10000/119/113

/119/113 50.4 - CEC - Reports of Activities
Jan. - Feb. 1944 [Central Economic Committee]

AGENDA

THIRD MEETING Never Held
OF
CENTRAL ECONOMIC COMMITTEE
To be held in the Conference Room at AFHQ
Advanced Administrative Echelon at 1000 hours
on 20 January 1944

1. Consideration of the minutes of the previous meeting.

2. Report from the Chief Executive.

3. Report on the general food supply situation.

4. Consideration of a proposed ration scale for the Italian mainland.

5. Consideration of the proposed increase in bread prices in Apulia.

6. Consideration of the proposed 100% increase in freight rates.

7. Consideration of proposed prices for residual fuel oil.

8. Consideration of a report on resumption of operations by the glass plant at Salerno.

9. Consideration of a report on railway labor rates.

10. Other business.

L.S. PLUMMER
Capt., AUS
Central Economic Committee

Distribution:

1 - DCAC

2 - DDCAC

3 - DQMG (M)

4 - Deputy Vice-President, Economic and Administrative Section, ACC.

5 - AMG 15th Army Group (Attn: Brig. M. S. Lush)

8. Consideration of a report on resumption of operations by the glass plant at Salerno.

9. Consideration of a report on railway labor rates.

10. Other business.

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6 - Chief, Internal Transportation Sub-Commission, ACC.

7 - Chief Executive, CEC

8 - Asst. Executive, CEC

Supporting data on the following items is appended:

Item 4 -- Letter from Brigadier Lush and attached memorandum.
Item 5 -- Summary memorandum including recommendations of Mr. Grady and Lt. Col. Legg.
Item 6 -- Letter to Mr. Grady from Col. S. A. Fitch and Memorandum from Mr. Grady with his recommendations.
Item 7 -- Letter from Lt. Col. Carruthers, Chief of Petroleum Section, AFHQ, Adv. Adm. Ech., recommending establishment of retail prices for residual fuel oil.
Item 8 -- Letter from Col. Evans to the Economic Directorate, ACC, asking authority to initiate a program for the resumption of operations and a Memorandum prepared by Major A. S. Brereton, Industry & Commerce Sub-Commission, on the plant.
Item 9 -- Letter from Captain D. A. Morse with recommendations. 5128

50.3

Item 4

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
15 ARMY GROUP

18 Jan. 44.

SUBJECT : Food supplies. (Reference: ME1/101)

TO : Central Economic Committee.

1. The present rations scale in Region III which includes Naples City is insufficient for the maintenance of life. If we do not increase it the usual results of mal-nutrition will appear, and will appear rapidly viz, disorder, disease, starvation. Moreover, we shall be justly accused of failure to live up to the promises made on several occasions by the leaders of the United Nations.

2. I recommend most strongly that the ration should be raised to approximate to that laid down (though not necessarily distributed) by the Italian Government. I attach details.

3. Region IV and VIII Army Areas are in this ration. In our planning for Rome this ration should be applied.

4. The total daily tonnage for Region III on this ration will amount to 780 tons, for Rome 450 tons.

/s/ M.S. LUSH
Brigadier, M.E.
C.C.A.O.

- - - - - - - -

ESTIMATE FOR FLOUR REQUIREMENTS
REGION 3 INCLUDING SALERNO

POPULATION

NAPLES CITY 923,000
PROVINCE 1,400,800
BENEVENTO 360,000

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ESTIMATE FOR FLOUR REQUIREMENTS
REGION 3 INCLUDING SALERNO

POPULATION

NAPLES CITY	920,000
PROVINCE	1,400,000
BENEVENTO	360,000
AVELLINO	420,000
SALERNO	740,000

NORMAL

BREAD at 150 grs.	468 tons
PASTA at 70 grs	272 tons

Extra ration estimated
at 400,000 pop.
at additional 100 . . . . 40 tons

TOTAL .. 780 tons.

There is considerable influx of opulation to Naples City reflected in ration cards. Part of this may be accounted for by fraud.

Item 5

Proposal to increase the price of bread in the King's Provinces from 2.80 Lire to 4.00 Lire per kilo.

The price of wheat in Apulia was raised on Dec. 29. In accordance with traditional procedure the bread price was raised from 2.80 Lire to 3.60 Lire per kilo to offset the increase in wheat prices. The increase in bread prices was to become effective 10 January 1944 but it was not published by the Italian Government. Now the Italian Government desires to raise the price an additional 0.40 Lire to a total of 4.0 Lire per kilo to cover increased baking costs.

The price of bread prevailing generally in Regions I, II, III, and IV is 3.60 Lire per kilo. This price is based on a price for flour to the baker of 3.10 Lire per kilo. The increase in wheat prices of December 29 has brought the price of flour to the baker up to 3.17 Lire per kilo according to the Italian Government figures.

The position of ACC/AMG on this point is summarized as follows in their Memorandum of 2 January 1944 on price policy:

"It is intended that as long as wheat and flour are to be imported, the legal price for bread throughout areas under our control will for ment desires to raise the price an additional 0.40 Lire to a total of 4.0 Lire per kilo to cover increased baking costs.

The price of bread prevailing generally in Regions I, II, III, and IV is 3.60 Lire per kilo. This price is based on a price for flour to the baker of 3.10 Lire per kilo. The increase in wheat prices of December 29 has brought the price of flour to the baker up to 3.17 Lire per kilo according to the Italian Government figures.

The position of ACC/AMG on this point is summarized as follows in their Memorandum of 2 January 1944 on price policy:

"It is intended that as long as wheat and flour are to be imported, the legal price for bread throughout areas under our control will for the time being be 3.60 Lire a kilo. To enable this to be done, imported flour should be sold to the baker at 3.10 Lire a kilo and imported wheat should be sold to the miller at a price to enable him to produce flour to sell at 3.10 Lire a kilo........In any locality where production and transportation costs make it impossible for a baker to sell bread profitably at 3.60 Lire if he pays 3.10 Lire for flour, appropriate financial assistance will be given by the local government authority."

Mr. Grady concurs in the recommendation of Lt. Col. Legg that the maximum price for bread be maintained at 3.60 Lire per kilo with no deviation in other than exceptional circumstances and that the price in Apulia be permitted to rise to 3.60 Lire per kilo.

5127

Item 6

Internal Transportation Sub-Commission, ACC.,
c/o Mov & Tn.,
AFHQ Advanced Administrative Echelon,
C.M.F.

Our reference : ACC Tn/30/53

Date : 16 Jan 44.

TO : Mr. Henry Grady (for Mr. Deimel).
H.Q., AMG

SUBJECT : Proposed 100% increase in Railway freight rates.

1. Reference this Sub-Commission letter ACC Tn/30/47 dated 10 Jan 44, and enclosed application from Italian Undersecretary of State for Railways and Highways, dated 28 Dec 43, which Mr. Deimel left with this Sub-Commission on 13 Jan 44 together with attached proposed Memorandum to Mr. Grady, dated 10 Jan 44, the following comments are submitted.

2. From the standpoint of those responsible for the financial position of the Italian Railways, the data contained in the application of 28 Dec 43 is considered to justify substantially the Italian Railway Authorities case for an increase in freight rates. There is no doubt that expenditure has risen considerably and that sources of revenue have decreased appreciably. It should be recognised that owing to the disorganisation caused by war conditions it is not possible for the Italian Administrations to present anything like complete statistics in support of their application.

3. From the national viewpoint, however, it is not considered desirable that freight rates should be increased at this time, for the two chief reasons given below:-

(i) Any authorised increases in freight rates would tend to encourage similar applications from public utility undertakings, and in a measure justify them.

(ii) The strong probability that even if the freight rates were increased 100% the deficit would still be very large because the overwhelming majority of the traffic has been and is likely to continue to be for

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3. From the national viewpoint, however, it is not considered desirable that freight rates should be increased at this time, for the two chief reasons given below:-

(i) Any authorised increases in freight rates would tend to encourage similar applications from public utility undertakings, and in a measure justify them.

(ii) The strong probability that even if the freight rates were increased 100% the deficit would still be very large because the overwhelming majority of the traffic has been and is likely to continue to be for the Allied Forces, free of tariff charges.

/s/ S.A. Fitch, Colonel,
Chief of Internal Transportation Sub-Commission, ACC.

Copy to :-
H.Q., AMG
H.Q., ACC. (for Capt. Stone).

16 January 1944

SUBJECT : Proposed 100% increase in railway freight rates.

Memorandum for Central Economic Committee

1. Recommendation that freight rates be increased by 100% is made in a report transmitted to Captain E W Stone, Vice President in charge of the Communications Section of the ACC by letter of 30 Dec 43, from General G Di Raimondi, Under Secretary of State for the Italian Ministry of Communications, and referred to you by Captain Stone for the consideration of the Central Economic Committee.

2. Although the report contains some interesting data, it is hardly adequate as a complete presentation of a case for a rate increase. The essential arguments advanced in support of the proposal are:

a That it is necessary on account of railway operating deficits, which otherwise must be met by state subsidies.

b That it would have a negligible effect upon the cost of living. Two examples (vegetables and oil) are cited.

c That rates have not been increased for four years during which time prices and wages have been raised.

d That the AMG has approved rate increases, running up to 400% in the Naples area (the funicular railway and "the secondary railways exploited by the 'Societa Strade Ferrate Secondarie Meridionale'").

3. The decision of the Algiers price conference was that concerted effort should continue to be made to retard price increases, but that decisions on specific increases should be made in the field. The Italian proposal seems to refer, and in practice would necessarily apply, to the mainland territory under Allied control as a whole. The subject appears therefore to be appropriate for the consideration of the CEC.

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4. Approval of the proposal would constitute an exception to general policy of retarding price increases as a restraint against price inflation; the increases, if imposed, would undoubtedly stimulate demands for increases in other utility rates, in wages, and prices; it would further serve as a precedent for comparable increases in freight rates in other parts of Italy as these come under Allied control.

5. The Italian report provides no indication of the extent to which railway operating deficits would be reduced by the proposed increase, other than the statement that a 400% increase would be required to meet the financial requirements, but that this would "for political and economical reasons be impossible."

5326

Since most traffic at present is for Allied operational requirements, it does not seem likely that the small proportion of traffic for civilian requirements to which the proposed rate increase would apply would provide any very substantial basis for financial improvement.

6. Moreover, question may be raised as to whether, under existing conditions, an increase in rates is actually preferable to government subsidy as a means of meeting operating deficits, in view of the pyramiding effect of rate increase on prices, and their consequent stimulus to inflation. The answer to this depends upon an analysis of inflationary factors in the existing situation which cannot be adequately dealt with here.

7. In any event, however, since approval of the rate increase for the limited area now under Allied control would involve far reaching implications with respect to later action in other areas, and to other rate, wage, and price increase proposals, approval of this proposal would appear premature unless a much more substantiated case of urgent need and effective benefit is made.

RECOMMENDATION

It appears therefore that the most appropriate action to be taken in the matter at this time would be to inform the Italian Government, through the appropriate channels, that it is not considered desirable to approve the proposed rate increases at this time, but that consideration will be given to any further data that Government may wish to submit in the matter, particularly as the measure in which the railway operating deficits would actually be relieved by the action proposed, and as to the effect of the proposed increases in rates on the cost of living, including a more representative series of specific examples.

HENRY F GRADY
Deputy Vice President

Item 7

(Copy)

AFHQ ADV. ADM. ECHELON
Petroleum Section

4/2 PS
17 January 1944

SUBJECT: Establishment of Petroleum Prices
Residual Fuel Oil.

TO : Central Economic Committee.

1. Receipt of your letter 14 January 1944, above subject, confirming establishment of prices on certain petroleum products, is acknowledged.

2. Prior to the meeting 12 January 1944 of the Central Economic Committee, data were insufficient to include a price proposal for residual fuel oil. Such data now being at hand, a retail price of 10 lire per kilogram (1000 lire per metric ton) is suggested for motor use and 8 lire per kilo for furnace or boiler use.

3. The calculation is based on an estimated C.I.F. cost of 4.50 lire, distributing cost of from 3 to 3.50 lire, and taxes of 2.36 lire., When sold for burning under boilers, the buyer is entitled to a tax exemption under Italian law of approximately 2.28 lire, making this retail price approximately 2 lire lower for such consumers.

4. Though very little volume of this product is anticipated to be consumed in the civilian market, it is requested that the above prices be published at once effective as of January 15, 1944, to round out the schedule already approved in Minute No. 9 of the C.E.C.

H.R. Carruthers
Lt. Col.,
Chief of Section

Item 8

(COPY)

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
INDUSTRY & COMMERCE SUB-COMMISSION
APO 394

JSET/job

AMG/5063/IC

16 January 1944

SUBJECT: Glass Factory at Salerno

TO : Economic Directorate

1. Authority is sought from the Economic Directorate for the Industry and Commerce Sub-Commission to initiate a program for the resumption of production at the above named factory.

2. A condensed report is attached to this letter giving a summary of the main problems involved.

3. There are at present no stocks of window glass available for essential civilian needs as all stocks have been requisitioned and removed by the Military.

4. It is submitted that it is desirable that one unit of glass production be restarted in occupied Italy and its products, if necessary, stockpiled against future civilian needs.

5. When the factory begins production, it is suggested that all stocks be frozen for essential civilian needs or emergency military requirements.

6. The Army has already allocated 800 tons of coal at the rate of 400 per month for January and February to glass production, but so far no other steps have been taken to obtain other essential raw materials.

7. It is considered possible that this factory might be enabled to commence production in April and it is suggested that it would be desirable to permit it [illegible] run day and night of say three months,

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7. It is considered possible that this factory might be enabled to commence production in April and it is suggested that it would be desirable to permit it to continue production for a continuous run day and night of say three months, when an adequate stockpile of window glass should have been accumulated.

W. P. EVANS
Colonel
Director, Industry &
Commerce Sub-Commission

1 Incl.

Inspection of V.M.R.C.S.A.
DATED 10-1-44

Inspection of VETRERIA MECCANICA-RICCIARDI & C. SOC. AN. on the 7th & 8th Jan.

GENERAL.

1. The above mentioned company is a small glass works manufacturing clear window glass (about 1-1/2 meters wide and anywhere between 1 to 7 m/m thick) by the continuous flat sheet process. There is only one kiln and once started, the process is continuous for a period, under normal conditions, of say 5 to 6 months, day and night.

2. It takes approximately three weeks to heat up the kiln and contents from cold and the Manager states that they have already tried and failed to find means of reducing the output below 100,000 square meters per month.

3. The Manager stated that they neither reduce the size of the kiln by bricking, nor the rate of feeding in the raw materials.

4. RAW MATERIALS. Principal raw materials required are: 700 tons of long flame steam coal (known as splint) which formerly came from Newcastle or Germany; 500 to 600 tons of sand which formerly came from Grosseto and which is now understood to be available at Trapani, Sicily; 150 tons of sodium carbonate Na_2Co_3 which formerly came from Rossignano Marittima, near Pisa.
(The above are all monthly requirements).

5. The Manager stated that he knew of no source of supply of soda other than England or America and doubted if it could be obtained elsewhere, and the same applied to the coal, as they could not use more than 10% Sardinian coal and ordinary Welsh steam coal was not suitable.

6. Other materials required, all of which are available or could be obtained by V.M.R.C.S.A. themselves, are: 70 tons of calcium carbonate (lime-stone) $Ca\ Co_3$ obtainable from their own mine at Salerno; 70 tons of magnesium carbonate (dolomite) $Mg\ Co_3$, also obtainable from Salerno; 25 tons of sodium solphate Na_2So_3 obtainable from Barletta. (all of the above monthly requirements). In addition they require about 4500 wooden packing crates per month for which they have the materials, including packing, but would need round wire nails sizes 14x45, 16x60, 18x80 in proportion of 4:2:1 which he did not think were available in Italy.

7. PREMISES. The structure of the building is only slightly damaged and repairs are already in progress, the only materials which they cannot obtain being ce-

(The above are all monthly requirements).

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7. PREMISES. The structure of the building is only slightly damaged and repairs are already in progress, the only materials which they cannot obtain being cement. Given materials, completion could be effected in three weeks.

8. POWER SUPPLY. The factory is electrically operated and requires some 60 H.P. by day and 20 H.P. by night. Their own plant is in good order and needs only minor connections, but the availability of 60 H.P. at 150/260/450 volts should be confirmed as it is understood that other factories in the valley are being rationed and required to work full capacity at night only. There is a waste heat steam engine and a 12/15 H.P. Diesel Plant capable of keeping the factory running for short emergency periods but they cannot supply their full requirements. It consumes 1 ton Nafta per month.

9. LABOUR. It is not anticipated that there would be difficulty in obtaining the 300 labourers required.

5124

10. STOCKS. There are no stocks of raw materials and their former stocks of finished product have been requisitioned and removed by the Military. No attempt has been made by the Military to operate the factory.

11. ACCESS. There is railway station on the main Salerno-Naples line near the factory with adequate siding facilities, but V.M.R.C.S.A. have no trucks. They formerly imported coal from England and understand that wharf facilities are still available at Salerno (but under Naval control). They have sufficient storage for three to four month's supply of raw materials and the necessary maintenance of the factory is already laid on.

12. RECOMMENDATION. Since glass making is a process which, when once started cannot be stopped economically under a run of several months and only then with damage and difficulties, and the plant under review does not lend itself to operation below full capacity, it is recommended that it should not be started unless a supply of glass of not more than 100,000 square metres is considered essential, and a regular monthly supply of 700 tons special coal and 150 tons soda from the U.S. or U.K., and 500 tons sand from Trapani, together with the necessary electricity supply, can be guaranteed.

It should further be noted that, whilst there is no reason to believe that this factory is below average efficiency, the manufacture of glass is a process requiring very large supplies of heat, quite apart from requiring a special coal. It requires 250 tons of coal and 3 weeks to bring the kiln and contents to the initial operating temperature, in addition to 700 tons per month for operation.

Major A. S. BRERETON,
Industry & Commerce

ASB/jfl

10 Jan. 44

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It should further be noted that, whilst there is no reason to believe that this factory is below average efficiency, the manufacture of glass is a process requiring very large supplies of heat, quite apart from requiring a special coal. It requires 230 tons of coal and 3 weeks to bring the kiln and contents to the initial operating temperature, in addition to 700 tons per month for operation.

Major A. S. BRERETON,
Industry & Commerce

ASB/jfl

10 Jan. 44

Item 9

(Copy)

ALLIED FORCE HEADQUARTERS
ADVANCE ADMINISTRATIVE ECHELON
CENTRAL ECONOMIC COMMITTEE

16 January 1944

SUBJECT: Railway Labor.

TO : Chief Executive, Central Economic Committee

1. The following is submitted in accordance with your memorandum dated 30 December 1943. The memorandum requests that:

a. Wage rates for railway workers be made uniform throughout occupied portions of the Italian Mainland;

b. War indemnities be eliminated in those areas where conditions no longer warrant their payment, and that this be considered in establishing uniform wage rates.

c. The necessary investigation be made and directives prepared to implement the foregoing.

2. Reference 1 (a) above. Investigation disclosed that the question of railway workers' wages was raised initially by Sig. G. di Raimondo, Undersecretary of State for Communications, in a memorandum to General Gray dated 11 December 1943. The Secretary asked specifically that the wage increase approved by the Italian Government for all workers in Apulia be extended to the railway employees of Naples, Reggio, Calabria and Sardinia. The request that the increase be extended to the areas mentioned has already been met. (No information is available re Sardinia.) Uniform percentage increases have been granted to all government employees and authorized for all private employees in Regions I, II, III and IV, and Apulia. The same increases will be uniformally directed and authorized in forward areas as occupied.

3. Reference 1 (b) above. War indemnities should not be eliminated without at the same time making an equitable adjustment in wage structure. Present indemnities should be continued until such time as the entire Italian wage structure can be examined and revised. Such a project will require revision not only of railway wages, but of wages of all State employees since they all depend upon the same basic legisla-

pared to implement the foregoing.

2. Reference 1 (a) above. Investigation disclosed that the question of railway workers' wages was raised initially by Sig. G. di Raimondo, Undersecretary of State for Communications, in a memorandum to General Gray dated 11 December 1943. The Secretary asked specifically that the wage increase approved by the Italian Government for all workers in Apulia be extended to the railway employees of Naples, Reggio, Calabria and Sardinia. The request that the increase be extended to the areas mentioned has already been met. (No information is available re Sardinia.) Uniform percentage increases have been granted to all government employees and authorized for all private employees in Regions I, II, III and IV, and Apulia. The same increases will be uniformly directed and authorized in forward areas as occupied.

3. Reference 1 (b) above. War indemnities should not be eliminated without at the same time making an equitable adjustment in wage structure. Present indemnities should be continued until such time as the entire Italian wage structure can be examined and revised. Such a project will require revision not only of railway wages, but of wages of all State employees since they all depend upon the same basic legislation. Revision can be accomplished without substantial change in the total amount of wages paid, but there are certain practical problems which must be considered before proceeding. Italian civilian specialists and the Italian Ministry of Labor should be utilized, and information procured as to whether or not any basic wage structure revisions have been effected in Unoccupied Italy; and at least 2 to 3 months must be set aside for the job. Since the Italian Government and Allied Control Commission contemplate joint basic wage revision study, it is suggested that C.E.C. assure uniformity and equity in current rates of pay, but leave the long term job revision to them.

4. In view of the foregoing, and the recent C.E.C. Directive to AMG/ACC that wage changes should not be made without prior approval by C.E.C., it is recommended that no further action be taken at this time regarding the questions raised above.

DAM/tbw

DAVID A. MORSE,
Capt., A.C.,
Labor

5123

CENTRAL ECONOMIC COMMITTEE
APO 400

14 February 1944

SUBJECT: January Report of Central Economic Committee

TO: Chief Commissioner, Allied Control Commission

Attached are thirty copies of the report of the Central Economic Committee for January, 1944, which according to Freedom message signed C in C dated 2 January 1944 is to be included in the report of the Allied Control Commission.

For the Committee:

A. I. HENDERSON,
Lt. Col., A. U. S.,
Chief Executive,
Central Economic Committee.

Attachments
30 copies, January Report
Central Economic Committee.

5122

50.4

Report of the

CENTRAL ECONOMIC COMMITTEE

for January, 1944

1. During the period 1 January to 20 January the Committee took formal action on the following matters: the action of the Italian Government in fixing the price of olive oil at 2500 lire per quintal was disapproved and the price fixed at 2200 lire; a central medical supply depot was authorized and established; hemp prices were fixed and action by the executive staff in connection with the control of hemp was approved; a retroactive increase in the price of wheat (which was a commitment of Regions III and IV) was authorized and made uniform over the entire Mainland; and the retail prices of petroleum products and of imported coal were fixed.

2. Action by the executive staff was limited by the fact that the Committee was not able to obtain an adequate number of officers. The additional officers required were not made available by ACC/AMG either because there were no officers with the proper qualifications on its staff or because ACC/AMG considered the qualified officers could not be spared. However, the executive staff did initiate central records of supplies on hand, allocate supplies arriving at the ports, initiate a study of the possibility of increasing the basic ration, commence a survey of the warehousing problem and of the bulk wheat handling problem, initiate a study of existing civilian motor transport, and handle, in conjunction with MGS Advance, the bidding for tonnage and diversions of ships and various matters referred to it by the Local Resources (Italian) Board.

3. On 20 January at a meeting attended by Lieutenant General Mason MacFarlane, Major General Sir Brian Robertson, Brigadier General A. L. Hamblen, the Honorable Henry Grady and others, General MacFarlane stated that it was the wish of ACC to take over the functions of the Committee, as contemplated by AFHQ Administrative Memorandum No. 92, as soon as the necessary re-organization of ACC could be completed so as to enable it to perform the functions of the Committee, and that in the meantime he requested that the Committee staff should not be increased or any action taken without the approval of Mr. Grady, Deputy Vice-President of ACC. It was pointed out that this arrangement, in effect, left the Central Economic Committee with responsibilities which it could not perform with its existing staff, and at the same time prevented its obtaining an adequate staff, and after discussion, it was agreed that the executive functions of the

supplies on hand, allocate supplies arriving at the ports, initiate a study of the possibility of increasing the basic ration, commence a survey of the warehousing problem and of the bulk wheat handling problem, initiate a study of existing civilian motor transport, and handle, in conjunction with MGS Advance, the bidding for tonnage and diversions of ships and various matters referred to it by the Local Resources (Italian) Board.

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For the Committee:

A. I. HENDERSON,
Lt. Col., A. U. S.,
Chief Executive,
Central Economic Committee.

14 February 1944

5121

CENTRAL ECONOMIC COMMITTEE

APO 400 LSP/fpd

17 January 1944

SUBJECT: Monthly Report of CEC.

TO : Chief, HQ. AMG
(Attn: Major Van Dusen)

Attached is monthly report of the Central Economic Committee for December. It is to be included in the Allied Control Commission's report as requested in signal from Commander in Chief of 2 January 1944.

For the Committee:

A. I. HENDERSON,
Lt. Col., A. U. S.,
Chief Executive,
Central Economic Committee.

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Del by
Capt Plummer
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C O N F I D E N T I A L

ALLIED FORCE
CENTRAL ECONOMIC COMMITTEE
APO 400

LSF/fpd

18 January 1944

Report of the Central Economic Committee

---- For December----

The Central Economic Committee did not hold its first meeting or begin to function until 27 December 1944.

1. Supply:

Insufficient information is available, due to the recent organization of the Committee to make a report of supplies on hand. Stocks were generally very low.

2. Prices:

The request of the Italian Government to increase passenger fare rates by 100% was considered but no action was taken because of inadequacy of information produced in support of the proposal.

3. Wages:

The wage rate for railway workers was considered. It was determined that wage rates for railway workers should be made uniform throughout the occupied portion of the Italian mainland. It was also determined that indemnities relating to bombing and the war situation should be eliminated in those areas where conditions no longer warrant their payment and that this policy should be considered in establishing uniform wage rates. The Chief Executive was directed to make the necessary investigations and prepare the directives required to implement this policy.

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For the Committee:

A. I. HENDERSON,
Lt. Col., A.U.S.,
Chief Executive,
Central Economic Committee.

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