. One can easily distinguish a fascist bank note from its predecessors, and those that followed the fall of fascist Italy in 1943, by paying attention to the back seal varieties found on these notes. The seals consist of three distinct varieties. All are circular in shape. The first of these consists of the words 'Decreto Ministeriale de 30 Luglio 1896' (Ministerial Decree of 30 July 1896). The second, or fascist seal, contains the fascist fasces symbol (a bundle of rods and a broad-ax) with the date 'Ottobre 1922' (October 1922) at left. This date, of course, refers to Mussolini's march upon Rome, the event which brought the fascists to power in Italy. The final seal contains the entwined "BI" monogram of the Banca d' Italia. This seal first saw use when Italy abandoned the Axis and joined the Allies in September 1943.



Shown here are the three back seal varieties found on Banca d' Italia bank notes. All Italian fascist notes carry the orange seal containing a fasces and the date October 1922 as seen at the center.

The bank notes of the fascist era fell into two categories: (1) state notes (Biglietto di Stato) issued by the Kingdom of Italy under the heading Regno d' Italia, and (2) the notes of the Banca d' Italia. State notes were all of low denominations not exceeding 10 lire. The 1 and 2 lire notes were dated 11 November 1939, while the 5 and 10 lire notes only showed the year of issue. (See Table 1.) These notes were intended to extol the past glory of Rome, a theme favored by Mussolini and carried out in their design. The 1 and 2 lire notes show the value superimposed upon a spear of wheat and a fasces surrounded by oak leaves on the obverse. The reverse of the 1 lire contains a statue of the emperor Augustus while the 2 lire depicts one of Julius Caesar. The 5 lire note features King Victor Emanuel III on the obverse and a Roman eagle on the reverse. The 10 lire contains a different rendition of Victor Emanuel III. The reverse of the note contains a bust of the goddess Athena.



Kingdom of Italy notes depicting Roman emperors Augustus and Julius Ceasar.



Biglietto di Stato 5 and 10 lire notes of the Kingdom of Italy featuring king Victor Emanuel III.

Banca d' Italia fascist notes fall into two distinct groups: (1) the “old type” in existence in 1922 and (2) the new “Imperial” notes introduced in 1933. (See Table 1.) The old type series was extremely ornate and full of allegorical figures while the new notes were better executed and emphasized Italy's connection to her glorious past.



Obverse of the old style Banca d' Italia 50 lire note dated 31 March 1943, six months before the fall of fascist Italy.

Table 1. - Fascist Bank Note Issues: The Italian Homeland and Libya

Denomination	Date	Size	Vignette	Color
Regno d' Italia (Kingdom of Italy)				
1 lira	1939	44x75mm	Emperor Augustus	purple/rose
2 lire	1939	44x75mm	Julius Caesar	purple/violet
5 lire	1939,1940	52x90mm	Vittorio Emanuel III	red-violet
10 lire	1935,1938 1939,1940	52x90mm	Vittorio Emanuel III Athena	blue
Banco d' Italia (Old Types)				
50 lire w / c'foil w/o c'foil	1926-1936 1943	91x151mm	allegorical	green
100 lire w/ c'foil w/o c'foil	1926-1930 1930-1934	100x170mm	allegorical	brown/orange
500 lire	1943	113x191mm	allegorical	red
1000 lire	1926-1943	10x210mm	allegorical	mauve/gray
Banco d' Italia (New Types)				
50 lire - Roma	1936-1942	66x115mm	She wolf w/ Romulus and Remus	multicolored
50 lire - l'Aquila	1942-1943			
100 lire - Roma - l'Aquila	1931-1942 1942-1943	92x168mm	Reclining Roma	multicolored
500 lire - Roma - l'Aquila	1926-1942 1942-1943	100x185mm	Agriculture	multicolored
1000 lire - Roma - l'Aquila	1930-1941 1942-1943	110x205mm	Venezia and Genoa	multicolored

Source: Bobba, *Cartamoneta Italiana*



Old style Banca d' Italia 50 lire note reverse containing the fascist seal and head of Italia. The earliest of these notes(1926-1936) featured a counterfoil along the left edge.



Obverse of the old style 500 lire note.



Reverse of the old style 500 lire bank note with fascist seal, featuring allegorical figures and the head of Italia on the reverse.



The newly designed Italian 50 lire note features the fabled she-wolf suckling Romulus and Remus, the twin sons of Mars, on the reverse.



The imperial style 1000 lire note contains two seated female figures representing Venice and Genoa.



Rome and Aquila imprints as seen on Banca d' Italia notes.

In 1942, with Allied forces steadily advancing up the Italian peninsula, the fortunes of war turned against Italy. Rome became threatened. At that point the Finance Ministry removed its printing facility to the northern town of Aquila in the Apennine mountains. There the printing and distribution of lira notes continued, but with one exception. The printers imprint was changed to reflect the fact that the notes were the product of the new facility by substituting the printing location name from 'Roma' to 'l' Aquila'.

Mussolini's fortunes changed overnight. With the American landing in Sicily and their steady advance up the Italian peninsula, his colleagues turned against him. This occurred at a meeting of the Italian Grand Council on 25 July, 1943. As a result of the deliberations it was thought that a change of government was essential. This enabled king Victor Emanuel III to dismiss and arrest him. Mussolini managed to escape to northern Italy where he was rescued by the Germans several months later. Mussolini then tried to shift the blame of defeat onto the Italian people. He accused them of not being equal to achieving his dreams of colonialism and expansion. The end came when Mussolini, together with his mistress, was captured by Italian partisans near Milan while they were fleeing to Switzerland. They were summarily executed.

The Invasion of Ethiopia and the Emergence of Italian East Africa

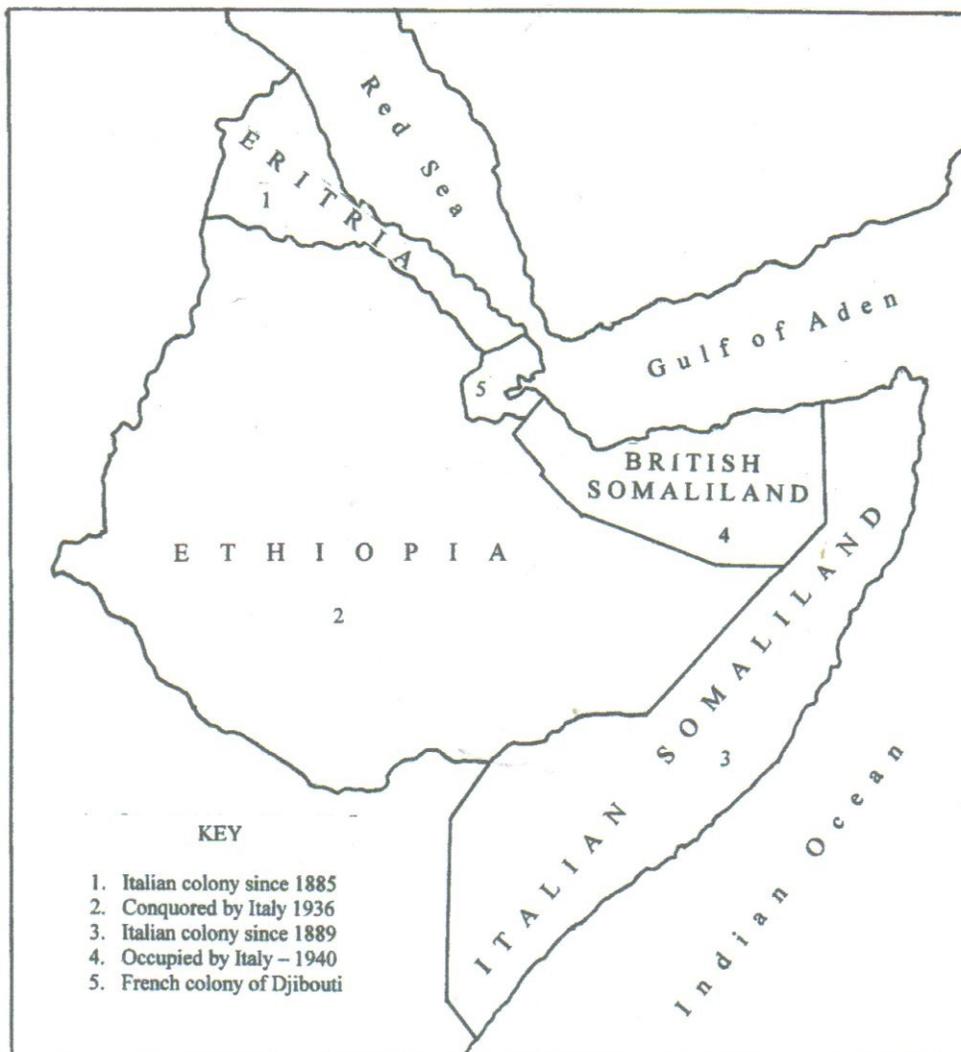
After Italy had once failed to conquer Ethiopia in 1887, the Fascists tried again in 1935. A border incident between Ethiopia and Italian Somaliland gave Mussolini an excuse to intervene. Both countries were members of the League of Nations, which was ineffectual in imposing economic sanctions upon the aggressor. Except for the British, who had a stake in east Africa, the other major powers had no interest in opposing the Italians. Under generals Graziani and Badoglio, the invading forces steadily pushed back the poorly trained and ill-equipped Ethiopians. A major victory was won at Ashanji on 9 April 1936, with the Ethiopian capital of Addis Ababa falling a month later. At this time the Ethiopian emperor, Haile Selassie went into exile. The war cost the Italians 15,000 casualties. In Rome, Mussolini declared the birth of the Italian Empire, adding the title “Emperor of Ethiopia” to king Victor Emanuel III's existing honorarium, “King of Italy”. Badoglio was made viceroy over the combined lands of Eritria, Italian Somaliland and Ethiopia, henceforth to be known as “Africa Orientale Italiana” (Italian East Africa). The Italians ruled the A.O.I. with an iron hand, and life for the native Orthodox Christian Amhara people was harsh. Indeed, fascist policy sought to destroy their culture. The Italo-Abyssinian War was hugely unpopular in the west which, in turn, helped to bring down the League of Nations as a peace-keeping force.





Immediately upon the fall of Addis Ababa, former Ethiopian bank notes, such as these, were withdrawn from circulation to be replaced with the special series of Italian notes prepared for the A.O.I.

Map B – Italian East Africa



The Italians had high hopes of turning their new colony into an economic asset. Over 300,000 Italians ultimately emigrated to the A.O.I. Reconstruction efforts after the 1936 war were focused on building new roads and hospitals. The colony was enlarged in 1940 after Italian forces conquered British Somaliland, hereby creating a single east African colony under Italian control. (See Map B.)

Italian East African bank notes were identical to those circulating in the homeland except for the caption “Serie Speciale Africa Orientale Italiana” in red across the top of the notes and the wording “E Vietata la Circolazione Fuori dei Territori dell' Africa Orientale Italiana” (for circulation only in the territory of Italian East Africa) in red at the bottom. (See Table 2.)

Table 2. - Italian East African Bank Notes

Denomination	Date	Size	Vignette	Rarity *
50 lire	1938 1939	66x115mm	She wolf w/ Romulus & Remus	C R
100 lire	1938 1939	90x167mm	Reclining Roma	C R
500 lire	1938 1939	100x185mm	Agriculture	R3 R4
1000 lire	1938 1939	110x205mm	Venetia and Genoa	R4 R5

* Rarity scale according to Bobba



50 lire note of Italian East Africa.



Italian East African notes were identical to those used in Italy and Libya with the exception of a caption which appeared in red at the top of the notes which read “Serie Speciale Africa Orientale Italiana”.

The existence of Italian East Africa in 1940 presented a serious threat to Great Britain's interests in Africa. A successful Italian attack upon Sudan and a connection through Egypt to Italian held Libya would have deprived Britain of the Suez Canal and ensured the long dreamed of Italian hegemony from Tunisia to Kenya. The Italians did invade the Sudan from A.O.I., but with limited success. Their attempt to take the Suez Canal in 1940 met with defeat.

The end came for the colony in December 1942 when the last stronghold in Ethiopia was overrun by Allied troops. Notwithstanding this, an Italian guerrilla force waited for the possible arrival of the Italo-Germany army under Rommel to arrive from Egypt. After the battle of El Alamein and the total defeat of the Italian-German forces in North Africa, all dreams of an Italian Empire faded away.

Other Italian Misadventures

Italy was drawn into the Spanish Civil War (1936 - 1939) on the side of the rebel forces of General Francisco Franco who were fighting the established Spanish republican government. This was done principally to give the Italian army training prior to embarking upon il Duce's territorial conquests. Germany soon followed Italy's lead in

siding with Franco.

On his visits to Germany, Mussolini was dazzled by German military might and preparation for war. Easily carried away by flattery, he at first stood aside as a “junior partner” while Hitler absorbed Austria and the German-speaking Sudetenland of Czechoslovakia into the German Reich. A military alliance between the two countries known as the “Pact of Steel” soon followed. When Germany invaded Poland three months later, in September 1939, Italy was completely caught off-guard and was consequently forced into a war she was unprepared to fight.

A rapid string of German victories convinced Mussolini to enter the war in 1940 on the side of the Germans. He believed the Nazi juggernaut to be unstoppable. Exasperated that Hitler was collecting all the victories, Mussolini decided to wage his own parallel war. Albania was invaded in 1939 and made an Italian vassal state. Convinced that Hitler was about to invade England, and with Britain distracted on all fronts, Mussolini next moved to capture the Suez Canal. The British response in January 1941 was decisive, however, and the Italians were soon driven back into their Libyan colony. These actions were followed by the invasion of France and Greece in 1941. Both activities resulted in ultimate failure.

The Invasion and Occupation of Albania

Benito Mussolini had long coveted the occupation of Albania as the first step in incorporating the Balkans into Greater Italy, and thereby expanding his empire. After Germany occupied Austria and the Sudetenland in Czechoslovakia he was more than ever determined to achieve his goal. After all, was not Italy the equal of Germany when it came to territorial ambitions?

The kingdom of Albania was invaded by Italy on 7 April 1939. Albanian armed resistance was ineffective against the Italians. After a short offensive the country was occupied. King Zog of Albania and his government fled into exile. With this, Albania ceased to exist as a nation and became part of the Italian Empire. Albania was turned into an Italian protectorate (similar to the German protectorate set up for Bohemia-Moravia) and ruled under Victor Emanuel III as an autonomous territory of Italy.

The Fascist government in Italy placed great importance upon the acquisition of Albania inasmuch as Albania had once been an integral part of the Roman Empire and later heavily influenced by and partially owned by the Venetian Republic. The possession also gave Italy a strategic position in the Balkans from which to invade Yugoslavia and Greece.

A puppet Albanian fascist party ruled Albania. These fascists encouraged Italian

citizens to settle there so that they might ultimately transform the culture into an Italian one.

Mussolini used Albania during the Greco-Italian War as a staging ground for the invasion of Greece, Montenegro and Yugoslavia to insure Italian control of the Adriatic Sea coastline. This was all part of the grand Mare Nostrum plan with the fascist objective of ultimate domination of the entire Mediterranean.

The Italians quickly ran into trouble against stiff Greek resistance and were initially driven back into Albania. In March 1941 the Italians, with the assistance of the Germans, reentered Greece and Yugoslavia, this time to stay. After the surrender of Italy in September 1943, Albania was occupied by the Germans until the end of the war.

The Italian occupation of Albania produced a series of bank notes for the numismatist to savor. Among them is a very rare note. The note to which I refer is the only provisional bank note authorized by the Italians until new Albanian money could be prepared. This was the 100 franka ari bank note of the Albanian National Bank which had circulated since 1926. The note carries a scene of the famous Gomsiqe Bridge at the center and a portrait of king Zog at right. The reverse of the note depicts a landscape scene with the river Drin in the foreground. On the provisional version king Zog's portrait has been overprinted with a black double-headed eagle.



100 franka ari Albanian note of 1926 showing king Zog at right.



The provisional version of the same note.

The new Banca Nazionale d'Albania notes appeared in 1940. The first of these was the 2 lek. On the obverse a double-headed eagle appears at left with the numeral 2 on a gullouche at right. The reverse of the note depicts a Roman god at right with the crowned Albanian arms with fasces at left. The 5 lek note is of the same size and features the double-headed eagle on the obverse and a head of Italia on the reverse. The 10 lek note is quite similar, is slightly larger and of different colors.



Banca Nazionale d'Albania 2 lek note of 1940.

The remaining three bank notes were denominated 5, 20 and 100 franga. The 5 and 20 franga notes first appeared in 1939, while the 100 franga note was first placed into circulation in 1940. The 5 franga note is a nondescript looking olive green and blue note featuring a large double-headed eagle on the reverse. The 20 and 100 franga notes

are larger and more in the Italian style. All contain the watermarked head of king Victor Emanuel III. The obverse of the 20 franga note shows the reclining figure of Roma together with shield and spear holding aloft a winged orb with the Roman she-wolf of Romulus and Remus fame at her feet. This note closely resembles the 100 lire note of fascist Italy. The Albanian double-headed eagle is prominently displayed on the reverse. The highest denomination bank note, the 100 franga, also resembles its Italian counterpart. A figure of Agriculture is prominently displayed on the right with two fasces at left. All notes were the product of the Banco d' Italia printing factory in Rome.



Banca Nazionale d'Albania 20 franga note of 1939. Note its resemblance to the fascist Italian 100 lire note of the same period.



The National Bank of Albania 100 franga note with Agriculture at right, which was introduced in 1940. This note uses the same rendition of Agriculture that is found on the 500 lire note of Italy.

Table 3. - Italian Occupation of Albania: Banca Nazionale d' Albania

Denomination	Date	Size	Vignette	Rarity
Provisional Issue:				
100 franka ari	(1939)	?	Double leaded eagle overprint on King Zog portrait	R5 *
Regular Issue:				
2 lek	1939	53x94mm	Apollo	C
5 lek	1939	53x94mm	arms/Italia	R
10 lek	1939	62x98mm	arms/Italia	R
5 franchi	1939	76x130mm	double-headed eagle	R
20 franchi	1939	105x187mm	reclining Roma	C
100 franchi	1940	89x180mm	Agriculture	R

* Bobba rarity scale

The Annexation of the Ionian Islands

The Ionian Islands in the Adriatic Sea consisted of Corfu, Caphalonia, Zante, Lencas, Cythera, Paxos and myriad smaller islands totaling 891 square miles. The islands had a colorful history and the distinction of having been ruled by more foreigners than any other Mediterranean land. Initially Roman, they eventually fell to the Byzantine Empire. Upon the demise of the Byzantines they were taken over by the Venetian Republic and later the Turks in 1479. They later became the possession of France and when Napoleon was defeated, the islands were turned over to Great Britain in 1815 by the Treaty of Paris. Upon the establishment of the Kingdom of Greece in 1833, the British voluntarily relinquished the Ionian Islands to the mother country. This was the state of affairs at the outset of World War II.

Italy had long coveted these islands for their own. This yearning stemmed from the fact that the islands had formerly been Venetian territory which held a strategic location in the Adriatic. If the islands could be occupied permanently, the Adriatic would truly be turned into an Italian "lake". The territory was also part of the Adriatic coast that together with Dalmatia was needed to fulfill the Greater Italia dream. Recognizing this and spurred on by the Italian irredentists, Mussolini attempted to occupy Corfu in 1922. The 'Corfu Incident', as it was called, began when an Italian general and his staff, who had been sent by the Boundary Commission to arbitrate the Greek-Albanian border after World War I, was murdered in cold blood. Mussolini's reaction was to order the Italian fleet to immediately occupy Corfu. After Britain notified the League of Nations that they would put their own navy at the League's disposal, Mussolini backed down after a year's occupation.

In 1939 the irredentists were again clamoring in the Italian press for control of the balance of Istria not acquired in 1923, Dalmatia, the Ionian Islands, Malta, Corsica and Nice and Savoy in France. Ultimately all these territories came under Italian domination with the exception of Malta, which due to the presence of a strong British fleet, remained free. Corsica, Nice and Savoy were occupied by the Italian army upon the fall of France and the establishment of the Vichy government. Hitler rewarded his junior partner, Mussolini, by giving his blessing to these not too difficult Italian conquests. These areas were officially annexed to Italy in November 1942.

Following his initial success in Albania, Mussolini moved to consolidate his hold on the Adriatic coast. He ordered the invasion of Yugoslavia and the occupation of the Dalmatian coast annexing them to Italy under the Governorship of Dalmatia. At the same time he sent the Italian fleet and army to occupy the Ionian Islands.

Upon landing, a new political administration was set up and permanent annexation declared. All Greek streets and store signs were changed to Italian. The

Italian language was made mandatory. Greek banks were closed and all communications with Greece ceased. On 20 April 1940 a new currency, known as the Ionian drachma, was put into circulation. It was at par with the former Greek currency. The purpose was to orient the Ionian Islands economically towards Rome. The islands became a separate Italian province after the fall of Greece.

The new currency bore the heading *Biglietto a Corso Legale per le Isole Jonie*, loosely translated as “Lawful Bank Note for Circulation Only in the Ionian Islands”. The notes were released by the Chief of Political and Civil Affairs. Denominations were of 1, 5, 10, 50, 100, 500, 1000 and 50000 drachma. (See Table 4.) The first three notes were small in size, the 50 and 100 drachma medium in size and the 500 and above denominations considerably larger. All but the 1 drachma note contain references to Greece's past glory. Alexander the Great appears on the 5 and 10 drachma notes, while a bearded Aristotle is featured on the 50 and 100 drachmas. The higher denominations are more interesting inasmuch as the reverses also extol the past glories of Greece. The 500 and 1000 drachma notes both contain a portion of an ancient Greek frieze containing two horsemen on the reverse. The 5,000 drachma note carries on its reverse a picture of a Greek trireme approaching shore surrounded by classical Greek symbols. The 50 drachma and higher denominations are all printed on watermarked paper containing rows of interlocking diamonds. The Ionian notes are all well executed. All notes were retired after the Italian capitulation in 1943.



1 drachma note for the occupation of the Greek Ionian Islands.



5 drachme note with head of Alexander the Great on the obverse and a scene from an ancient Greek frieze on the reverse.

Table 4. - Biglietto a Corso Legale per le Isole Jonie

Denomination	Date	Color	Size	Vignette	Rarity
1 drachma	1941	black/tan	52x82mm	text	C *
5 drancme	1941	red	52x82mm	Alexander the Great	C
10 dracme	1941	green	52x82mm	Alexander the Great	C
50 dracme	1941	brown	65x107mm	Aristotle	R
100 dracme	1941	blue	65x107mm	Aristotle	R
500 dracme	1941	lilac	80x150mm	Julius Caesar	R2
1000 dracme	1941	brown	80x150mm	Julius Caesar	R3
5000 dracme	1941	blue-gray	85x157mm	Julius Caesar	R3

* Bobba rarity scale



Biglietto a Corso Legale per le Isole Jonie 5,000 dracme note of 1940 of the first series.

The Invasion of Yugoslavia and the Occupation of the Balkan Coast

After receiving assurances from the German allies of Romania, Hungary and Bulgaria that they held no objection to a joint Italian/German invasion of Yugoslavia, Mussolini and Hitler launched their invasion in April 1941. Offering slight resistance, Yugoslavia was overrun by the end of the month. The Italians created a military line of occupation which ran from Lubiana in Slovenia to northern Montenegro which was approximately one hundred miles inland. This line was considered the future border of Greater Italy in the north-western Balkans. To the south the Italians added a fascist Montenegro to Albania which had fallen two years before. The only thing left to complete the eastern arc of the Italian Empire was the conquest of Greece.

In the meantime, Germany carved out two vassal states from the ruins of Yugoslavia - these were Croatia and Serbia. After this, nothing remained of the former Yugoslavia. Interestingly, the Italian duke Aimone, the fourth duke of Aosta, was chosen to rule over the newly created Independent State of Croatia as King Tomislav II. It is interesting that these Italian maneuvers to grab additional land mimicked Germany's conquest of lands to be used as 'Lebensraum' (living space) for Germans.

When occupying the mountainous Yugoslavian province of Montenegro, the Italians chose to leave in place current Yugoslav bank notes then circulating, but only after they had received an official validation stamp. The purpose of the hand-stamp was to confirm the sovereignty of the Italian state, to validate the note and to allow for its continued use. Notes missing this seal were not considered occupation notes. With Yugoslavia no longer in existence, the unstamped notes were, of course, worthless.

The black circular seal was applied to the upper right and lower left of each note. The stamp consisted of the word VERIFICATO and a statue of Italia holding a torch aloft. Although there were six denominations overprinted in this series, the collector must acquire seven in order to have a complete collection. This is due to the fact that the 100 dinara note with the old date of 1 December, 1929 bore two different watermarks, thus creating two distinct varieties. The older of the two has a watermark of Yugoslav king Karageorge and the later of king Alexander I. There also exists an error note in this series. Although identical to the 100 dinar Kingdom of Yugoslavia note, a few notes dated 30 November, 1920 and bearing the old designation National Bank, Kingdom of Serbs, Croats and Slovenes were stamped by mistake.

When Italy surrendered and went over to the Allied side in September, 1943 Yugoslav partisans, who had been fighting the Germans, reoccupied the lost territory and set up the State Bank for Istria, Fiume and the Slovenian Coast in 1945 to administer to the areas' financial needs.



Yugoslavian 100 dinar bank note which has been impressed with 'Verificato' hand-stamps authorizing its circulation in the Italian occupied province of Montenegro.



Obverse of the Kingdom of Yugoslavia 500 dinar note dated 6 September 1935 showing a portrait of Peter II at left and the Serb, Croat and Slovenian shield at center. This note was circulating when Italy and Germany invaded Yugoslavia in 1941.



Yugoslav partisan notes used during the re-occupation of territories lost to Italy during World War II. They were the product of the State Bank for Istria, Fiume and the Slovenian Coast.

The Italian Occupation of Greece

Italy's first attempt to conquer Greece occurred in October 1940. Mussolini launched the invasion to prove that Italy could match the successes of the German army, while at the same time adding another parcel to Greater Italy. The Greek army proved to be more effective than Mussolini's generals had thought. The Italian advances were halted by stiff Greek resistance. Using the mountainous terrain of Epirus to good advantage, the Greeks forced the Italians into retreat. The Italians were compelled to withdraw into Albania before reinforcements and a harsh winter halted the Greek advance.

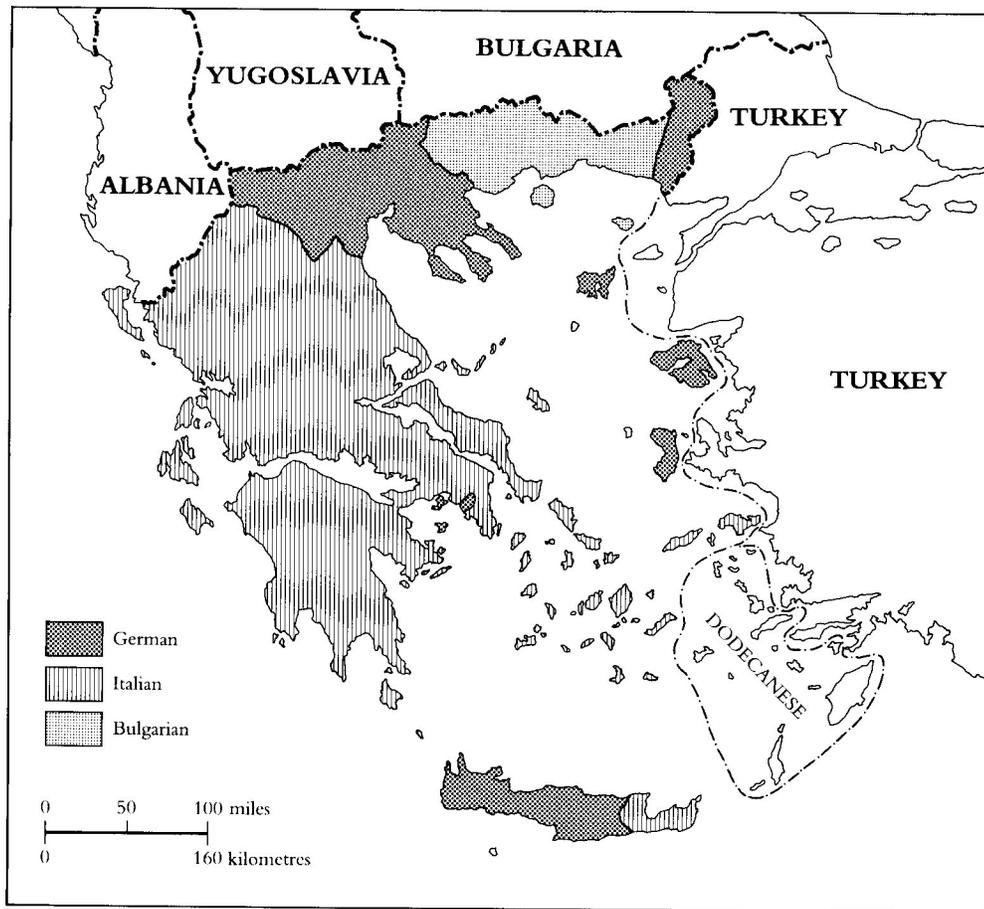
Once the territory of the former Yugoslavia had been secured in 1941, joint Italian and German forces quickly returned and overran Greece. The country was then divided between Italy, Germany and Germany's ally Bulgaria for occupation purposes, with Italy occupying two-thirds of the country.

Greece suffered greatly during the occupation. Greece's economy had already been devastated by the mountain war. To this was added relentless economic exploitation by the Germans, who requisitioned all raw materials and foodstuffs for their own use. The Greek collaborationist government in Athens was forced to pay the cost of the occupation which, of course, led to spiraling inflation. Starvation followed wherein an estimated 300,000 people perished.

Life in the Italian occupation zone and the surrounding islands was mild by comparison. Unlike the Germans, they never implemented a policy of mass reprisals, nor did they display anti-semitic views toward the Jews. They protected those in their zone instead. Of course, all this changed after Italy overthrew the Fascist Party in 1943 ending their Axis participation in the war. Since they controlled much of the countryside, the Italian garrisons were the first to come under attack by the Greek partisans. By mid-1943 the resistance had managed to dislodge the Italians from several towns, creating liberated zones known as "Free Greece".

When Mussolini invaded Greece a new Greek state was set up under joint Axis occupation. The former stability of the Greek drachma under the gold standard collapsed and in its place appeared a new Greek drachma currency. This new money was idyllic in design. This can be seen in the design of the 5,000 drachma note of 1942. The engraver, one Alexandros Koroyiannakis had a preference for the heroic and the statuesque. His note shows images of the human form ennobled by work - on the reverse may be seen a farmer tilling the soil and another sowing seed. These images are surrounded by a framework of tobacco and olive plants, ears of wheat and clusters of grapes. On the

Map C. - The Axis Occupation of Greece



obverse are two workmen beneath the statue “Wingless Victory” together with a view of the Piraeus seaport at left and a fishing scene at right.

These images may have suggested a well-ordered and sound society, yet this new money had the look and feel of mass production. The creditworthiness of the new currency soon evaporated. Whereas there had been 24 million drachma in circulation in June 1941, a year later there were 110 million. During that period the official price of a loaf of bread had risen from 70 drachmas to 2,350 and a bar of soap from 65 to 3,100. Shortly after, currency was abandoned altogether in some places, being replaced by reckoning in cigarettes or olive oil. Ultimately, the Greek drachma under Axis occupation in November 1944, attained an astronomical ratio of 50 billion to 1 new drachma when converted upon the departure of the Germans. For a detailed study of Greek inflation notes under Italian occupation see my article entitled *Some Anomalies Found on Greek Bank Notes*.



Obverse of Alexandros Koroyiannakis' 5000 drachmai note dated 20 October, 1942. The Bank of Greece was allowed to operate during the Italian occupation, but was soon caught up in rampant inflation.



Reverse of the Bank of Greece 5,000 drachmai note.

Although the Italians permitted the Bank of Greece to operate under the Greek collaboration government, they brought their own occupation currency with them. These were the notes of the *Cassa Mediterranea di Credito per la Grecia*. The issue consisted of bank notes denominated in 5, 10, 50, 100, 500, 1000, 5000, 10,000 and 20,000 drachmai. For a long while it was thought that a 50,000 drachmai note existed and was listed as such in the early Pick catalogs. After some years, when no notes materialized, the listing was dropped.

Table 5. - Cassa Mediterranea di Credito per la Grecia

Denomination	Date	Color	Size	Vignette	Rarity
5 drachmai	1940	green	55x110mm	Apollo/wheat	C *
10 drachmai	1940	orange	55x110mm	Apollo/trireme	C
50 drachmai	1940	blue	55x110mm	Apollo/wheat	R
100 drachmai	1940	brown	55x110mm	Apollo/trireme	R2
500 drachmai	1940	dark green	94x198mm	Michaelangelo's <i>David</i>	R2
1,000 drachmai	1940	lt. brown	94x198mm	Michaelangelo's <i>David</i>	R3
5,000 drachmai	1940	lilac	94x198mm	Michaelangelo's <i>David</i>	R4
10,000 drachmai	1940	gray	94x198mm	Michaelangelo's <i>David</i>	R5
20,000 drachmai	1940	blue	94x198mm	Michaelangelo's <i>David</i>	R5

* Bobba rarity scale

Of all the money created for Italian colonialism this series, in my mind, is the most attractive. The notes convey the theme of the past glory of the Roman and Greek empires in a magnificent way. The lower denomination notes picture the Greek god Apollo together with wheat spears and the prow of an ancient trireme. The larger denominations of 500 drachmai and up feature an engraving of Michaelangelo's *David* in an oval at left. These notes were first released to circulation in 1941.





Cassa Mediterranea di Credito per la Grecia 5 and 10 drachmai notes issued for the Italian occupation of Greece.



5000 drachmai note for the Ionian Islands. The watermark on these notes consists of a series of interlocking diamonds.



Italian occupation money for Greece, 5000 drachmai reverse. This note is series 1.



The 20,000 drachmai Greek occupation note was the highest value issued in the series. These notes circulated up to September 1943, when Italian officials in Rome overthrew the Fascists and went over to the Allied side.

Notes Prepared for the Occupation of Egypt and the Sudan

There exist two additional series of bank notes which were prepared in Rome in anticipation of the Italian conquest of Egypt and the Sudan. Of course, this did not happen because of the British victory at El Alamein, which crushed Italian hopes of further conquest forever. The idea did not seem too far fetched at the time, as the Italian and German armies were rapidly advancing across north Africa toward Cairo with high hopes of victory. Indeed, Axis spies were already working behind enemy lines to prepare Cairo for the arrival of the German and Italian troops. Had the Italians been successful, Mussolini's dream of an Italian Empire stretching from Tunisia to Somaliland would have become a reality.

The Egyptian occupation notes were headed *Cassa Mediterranea di Credito per l' Egitto* and were denominated in both piastres and in lira. The lower 1, 5 and 10 piastre denominations all bear the head of Apollo; while the 50 piastre, 1, 5 and 10 lire notes all depict the Roman emperor Octavian in an oval at left. The 50 and 100 lire notes contain the portrait of David, by Michaelangelo, as found on the Italian occupation notes for Greece. These notes are all of different colors than their Grecian counterparts. The lire denominated notes all have a watermark consisting of dark wavy lines. The watermark window contains the head of a helmeted female figure facing left. As these notes had been prepared for the occupation to follow the conquest of Egypt, which never occurred, none saw circulation. For a long while it was assumed that the Egyptian notes only existed in specimen form. Years later several sets of the regular issue notes, which must have been saved aside during the destruction of the notes, came onto the market. Somewhere several collectors are the proud owners of these exceedingly rare bank notes.



Cassa Mediterranea di Credito per l' Egitto 5 piastre occupation note. This note was the lowest denomination in the Egyptian occupation series.



50 piastre note of the Cassa Mediterranea di Credito per l' Egitto which had been prepared for the occupation of Egypt, which did not happen.

Notes for the occupation of the Sudan bear the caption *Cassa Mediterranea di Credito per Il Sudan* and are the same except that there is no 1 piastre denomination. Portraits are as found on the Egyptian notes. Although Italian troops entered the Sudan in July 1940, there is no evidence that these notes were used at that time. It is believed that they were being held in reserve pending the anticipated break-through of Italian and German troops after the capture of Cairo.



The watermark which appears on all Egyptian and Sudanese lire occupation notes.



Cassa Mediterranea di Credito per Il Sudan 1 lira specimen note perforated 'Campione'.

Note: The above illustrations are courtesy Schwan-Boling, *World War II Military Currency*.

Italy's Dodecanese Islands

The Dodecanese island group in the southern Aegean Sea consists of ninety-six islands, both large and small. These islands had been in Italian hands ever since they were awarded to Italy following the Italo-Turkish War of 1912. Although the islands were ethnically Greek, the Treaty of London, following World War I, gave Italy permanent sovereignty over them in 1923. These strategically located islands were the focus of Italian colonial ambitions in the eastern Mediterranean. The largest of the islands, Rhodes, had been turned into a major Italian naval and air base. After the fall of Greece in 1941, the Italians and Germans were quick to occupy the remaining islands of

the Aegean Sea. The near total Greek population of the Dodecanese made the islands difficult for Italy to administer. Nevertheless, the Italian fascists considered their sovereignty over the islands indisputable. The Italian language was made official and mandatory. Emigration was encouraged, although no more than 10,000 Italians migrated, most of them to Rodi (Rhodes). The Dodecanese islands remained in Italian hands until the armistice of 8 September, 1943 when the fascists were driven from power. Germany, not wanting to lose such strategically important bases, successfully attacked their former Axis partners, thus ending Italian rule.

It must be assumed that Italian lire circulated in the Dodecanese Islands during its long tenure as an Italian colony. I have never seen any evidence to contradict this. However, there were bank notes issued in the islands after the Italian surrender. These were the issues of various Italian partisan organizations, associated with the Allied cause, who took up arms against the German occupiers. All are very rare.

The only partisan issue of which I am aware is the series of notes which carry the title 'Governo delle Isole Italiane dell'Egeo' (Government of the Italian Islands in the Aegean) and consists of 50 and 100 lire notes featuring the Roman she-wolf suckling Romus and Remus. Four series of the 50 lire note and three of the 100 lire note exist. All are dated 18 April, 1944.



50 lire note of the Government of the Italian Islands in the Aegean, dated 18 April, 1944.



Reverse of the 100 lire note. The place of issue, Rodi (Rhodes) is shown at the top of the note.

The Province of Lubiana

Finally we come to the last of the attempts to expand the Italian Empire. This territory was known as the Province of Lubiana in Italian, Ljubljana in Slovenian and Liabach in German. It was situated along the Italian-Yugoslav border and had once been a part of the Roman Empire. This province was created out of the territory occupied by Italian troops when the Axis invaded Yugoslavia and was further expanded to include large areas of Croatia and the Slovenian capital of Ljubljana. On 3 May, 1941 the area was formally annexed to the Kingdom of Italy under the name Provincia di Lubiana, thus becoming an integral part of Italy. Since the new province also bordered the new state of Croatia, an agreement was reached between the two countries as to where the boundary would be drawn. The Italian occupation forces adopted a more tolerant attitude toward Lubiana than the fascists or Germans had earlier displayed toward conquered peoples. Because of this, tens of thousands of Slovenes from the surrounding area escaped to Lubiana. This ended when the Nazis later took control.

Since the province was a part of Italy, it did not at first have paper money of its own, using Banca d'Italia notes instead. All this changed however when Italy quit the Axis and joined the Allies in 1943. Fearful that Yugoslav partisans would seize control, the Germans, who controlled the rest of the former Yugoslavia through their puppet states in Croatia and Serbia, immediately sent troops in to occupy Lubiana. The Germans kept the province within its old borders under the same administration. At the end of World War II the area reverted back to Yugoslavian control..

In 1944 a new issue of bank notes was released by the Germans for use in the province. The notes carried the heading 'Sparkasse der Provinze Liabach' in German and 'Hranilnica Lubljanske Pokrajine' in Slovenian . Denominations included ½, 1, 2, 5, 10, 50,100, 500 and 1000 lir. The text on the obverse is in German and the reverse in Slovenian. All notes bear likenesses of peasants and farmers in national costumes.



German notes created for use in the former Italian province of Lubiana after Italy withdrew from the war. All notes are dated 28 November, 1944, six months before the end of World War II.. All notes in this series depict local peasants in native costume.

Somaliland as an Italian Trust Territory

Although falling outside our theme of Italian colonization, mention should be made here of one last bank note issue relating to Italy's former colonies. When Italian East Africa was conquered by the British in 1943, it remained under their control until 1950. At that time the colony became a United Nations trust territory administered by Italy. The below notes were released during the Italian period of administration. In 1960 Italian Somaliland and British Somaliland united to form the Somali Democratic Republic.



Italian issues for Somalia while under the United Nation's trust territory administration.

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