

0 3 7 8

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

785015

ACC

10000/136/375

0 3 7 9

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

785015

2/375

PRICE OF BREAD  
FEB. - JULY 1945

4016/CC

Office of the  
Chief Commissioner

## LIST OF PAPERS

ALLIED COMMISSION

File under No. 4016 PRICE OF BREAD, ITALY

CONFIDENTIAL

Page 1

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
1	Extract AFLRB Labor & Wages Comm Mtg	15 Feb 45		Decisions on Allied subsidy for rise in price of bread
2	IRS/214D/132 AFLRS	15 Feb 45	CC AC	Cost of bread increase
2a	ES/18.13, McKinley	17 Feb 45	CC	Program to do away w subsidized price
3	Cbl F 29606 AFHQ Gen Robertson	19 Feb 45	Stone	Pls take action on increased cost of bread, as you see fit.
4	Ltr 4029/EC Stone	21 Feb 45	AFLRS	Allies should publish their intentions along with Ital Govt
5	4029/45/EC, Lush	22 Feb 45	Econ Sec	CC approves application of Decree on price of bread to AMG territory.
6	LSC/1204, Stone	22 Feb 45	Lab-Wages Com. AFLRB	For consideration 3 Mar Mtg: Increase for caropane; change AFHQ Adm Memo 62.
7	IRS/214A, AFLRB Lab-Wag Contr Coma, Minutes	27 Feb 45		Meeting OKs increase to AF employees for "caropane"; change AFHQ Adm Memo 62.
8	Cbl AC Food, 2939	5 Mar 45	AMG Armies & Regions	Econ price of bread operative in AMG territory w.e.f. 12 March.
9	Cbl AFHQ, FX-41305 3553	10 Mar 45	All Armies, Dists, Units	Caropane increase authorized; amendment to Adm Memo 62 AFHQ 1944.
10	R/2891, RC Poletti	22 Mar 45	Stone	Protest proposed institution of economic price in N.It immediately upon liberation.
11	CC 4016, Stone	23 Mar 45	Poletti	
12	Cbl AC Econ, 1590	10 Jul 45	RCs, AFHQ, 15, SCAGs	1. Uniform price for flour in N.; 2. Subsidy payments to be discontinued.
13	Cbl AC Econ, 2288	21 Jul 45	RCs, SCAGs	Econ price of bread operative in AMG territory w.e.f. 1 Aug.
14	AC/45-1/146/FOOD	22 Jul 45	RCs	New price for bread and pasta.

CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION  
A.F.O. 394  
ECONOMIC SECTION

MJL/EMCA/si

Tel: 489081 Ext. 594

23 July 1945

Ref: 45-1/146/FCOD

SUBJECT: New Price for Bread and Pasta

TO : See Distribution

1. Beginning 1st August 1945, wheat and other cereals, either home grown or imported, destined to be milled for human consumption are to be delivered by the Federazione dei Consorzi Agrari through the medium of the local Consorzi Agrari to the mills at the terms of goods "free at mill". The term "free at mill" is employed for accounting purposes only.

2. This clause means that the transfer of cereals from the Grandi del Popolo or from the ports of discharge to the mills, unloading included, is to be made by the Consorzi Agrari, and that the relative expenses, including the unloading, are to be borne by the Consorzi Agrari, on behalf of the Federazione dei Consorzi Agrari.

3. Where, however, the actual transfer of cereals, although at the expense of the Consorzi Agrari would be handled entirely or partly by the receiving mills, either through their own means or through the Uffici Trasporti or other organizations, the mill should not refuse, should the Consorzi require it, to continue its assistance in order to assure the most rational and rapid transfer of the cereals.

<sup>3</sup> In order to simplify the debit and credit entries between the Consorzi Agrari and the mills, it has been agreed that all the mills are to pay in cash to the Consorzi Agrari Provinciali and have constantly as a non-interest bearing advance financing, the amount corresponding to the quantity of cereals which is milled on the average every six days.

Apart from the above advance, the mills are to pay for the cereals on delivery up to the quantity corresponding to the quantity which is milled on the average in four days.

40

The amount of the cereals delivered to them in excess of

2. This clause means that the transfer of cereals from the Granai del Popolo or from the ports of discharge to the mills, unloading included, is to be made by the Consorzi Agrari, and that the relative expenses, including the unloading, are to be borne by the Consorzi Agrari, on behalf of the Federazione dei Consorzi Agrari.

3. Where, however, the actual transfer of cereals, although at the expense of the Consorzi Agrari would be handled entirely or partly by the receiving mills, either through their own means or through the Uffici Trasporti or other organizations, the mill should not refuse, should the Consorzi require it, to continue its assistance in order to assure the most rational and rapid transfer of the cereals.

4. In order to simplify the debit and credit entries between the Consorzi Agrari and the mills, it has been agreed that all the mills are to pay in cash to the Consorzi Agrari Provinciali and have constantly as a non-interest bearing advance financing, the amount corresponding to the quantity of cereals which is milled on the average every six days.

Apart from the above advance, the mills are to pay for the cereals on delivery up to the quantity corresponding to the quantity which is milled on the average in four days.

The amount of the cereals delivered to them in excess of the above is considered as having been delivered to them as a trust deposit. This is to be construed as instructions regarding only the financial aspect of this type of transaction.

5. Milling remuneration is fixed at Lit. 105 for each quintal of cereals to be milled. This remuneration will be granted to mills which have worked, during a cereal year, up to 50% of their potentiality. For every 1% increase, on the basis of actual work done and compared with the potentiality of the mill, the remuneration will be reduced by Lit. 0.5 per quintal, so that for instance the mill which will have used its working capacity up to 90/100% will receive a remuneration of Lit. 80 per quintal.

The first period will end on the 31st October 1945.

6. Further instructions, to be agreed upon with the Ministero del Tesoro, will be imparted regarding the system to be used in order to recover from the mills the eventual differences due from them, owing to the above mentioned clause.

4016/c

14

4016/c

ing purposes only.

2. This clause means that the transfer of cereals from the Granai del Popolo or from the ports of discharge to the mills, unloading included, is to be made by the Consorzi Agrari, and that the relative expenses, including the unloading, are to be borne by the Consorzi Agrari, on behalf of the Federazione dei Consorzi Agrari.

3. Where, however, the actual transfer of cereals, although at the expense of the Consorzi Agrari would be handled entirely or partly by the receiving mills, either through their own means or through the Uffici Trasporti or other organizations, the mill should not refuse, should the Consorzi require it, to continue its assistance in order to assure the most rational and rapid transfer of the cereals.

4. In order to simplify the debit and credit entries between the Consorzi Agrari and the mills, it has been agreed that all the mills are to pay in cash to the Consorzi Agrari Provinciali and have constantly as a non-interest bearing advance financing, the amount corresponding to the quantity of cereals which is milled on the average every six days.

Apart from the above advance, the mills are to pay for the cereals on delivery up to the quantity corresponding to the quantity which is milled on the average in four days.

The amount of the cereals delivered to them in excess of the above is considered as having been delivered to them as a trust deposit. This is to be construed as instructions regarding only the financial aspect of this type of transaction.

5. Million remuneration is fixed at Lit. 105 for each quintal of cereals to be milled. This remuneration will be granted to mills which have worked, during a cereal year, up to 50% of their potentiality. For every 1% increase, on the basis of actual work done and compared with the potentiality of the mill, the remuneration will be reduced by Lit. 0.5 per quintal, so that for instance the mill which will have used its working capacity up to 90/100% will receive a remuneration of Lit. 80 per quintal.

The first period will end on the 31st October 1945.

6. Further instructions, to be agreed upon with the Ministero del Tesoro, will be imparted regarding the system to be used in order to recover from the mills the eventual differences due from them, owing to the above mentioned clause.

14

PRICE OF BREAD AND PASTA: Cont'd.

7. Price of Bran: Bran must be kept at the complete disposal of the Federconsorzi. The price is Lit. 375 per quintal in bulk delivered "franco" mill.

8. Milling Cost: In consequence of what has been said and as a result of the new adjustment of prices of cereals, to be valid from the 1st August, the cost of milling results as follows:-

SOFT AND DURUM WHEAT:Costs

Sale price of wheat, basis 1% of worthless foreign matter for goods delivered free at mill (including imposta generale sull'entrata)

1120.85

Remuneration of the mill (adjustment reserved)

105.00

Cost of 1 quintal of products free at mill

1225.85

Proceeds

Kg. 91 of flour at Lit. 1310.00 a quintal

1192.10

Kg. 3 of bran at Lit. 375.00 a quintal

33.75

1225.85

UNSHELLED BARLEY:Costs

Sale price of barley basis 1% worthless foreign matter for goods delivered free at mill (including the imposta generale sull'entrata)

845.60

Remuneration of the mill (adjustment reserved)

105.00

Cost of 1 quintal of products free at mill

950.60

Proceeds

Kg. 54 flour at Lit. 1310.00

699.40

Kg. 29 bran at Lit. 375.00

108.75

Kg. 5 chaff at Lit. 69.00

3.45

950.60

Proceeds

Kg. 91 of flour at Lit. 1310.00 = quintal  
Kg. 3 of bran at Lit. 375.00 = quintal

1192.10  
33.75  
1225.85

UNSHELLED BARLEY:

Costs

Sale price of barley basis 1% worthless foreign matter for goods delivered free at mill (including the imposta generale sull'entrata)

845.60

Remuneration of the mill (Adjustment reserved)

105.00

Cost of 1 quintal of products free at mill

950.60

Proceeds

Kg. 34 flour at Lit. 1310.00  
Kg. 28 bran at Lit. 375.00  
Kg. 5 chaff at Lit. 69.00

833.40  
108.75  
3.45  
950.60

RYE:

Costs

Sale price of Rye, basis 1% worthless foreign matter for goods delivered free at mill (including imposta generale sull'entrata)

1018.00

Remuneration of the mill (adjustment reserved)

105.00

Cost of 1 quintal of products free at mill

1123.00

Proceeds

Kg. 80 flour at Lit. 1310.00  
Kg. 20 bran at Lit. 375.00

1048.20  
75.00  
1123.00



BREAD AND PASTA PRICES: Cont'd.

CORN:

Costs

Sale price of Corn basis 16% humidity for goods delivered free to mill (including imposta Generale sull'entrata)

1006.05

Remuneration of the mill

105.00

1111.05

Proceeds

Kg. 78 flour at Lit. 1310.00  
 Kg. 12 germe at Lit. 450.00  
 Kg. 5 farinetta " 405.00  
 Kg. 4 bran at Lit. 375.00

1031.80  
 54.00  
 20.25  
15.00

1111.05

9. From the above calculations it is evident that the costs have taken as basis equal quantities of products employed and their yields.

10. Yield of cereals milled during a cereal year should however give at least the following results:-

	Soft Wheat	Durum Wheat & Soft Australian Wheat	Barley	Rye	Corn
Flour	20	31	64	80	78
Bran & worthless foreign matter	10	11	29	21	12
					Farinetta 5
					Bran 4
	<u>101</u>	<u>103</u>	<u>98</u>	<u>101</u>	<u>99</u>

2551  
 Check

The ulterior "extra yields" must also be declared and kept at the disposal of the Direzione Generale dell'Alimentazione.

1111.05

9. From the above calculations it is evident that the costs have taken as basis equal quantities of products employed and their yields.

10. Yield of cereals milled during a cereal year should however give at least the following results:-

	Soft Wheat	Durum Wheat & Soft Australian Wheat	Barley	Rye	Flour	Corr
Flour	99	91	54	80	78	
Bran & worthless foreign matter	10	11	39	21	12	
Chaff			5		4	
	101	102	98	101	93	

The ulterior "extra yields" must also be declared and kept at the disposal of the Direzione Generale dell'Alimentazione.

11. In order to protect the quality of the products the relative proportion between flour and bran must be maintained, taking as basis the average figures of a year.

Characteristics of the products are as follows:

Maximum moisture	14.50%
Ashes for soft wheat, barley, rye and Australian wheat	1.55%
Ashes for Durum Wheat	1.70%

12. Profits resulting from "extra yields" are left to the mills as compensation:

- (a) for milling barley and rye which necessitates longer than wheat milling;
- (b) for higher technical equipment necessary in order to obtain "extra yields".

111

PRICE OF BREAD AND PASTA: Cont'd.

13. The Price of Bread. On the basis of the above mentioned price of flour of Lit. 1310.00 per quintal for goods in bulk, free at mill or intercommunal warehouse of the Consorzi Agrari, delivered on receiver's vehicle, the provincial Soprali will fix the price of bread, adding the mill's or the warehouse's actual transport expenses, the wear of the bags, the baker's remuneration, the whole divided by the baking yield, fixed in each commune, in relation to the size of loaf adopted. Said yield will not be less than 130 Kg. bread per 100 Kg. flour.

14. The Soprali in cases where they should find it opportune to fix different prices for each commune owing to yields and baking remuneration, shall be entitled to add to the above price of Lit. 1310.00 the difference necessary to adjust the transport expenses from the mill or from the intercommunal warehouses respective Communes.

15. Production of Pasta: Beginning with the 1st of August products meant for pasta manufacture will be delivered to the Pastificio as done up to now, free of expenses, unloaded at the Pastificio. Transport expenses will be borne by the Federconsorzi, which will see to this task through the Consorzi Agrari. Delivery of flour to the Pastificio will be made according to the rule fixed for the delivery of cereals to the mills.

16. Price of Pasta:

- (i) A maximum remuneration is fixed to Pastificio of Lit. 450 per quintal of flour processed;
- (ii) A minimum yield is fixed of Kg. 96.50 of pasta for every Kg. 100 of flour. Moisture of pasta will not exceed 13%;
- (iii) the remuneration fixed for Pastificio is to be understood for goods weighed, labelled, packetted, or delivered in buyer's bags on receiver's vehicles.
- (iv) Based upon price of pasta established ex Pastificio in accordance with (i), (ii), (iii), above, Provinces will fix the price of Pasta to the consumer by adding the actual transport expenses from the Pastificio or inter-

15. Production of pasta - products meant for pasta manufacture will be delivered to the Pastificio as done up to now, free of expenses, unloaded at the Pastificio. Transport expenses will be borne by the Federconsorzi, which will see to this task through the Consorzi Agrari. Delivery of flour to the Pastificio will be made according to the rule fixed for the delivery of cereals to the mills.

16. Price of Pasta:

(i) A maximum remuneration is fixed to Pastificio of Lit. 460 per quintal of flour processed;

(ii) A minimum yield is fixed of Kg. 96.50 of pasta for every Kg. 100 of flour. Moisture of pasta will not exceed 13%;

(iii) the remuneration fixed for Pastificio is to be understood for goods weighed, labelled, packetted, or delivered in buyer's bags on receiver's vehicles.

(iv) Based upon price of pasta established ex Pastificio in accordance with (i), (ii), (iii), above, Provinces will fix the price of Pasta to the consumer by adding the actual transport expenses from the Pastificio or intercommunal warehouses to the places of distribution.

17. Delivery of cereals in kind i.e. instead of bread and pasta:

In those communes where cereals are distributed instead of bread and pasta, the Consorzio Agrario will fix the same price, for goods delivered free at intercommunal or ammassi warehouses, as paid by the mills for these products for goods delivered free at mill.

18. Provincial prices of bread and pasta worked out along the lines indicated above shall in all cases be kept as low as possible. Prices will be fixed by Provincial Commissioner and will in all cases be reported back to this Headquarters and may be subject to revision there if they appear excessive.

PRICE OF BREAD AND PASTA: Cont'd.

19. It is pointed out that the SEPRAL's in fixing the new prices for bread and pasta, should take into account SEPRAL's expenses.

By command of Rear Admiral STONE:

  
E. H. MCKINLEY  
Brigadier General, USA  
Acting Vice President

Distribution:

- Regional Commissioner Liguria Region )
  - Regional Commissioner Piemonte Region )
  - Regional Commissioner Lombardia Region )
  - Regional Commissioner Venezia Region )
  - Regional Commissioner Emilia Region )
  - SCAC Venezia Giulia Region )
  - Chief Commissioner )
  - Executive Commissioner )
  - Economic Section )
  - Price Branch )
  - Agriculture Sub-Commission )
  - Finance Sub-Commission )
  - Labor Sub-Commission )
  - Commerce Sub-Commission )
  - Industry Sub-Commission )
  - AFHQ, \*C-5 )
  - Ministry of Food )
  - Food Sub-Commission Northern H.Q. )
- All for  
Action
- All for  
Information

Action

All for  
Information

- Regional Commissioner Lombardia Region
- Regional Commissioner Venezia Region
- Regional Commissioner Emilia Region
- SCAC Venezia Giulia Region
- Chief Commissioner
- Executive Commissioner
- Economic Section
- Price Branch
- Agriculture Sub-Commission
- Finance Sub-Commission
- Labor Sub-Commission
- Commerce Sub-Commission
- Industry Sub-Commission
- AFHQ, G-5
- Ministry of Food
- Food Sub-Commission Northern H.Q.

3550

111

AMG LIGURIA REGION RPTD AMG PIEMONTE REGION RPTD AMG LOMBARDIA REGION RPTD AMG VENETIE REGION RPTD AMG EMILIA REGION RPTD AMG VENEZIA GIULIA REGION RPTD AMG LOMBARDIA REGION FOR ACFOD ADVANCED

2288

21 JULY 1945

PRIORITY

RESTRICTED PD

PARA ONE PD AN ECONOMIC PRICE OF BREAD AS NOW IN OPERATION ITALIAN GOVERNMENT TERRITORY WILL BE OPERATIVE WITH EFFECT FROM ONE AUGUST IN ALL ABLE MIKE GEORGE PROVINCES PD BASIS OF GENERAL ORDER AND ACCOMPANYING ADMINISTRATIVE INSTRUCTIONS ~~XXXXX~~ IS OLN FIRST OLN CONSORZIO AGRARIO WILL HANDLE GRAIN MOVEMENTS PD SECOND OLN PRICE OF CEREALS FREE AT MILLS WILL BE WHEAT ONE ONE TWO ZERO POINT EIGHT FIVE OMA BARLEY EIGHT FOUR FIVE POINT SIX ZERO OMA RYE ONE ZERO ONE EIGHT POINT ZERO ZERO OMA CORN ONE ZERO ZERO SIX POINT ZERO FIVE OMA ALL LINE PER QUINTAL PD THIRD OLN EQUALIZED PRICE OF FLOUR OF ALL TYPES WILL BE OLN ONE THREE ONE ZERO POINT ZERO ZERO LINE PER QUINTAL FOR FLOUR FREE AT MILL OR INTERCOMMUNAL WAREHOUSE WHERE LATTER IS ESTABLISHED BY FEDERCONSORZI PD FOURTH OLN ON BASIS OF THIS PRICE OF FLOUR OMA PROVINCES WILL FIX PRICE OF BREAD CONSIDERING THE WHOLE COST BEING DIVIDED BY THE BAKING YIELD PD THIS YIELD WILL NOT BE LESS THAN ONE TWO ZERO KILOGRAMS OF BREAD FROM ONE ZERO ZERO KILOGRAMS OF FLOUR PD FIFTH OLN PROVINCIAL PRICES OF BREAD SHALL IN ALL CASES BE SCRUTINIZED AND SANCTIONED BY PROVINCIAL COMMISSIONERS PD PRICES FIXED WILL BE REPORTED BACK TO THIS HQ AND MAY BE SUBJECT TO REVISION THERE IF THEY APPEAR EXCESSIVE PD

37.9

4016

13

FOOD SC  
206

CONTINUED ON NEXT PAGE

CONTINUED FROM PAGE ONE:

2288

21 JULY 45

PRIORITY

RESTRICTED PD

SIXTH CLM PASTA PD FLOUR WILL BE DELIVERED TO PASTIFICI AS FOR CEREALS DELIVERED TO MILLS CMA TRANSPORT EXPENSES BEING BORNE BY FEDERCONSORZI PD PRICE FOR FLOUR FREE AT PASTIFICI WILL BE LIRE ONE THREE ONE ZERO POINT ZERO ZERO PER QUINTAL PD MINIMUM YIELD WILL BE NINE SIX POINT FIVE ZERO KILOS OF PASTA FOR ONE ZERO ZERO KILOS OF FLOUR PD BASED UPON THESE AND MAXIMUM CHARGES FOR PASTA MAKING OF LIRE FOUR SIX ZERO PER QUINTAL CMA PROVINCES WILL FIX PRICE OF PASTA TO CONSUMER AS FOR BREAD PD SEVENTH CLM COPIES OF ADMINISTRATIVE INSTRUCTIONS ON ABOVE ARE BEING MAILED TO YOU WITH COPIES FOR TRANSMISSION TO PROVINCIAL SEPRAIS PD EIGHTH CLM CONSEQUENT UPON FORGOING CMA PLEASE INSTRUCT INTENDENZA DI FINANZA TO EFFECT IN COOPERATION WITH THE SEPRAI THE ASSESSMENT OF STOCKS ON HAND OF WHEAT CMA AND OTHER GRAIN PRODUCTS AND PASTA EXISTING AS OF MIDNIGHT THREE ONE JULY CMA IN ALL MILLS CMA PASTA FACTORIES CMA WHOLESALERS CMA PROVINCIAL WAREHOUSES CMA BREADMAKERS AND RETAILERS PD

PARMA TO ANI LIGURIA REGION RPTD ANI PIEMONTE REGION RPTD ANI LOMBARDIA REGION RPTD ANI VENEZIA REGION RPTD ANI EMILIA REGION RPTD ANI LOMBARDIA REGION FOR AGFOO ADVANCED RPTD ANI VENEZIA GIULIA REGION FOR SENIOR SUPPLY OFFICER FROM ALCON CITE AGFOO SIGNED MCKINLEY PARM

FOOD SC  
206

CONTINUED ON PAGE THREE



CONTINUED FROM PAGE TWO PD

2288

21 JULY 45

PRIORITY

RESTRICTED PD

PARA TWO PD THE INTENDENZA SHOULD CONTACT THE PREFECT AND THE SEPRAL AT  
 ONCE IN ORDER TO OBTAIN THE MOST EXACT ASSESSMENT OF STOCKS ON HAND IN  
 ORDER TO RECOVER AMOUNT DUE TREASURY PD GOODS IN TRANSIT TO MILLS ETC.  
 GMA BUT NOT ARRIVED AT DESTINATION AS OF MIDNIGHT THREE ONE JULY WILL  
 ALSO BE RECKONED IN THIS ASSESSMENT OF STOCKS PD

25-7

DISTRIBUTION: ECONOMIC SECTION  
 AFHQ G-5  
 Ministry of Food  
 Price Branch  
 Agriculture S/C  
 Finance S/C  
 Labor S/C  
 Commerce S/C  
 Industry S/C

✓ FOOD SUBCOMMISSION

208

NICHOLAS PIOMBINO  
 CDD USA  
 ASSISTANT ADJUTANT

REGIONAL COMMISSIONERS PIEMONTE CMA EMILIA CMA LIGURIA CMA VENETIA  
CMA REGIONE NORD AHO, G-5, 15 ARMY GROUP, G-5, BRIGADE 5 ARMY, 3 ARMY, IV CORPS, XIII  
CORPS  
1590 10 JULY 1948 PRIORITY

RESTRICTED PD

PARA ONE PD UNIFORM FLOUR PRICE FOR ALL OF NORTH ITALY WILL BE ANNOUNCED NOT  
LATER THAN TWO ZERO JULY PD ON THE BASIS OF THE PROPOSED SELLING PRICE  
LOCAL PRICE FIXING ORGANIZATIONS WILL DETERMINE WHOLESALE AND RETAIL SELLING  
PRICES OF BREAD IN TIME TO BE EFFECTIVE ONE AUGUST PD PARTE TO REGIONAL

COMMISSIONERS PIEMONTE CMA EMILIA CMA LIGURIA CMA VENETIA REGIONE  
NORD AHO, G-5, 15 ARMY GROUP, G-5, BRIGADE 5 ARMY, 3 ARMY, IV CORPS, XIII CORPS PARTE

PARA TWO PD ALSO EFFECTIVE ONE AUGUST ALL SUBSIDY PAYMENTS WILL BE DISCONTINUED  
ON GRAIN CMA FLOUR AND BREAD PD EXISTING PRICES AND SUBSIDY ARRANGEMENTS OR  
PRICES ADJUSTED IN ACCORDANCE WITH PRICE SCHEM NUMBER ONE WILL APPLY UNTIL ONE AUGUST PD  
PARA THREE PD IT IS SUGGESTED THAT REGIONAL FINANCE OFFICERS INVESTIGATE SUBSIDY  
PAYMENTS TO DETERMINE THAT THEY ARE BEING MADE PROPERLY PD SOME REPORTS  
INDICATE FLOUR MILL STOPPAGE FROM LACK OF SUBSIDY PAYMENTS PD

17

ECONOMIC SECTION  
ECS

Nicholas Fiorino  
CWO, USA  
Asst. Adjutant

4016/104

PERSONAL

23 March 1945.

cc-4016

Dear Charlie:

22

Thank you for your note of the 22nd in which I concur. I am taking appropriate action with the Economic Section.

Sincerely,

/s/ Ellery W. Stone

ELLERY W. STONE  
Rear Admiral, USNR  
Chief Commissioner

Colonel Charles Poletti,  
Regional Commissioner,  
Lazio-Umbria Region,  
APO 394.

3545

CC Files ✓

4016/cc

11

*cc files*

COPY

COPY

HEADQUARTERS  
ALLIED MILITARY GOVERNMENT  
LAZIO-UMERIA REGION  
APO - 394

R/2891

22 March 1945

Admiral Ellery W. Stone  
Chief Commissioner  
Headquarters, Allied Commission

P E R S O N A L

My dear Admiral Stone,

There seems to be under discussion the proposal of increasing the price of bread in Northern Italy. That is, instituting an economic price instead of the existing political price. Of course, you can appreciate that an increase of several hundred percent in the price of bread, as the first act of justice and liberty by the occupying troops administering through AMG, will be a colossal shock to the population.

In my opinion, it is foolhardy to have AMG go into the Provinces of Northern Italy and immediately incur tremendous bitterness on the part of the population by increasing the price of bread, As you know, such an increase would hit the people where it hurts.

My judgment is to continue the price that is found in the area and if later on, after appropriate wage increases, it is deemed necessary to sell bread on an economic price, let us do so then.

Yours sincerely

(Sgd) CHARLES POLETTI  
Colonel  
Regional Commissioner

3314

*See (11)*

*41016/cc*

+ + + + +

ALCOM DISTRIBUTION

- ACTION - Economic Section ++
- INFO - Ex Com
- CC Files

(10)

++ Mr. Antolini -

This may be irregular, so far as communications are concerned, but I agree. Pls advise me what the Econ Sec drill will be on this - both prices and wages.

(Init) E. W. S.  
CC

**RESTRICTED**

FX 41305  
MAR 10/1954A

D/4751  
MAR 11/0930  
ROUTINE

AFHQ SIGNED SACRED CITE: FHCDS.

5TH ARMY, 5TH ARMY FOR BR INCREMENT, XV ARMY GROUP, REPEL & TNG COMD, RAAC, RA MTOUSA, PBS, ADRIATIC DEF, DGMR, 8TH ARMY, DISTONE, DISTWO, DISTHREE, AFLRS ROME, PBS REAR, HQ AC, 214 GROUP, AC SARDINIA.

RESTRICTED.

Cost of living bonus for civilian employees is subject.

Effective with commencement of 1st pay period subsequent to 28 February, cost of living bonus for civilian employees established by AFHQ Administrative Memorandum 62 is authorized to be increased as follows:

Appendix A, daily wage group, adults 15 lire per day, juveniles 4 lire per day. Monthly wage group, adults 390 lire per month, juveniles 104 lire per month. Abatement will be made when full rations are furnished at rate of 4 lire per day for daily wage group and 104 lire per month for monthly wage group.

Appendix B, adults 285 lire per month, juveniles no increased. Administrative Memorandum 62 is being amended accordingly.

3343

See ①

DIST

- Action: G-1 (A) CIV PERSONNEL
- Info: A/PRESIDENT
- CHIEF COMMISSIONER
- ECON SEC
- ESTAB SEC
- HQ COMDT
- FINANCE S/C
- LABOR S/C
- FILE 2
- FLOAT

V

Q

⑨

**RESTRICTED**

3343/000

AMG TOSCANA REGION RPTD AND FIVEARMY RPTD AND EIGHTARMY RPTD  
AMG EMILIA REGION RPTD HQ FIFTEENTH ARMY GROUP

2929 5 MARCH 1945

PRIORITY

RESTRICTED PD

PARA ONE PD ECONOMIC PRICE OF BREAD NOW IN OPERATION ITALIAN GOVERNMENT  
TERRITORY WILL BE OPERATIVE WITH EFFECT FROM ONE TWO MARCH IN ALL ABLE MILK  
GEORGE NEEDS PROVINCES PD BASIS OF DECREE AND ACCOMPANYING ADMINISTRATIVE  
INSTRUCTIONS IS ONE FIRST ONE CONSONZEO AGRARIO WILL HANDLE GRAIN MOVEMENTS  
AS BEFORE PD SECOND ONE PRICE OF CEREALS FREE AT MILLS WILL BE WHEAT ONE TWO  
FOUR ONE POINT THREE ZERO ONE BARLEY NINE FIVE THREE POINT EIGHT ZERO ONE RYE  
ONE ONE THREE SEVEN POINT TWO ZERO ONE ALL LIRE PER QUINTAL PD THIRD ONE  
EQUALIZED PRICE OF FLOUR OF ALL TYPES WILL BE ONE THREE NINE SIX POINT  
FIVE ZERO LIRE PER QUINTAL FOR FLOUR FREE AT THE MILL OR INTERCOMMUNAL  
WAREHOUSE WHERE LATTER IS ESTABLISHED BY SUPERCONDAE PD FOURTH ONE ON BASIS  
30.27

4

2929

5 MARCH 1945

PRIORITY

RESTRICTED PD

PARA ONE PD ECONOMIC PRICE OF BREAD NOW IN OPERATION ITALIAN GOVERNMENT TERRITORY WILL BE OPERATIVE WITH EFFECT FROM ONE TWO MARCH IN ALL ABLE MIKE GEORGE REBER PROVINCES PD BASIS OF DECREE AND ACCOMPANYING ADMINISTRATIVE INSTRUCTIONS IS CDM FIRST CDM CONSORZIO AGRARIO WILL HANDLE GRAIN MOVEMENTS AS BEFORE PD SECOND CDM PRICE OF CEREALS FREE AT MILLS WILL BE WHEAT ONE TWO FOUR ONE POINT THREE ZERO CMA BARLEY NINE FIVE THREE POINT EIGHT ZERO CMA RYE ONE ONE THREE SEVEN POINT TWO ZERO CMA ALL LINE PER QUINTAL PD THIRD CDM EQUALIZED PRICE OF FLOUR OF ALL TYPES WILL BE CDM ONE THREE NINE SIX POINT FIVE ZERO LINE PER QUINTAL FOR FLOUR FREE AT THE MILL OR INTERCOMMUNAL WAREHOUSES WHERE LATTER IS ESTABLISHED BY SUDERCONORZI PD FOURTH CDM ON BASIS OF THIS PRICE OF FLOUR CMA PROVINCES WILL FIX PRICE OF BREAD CONSIDERING TRANSPORT COSTS OF FLOUR TO BAKERIES CMA BAKING COSTS AND WEAR OF SACKS CMA THE WHOLE COST BEING DIVIDED BY THE BAKING YIELD PD THIS FIELD WILL NOT BE LESS THAN ONE TWO FIVE KILOGRAMS OF BREAD FROM ONE ZERO ZERO KILOGRAMS OF FLOUR PD FIFTH CDM PROVINCIAL PRICES OF BREAD SHALL IN ALL CASES BE SCUTINISED AND SANCTIONED BY PROVINCIAL COMMISSIONERS PD PRICES FIXED WILL BE REPORTED BACK TO THIS HEADQUARTERS AND MAY BE SUBJECT TO REVISION THERE IF THEY APPEAR EXCESSIVE PD

CONTINUED

-1-

CONTINUED: CABLE NO. 2832 FROM: FOOD SUB-COMMISSION  
HQ. ALLIED COMMISSION

SIXTH CLM PASTA PD FLOUR WILL BE DELIVERED TO PASTIFICI AS FOR CEREALS  
DELIVERED TO MILLS CHA TRANSPORT EXPENSES BEING BORNE BY FEDERACION ORZI PD  
PRICE FOR FLOUR FREE AT PASTIFICI WILL BE LIRE ONE THREE NINE SIX POINT  
FIVE ZERO PER QUINTAL PD MINIMUM YIELD WILL BE NINE SIX POINT FIVE ZERO KILOG  
OF PASTA FOR ONE ZERO ZERO KILOG OF FLOUR PD BASED UPON THREE AND MAXIMUM  
CHARGES FOR PASTA MAKING OF LIRE THREE ZERO ZERO PER QUINTAL CHA PROVINCES  
WILL FIX PRICE OF PASTA TO CONSUMER AS FOR BREAD PD

PAREN TO AND JORGANA REGION FOR SUPPLY OFFICER MPTD AND CIVILIAN FOR SUPPLY  
OFFICER MPTD AND EIGHTH ARMY FOR SUPPLY OFFICER MPTD AND BRILLIA REGION FOR  
SUPPLY OFFICER MPTD AND FIFTEENTH ARMY GROUP FOR STEWART FROM HQ ALCON CITY  
AGTOP PAREN

SEVENTH CLM COPIES OF ADMINISTRATIVE INSTRUCTIONS ON ABOVE ARE BEING MAILED  
TO YOU WITH COPIES FOR TRANSMISSION TO PROVINCIAL BEPRALB PD  
EIGHTH CLM CONSEQUENT UPON FORGOING CHA PLEASE INSTRUCT INTERDELA DI



SIXTH GRADE PASTA PD FLOUR WILL BE DELIVERED TO MILLS CMA TRANSPORT EXPENSES BEING BORNE BY FEDERCONSORZIO PD PRICE FOR FLOUR FREE AT PASTIFICIO WILL BE LINE ONE THREE NINE SIX FIVE FIVE FIVE ZERO PER QUINTAL PD MAXIMUM YIELD WILL BE NINE SIX FIVE FIVE ZERO KILOGRAMS OF PASTA FOR ONE ZERO ZERO KILOGRAMS OF FLOUR PD BASED UPON THESE AND MAXIMUM CHARGES FOR PASTA MAKING OF LINE THREE ZERO ZERO PER QUINTAL CMA PROVINCES WILL FIX PRICE OF PASTA TO CONSUMER AS FOR BREAD PD PAREN TO AND TOGANA REGION FOR SUPPLY OFFICER RPTD AND CIVILIAN REGION FOR OFFICER RPTD AND EIGHTH ARMY FOR SUPPLY OFFICER RPTD AND MILITARY REGION FOR SUPPLY OFFICER RPTD HQ FIFTH ARMY GROUP FOR STEWART FROM HILSON CITY

AGTOP FARM

SEVENTH CLM COPIES OF ADMINISTRATIVE INSTRUCTIONS ON ABOVE ARE BEING MAILED TO YOU WITH COPIES FOR TRANSMISSION TO PROVINCIAL SUPPLIES PD MONTH CLM CONSEQUENT UPON FORGOING CMA PLEASE INSTRUCT INTENDENZA DI FINANZE TO EFFECT IN COOPERATION WITH THE SUPPLIES THE ASSESSMENT OF STOCKS ON HAND OF WHEAT CMA AND OTHER GRAIN PRODUCTS AND PASTA EXISTING AS OF MIDNIGHT ELEVEN MARCH CMA IN ALL MILLS CMA PASTA FACTORIES CMA WHOLESALE CMA PROVINCIAL WAREHOUSES CMA BREADMAKERS AND RETAILERS PD THE INTENDENZA SHOULD CONTACT THE INTENDENZA AND THE SUPPLIES AT ONCE IN ORDER TO OBTAIN THE MOST EXACT ASSESSMENT OF STOCKS ON HAND IN ORDER TO RECOVER AMOUNT DUE TREASURY PD GOODS IN TRANSIT TO MILLS BY PD BUT NOT ARRIVED AT DESTINATION AS OF MIDNIGHT ONE ONE MARCH WILL ALSO BE RECORDED IN THIS ASSESSMENT OF

STOCKS PD

M. V. DRAGNETT

DISTRIBUTION: H LACIO UMBRIA REG.

4016

EXTRACT:-

COPIY NO: 4

ALLIED FORCE LOCAL RESOURCES SECTION  
A.F.H.Q.

Postal Address :  
AFERS, ROME AFHQ  
ALLIED COMMAND,  
C.M.F.  
TEL : 65275 ROME  
27 February 1945

IRS/214A.

ALLIED FORCE LOCAL RESOURCES (ITALIAN) BOARD  
LABOUR & WAGES CONTROL COMMITTEE - MINUTES

96. The twenty ninth (Special) meeting of the Labour & Wages Control Committee was held at 1500 hours on Tuesday, 27 FEB 45 in the AFERS Conference Room, ROME.

97. COST OF BREAD INCREASE:

The AC representative stated that the official Italian Decree announcing the authorisation of a bonus to cover the increased cost of bread will be published in the Official Gazette on 1 March 45, effective that date.

Interim action on this subject having been authorized by the Joint Chairmen of the Board, the Committee considered the proposals submitted by HQ AC for adjusting the bonuses permissible within the Allied Armed Forces Basic Wage Scale (Appendix 'A' attached).

The Committee considered three observations raised by the representative of the Financial Adviser AFHQ:-

- 35. (a) That no increase in bonus should be given where the worker drawing his full ration from military sources.
- (b) That the proposed Italian Government Decree lays down a figure for the total of wages and bonus above which the increased bonus will not be payable. The AC proposal was not in conformity with this.

4016/CC

97. COST OF BREAD INCREASE:

The AC representative stated that the official Italian Decree announcing the authorisation of a bonus to cover the increased cost of bread will be published in the Official Gazette on 1 March 45, effective that date.

Interim action on this subject having been authorised by the Joint Chairman of the Board, the Committee considered the proposals submitted by HQ AC for adjusting the bonuses permissible within the Allied Armed Forces Basic Wage Scale (Appendix 'A' attached).

The Committee considered three observations raised by the representative of the Financial Adviser AFHQ:-

(a) That no increase in bonus should be given where the worker is drawing his full ration from military sources.

(b) That the proposed Italian Government Decree lays down a figure for the total of wages and bonus above which the increased bonus will not be payable. The AC proposal was not in conformity with this.

(c) That the increased bonus proposed by AC in respect of Juveniles was not in conformity with the proposed Decree.

It was decided by the Committee that :-

(a) This point was already covered by existing instructions.

(b) The number of employees of the Allied Armed Forces who would fall in the categories of non-entitlement to bonus within the proposed Italian Government scheme were thought to be too small to warrant any change in the AC proposal.

(c) The proposed bonus to Juveniles should be reduced from 5 lire to 4 lire per day and from 130 lire to 104 lire per month to meet the FA's observation.

The representative of CG HQUSA stated that as the Members had only received copies of the proposed Italian Government Decree at the meeting he

/would.....

See (9)

(7)

- 2 -

(EXTRACT) :

would like a decision on this important matter deferred for further study. The Committee decided that delay in reaching a recommendation to the Board was not advisable in view of the necessity for implementing the action of the Allied Forces on a date as close as possible to that on which the Italian Government Decree becomes effective.

It was consequently recommended to the Board that AFHQ Administrative Memorandum No 62 of 19 FEB 44 be amended to permit of increases as follows :-

Appendix "A" - AFHQ Adm. Memo No 62.

1. Daily Wage Group.

- a. Adult Group
- b. Juveniles

Increase of 15 lire per day.  
Increase of 4 lire per day.

2. Monthly Wage Group.

- a. Adult Group
- b. Juveniles

Increase of 390 lire per month.  
Increase of 164 lire per month.

Appendix "B" - AFHQ Adm. Memo. No 62

- a. Adult Group
- b. Juveniles

Increase of 295 lire per month.  
No increase.

It was further recommended that the above increases to be made effective with the first pay period commencing subsequent to 23 FEB 45 and that an amendment to AFHQ Administrative Memorandum No 62, incorporating them in Appendices "A" and "B" be issued as expeditiously as possible.

3509

2. Monthly Wage Group.

- a. Adult Group                               Increase of 390 lire per month.
  - b. Juveniles                                 Increase of 184 lire per month.
- Appendix "B" - AFHQ Adm. Memo. No 62
- a. Adult Group                               Increase of 285 lire per month.
  - b. Juveniles                                 No increase.

It was further recommended that the above increases to be made effective with the first pay period commencing subsequent to 23 FEB 45 and that an amendment to AFHQ Administrative Memorandum No 62, incorporating them in Appendices "A" and "B" be issued as expeditiously as possible.

2509

⑦

CC files

REF : LSC/1234

22 February 1945

SUBJECT: Proposed increase in cost-of-living bonus for Italian civilian employees of the Allied Forces to provide for an increase in the cost of bread.

TO : Chairman, Labor and Wages Control Committee, A.F.L.R.S. (Italian)

1. Reference is made to Paragraph 89 of the minutes of the meeting of the Labor and Wages Control Committee, 15 February, 1945, which reads as follows:

"Cost of Bread Increase:

"HQ AC representative reported that the Italian Government had intimated that they were no longer able to subsidize the price of bread, which would result in the present price of 6 lire per kilo being raised to approximately 14 lire per kilo, with effect from 1 Mar 45. In order to mitigate the effect of this increase on the working classes it was the intention of the Italian Government to authorize a special bonus (Caropane) of 75 to 95 lire per month, per dependent, payable to workers drawing less than a certain wage and not in receipt of private income.

"The Committee came to the unanimous conclusion that if some such similar action was not taken by the Allied Forces simultaneously with that of the Italian Government, including simultaneous publication, an extremely adverse situation would arise insofar as military labour was concerned.

2508 "In view of the short notice, APLAS agreed to bring these facts urgently to the notice of the Joint Chairmen of the Board with a request for interim action on the following lines:-

"Immediate publication of the facts that:

"(a) In the event of the Italian Government taking such action as was intimated some similar gesture would be made by the Allied Armed Forces to their civilian employees with effect from the same date.

(6)

40/12/45

- 2 -

"(b) The Midshift Meal, as at present supplied, will be maintained without additional cost to the worker."

2. The Allied Forces Local Resources Board meets on 3 March. It is requested that the Labor and Wages Control Committee adopt specific recommendations which may be presented at the 3 March meeting of the Board.

3. Attached hereto are: (a) a proposed minute for consideration by the Labor and Wages Control Committee, and (b) a proposed revision to Appendices "A" and "B" of AFHQ Administrative Memorandum No. 62.

4. The first attachment (a) recommends certain increases in the maximum permissible cost-of-living bonus commencing the first pay period subsequent to 1 March 1945, without changing any other provisions of Administrative Memorandum No. 62.

5. The second attachment (b) shows the proposed revision of Appendices "A" and "B" resulting from incorporation of the recommended increases. These increases are calculated as follows:

- 2507  
2507
- (a) The Italian Government's withdrawal of a bread subsidy will raise the cost of the average consumer's bread ration by 95 lire per month. The Allied Forces in Italy have always used the notional family of a man, wife and two children as the basis for making wage computations. On this basis, the increased bread cost per worker may be established at 380 lire per month (4 x 95), or a rounded figure of 15 lire per working day, assuming 26 days to the month. Reconverting this daily rate into a monthly rate (26 x 15) yields a figure of 390 lire to be added to monthly cost-of-living bonus.
  - (b) Based on this method of calculation, it is proposed to add 15 lire and 380 lire, respectively, to the daily and monthly maximum bonuses for adults in Appendix "A" of AFHQ Administrative Memorandum No. 62.
  - (c) It is proposed that 5 lire and 130 lire, respectively, be added to the daily and monthly maximum bonuses for juveniles, since they will not have, for the most part, any other consumers dependent on them.
- 6

- 3 -

- (d) In Appendix "B", covering hotel grades, it is proposed that \$85 lire per month be added to the present maximum bonus for adults. This will cover the increased bread cost for 3 persons only (i.e., wife and two children in the notional family), since the worker is presumed to be taken care of by his partial compensation in the form of food. Using similar reasoning, no increase is proposed for juveniles employed in hotels.

/s/ Ellery W. Stone

ELLERY W. STONE  
Rear Admiral, USNR  
Chief Commissioner

3536

(6)



ATTACHMENT (A)PROPOSED MINUTE ON INCREASE IN COST-OF-LIVING  
BONUS FOR CIVILIAN EMPLOYEES

1. In view of the action taken by the Italian Government authorizing a "caropane" indemnity to workers in private industry as an offset to the increased price of bread, the Labor and Wages Control Committee recommends that the maximum cost-of-living bonus for Italian civilian employees of the Allied Forces, as provided by AFHQ Administrative Memorandum No 62 of 19 December, 1944, be increased as follows:

APPENDIX "A" - Admin. Memo. No 62

- |                       |                                |
|-----------------------|--------------------------------|
| 1. Daily Wage Group   |                                |
| a; Adult group        | Increase of 15 lire per day    |
| b; Juveniles          | " " 5 " "                      |
| 2. Monthly Wage Group |                                |
| a; Adult group        | Increase of 390 lire per month |
| b; Juveniles          | " " 130 " "                    |

APPENDIX "B" - Admin. Memo. No 62

- |                |                                |
|----------------|--------------------------------|
| 1. Adult Group | Increase of 285 lire per month |
| 2. Juveniles   | No increase                    |

3335

2. It is further recommended that the above increases be made effective with the first pay period subsequent to 1 March, 1945, and that an amendment to AFHQ Administrative Memorandum No 62 incorporating them in Appendices "X" and "B" be issued as expeditiously as possible.

dum No 62 of 19 December, 1944, be increased as follows:

APPENDIX "A" - Admin. Memo. No 62

- 1. Daily Wage Group
  - a; Adult group            Increase of 15 lire per day
  - b; Juveniles                "        "        5        "        "
  
- 2. Monthly Wage Group
  - a; Adult group            Increase of 390 lire per month
  - b; Juveniles                "        "        130    "        "

APPENDIX "B" - Admin. Memo. No 62

- 1. Adult Group            Increase of 285 lire per month
- 2. Juveniles                No increase

3505

2. It is further recommended that the above increases be made effective with the first pay period subsequent to 1 March, 1945, and that an amendment to AFHQ Administrative Memorandum No 62 incorporating them in Appendices "A" and "B" be issued as expeditiously as possible.

6

(ATTACHMENT B)

APPENDIX "A" to AFHQ Adm Memo No. 52 (Proposed Revision)

COST-OF-LIVING BONUS FOR ITALIAN CIVILIAN EMPLOYEES  
OTHER THAN THOSE COVERED BY APPENDIX "B"

1. Daily Wage Group.

a. Adult Group:

<u>Basic Wage</u>	<u>Maximum Permissible Bonus</u>
Up to and Including 120 lire	75 lire
From 121 to 125 lire	72 lire
From 126 to 130 lire	70 lire
From 131 to 135 lire	67 lire
From 136 to 165 lire	65 lire
From 166 to 170 lire	62 lire
From 171 to 175 lire	60 lire
From 176 to 180 lire	57 lire
From 181 and above	55 lire

b. Juveniles may be paid a cost-of-living bonus up to 30 lire per day.

2. Monthly Wage Group:

a. Adult Group:

<u>Basic Wage</u>	<u>Maximum Permissible Bonus</u>
3334 Up to and including 3000 lire	1950 lire
From 3001 to 3100 lire	1920 lire
From 3101 to 3200 lire	1870 lire
From 3201 to 3300 lire	1820 lire
From 3301 to 3400 lire	1770 lire
From 3401 to 3500 lire	1720 lire
From 3501 to 5000 lire	1690 lire
From 5001 to 5100 lire	1620 lire
From 5101 to 5200 lire	1570 lire
From 5201 to 5300 lire	1520 lire
From 5301 to 5400 lire	1470 lire

From 120 to 130 lire  
 67 lire  
 From 131 to 135 lire  
 65 lire  
 From 136 to 165 lire  
 62 lire  
 From 166 to 170 lire  
 60 lire  
 From 171 to 175 lire  
 57 lire  
 From 176 to 180 lire  
 55 lire  
 From 181 and above

b. Juveniles may be paid a cost-of-living bonus up to 30 lire per day.

2. Monthly Wage Group:

a. Adult Group:

<u>Basic Wage</u>	<u>Maximum Permissible Bonus</u>
3500 1/2 Up to and including 3000 lire	1950 lire
From 3001 to 3100 lire	1920 lire
From 3101 to 3200 lire	1870 lire
From 3201 to 3300 lire	1820 lire
From 3301 to 3400 lire	1770 lire
From 3401 to 3500 lire	1720 lire
From 3501 to 5000 lire	1690 lire
From 5001 to 5100 lire	1620 lire
From 5101 to 5200 lire	1570 lire
From 5201 to 5300 lire	1520 lire
From 5301 to 5400 lire	1470 lire
From 5401 and above	1430 lire

b. Juveniles may be paid a cost-of-living bonus up to 780 lire per month.

(6)

APPENDIX "B" to AFHQ Adm Memo No. 62

COST-OF-LIVING BONUS FOR ITALIAN CIVILIANS EMPLOYED IN ALLIED HOTELS, CLUBS AND MESSES AND OTHER EMPLOYEES WHOSE WAGES ARE PAID PARTLY IN KIND

1. Adult Group:

Basic Wage

Up to and including 3600 lire  
From 3601 lire to 3700 lire  
From 3701 lire to 3800 lire  
From 3801 lire to 4900 lire  
From 4901 lire to 5000 lire  
From 5001 lire to 5100 lire  
From 5101 lire to 5200 lire  
From 5201 lire and above

Maximum Permissible Bonus

1325 lire  
1275 lire  
1225 lire  
1175 lire  
1125 lire  
1075 lire  
1025 lire  
955 lire

2. Juveniles may be paid a cost-of-living bonus up to 150 lire per month.

te/

*66*

Executive Commissioner.

Decree Relating to Price of Bread.  
Director,  
Economic Section.

1,029/15/10.  
22nd February 5.

*Ref. 65/16.13 of 17. Feb. 45*

The Chief Commissioner has approved the application of  
the Decree relating to the Price of Bread to A.M.C. Territory.

M. S. LUGH

Brigadier.  
Executive Commissioner.

*4016/cc*

*(D)*

3568  
*(5)*

CONFIDENTIAL.C. L.

Ref: 4029/90

21 February 1945

SUBJECT: Cost of Bread Increase.

TO : Chiefs of Section,  
Allied Force Local Resources Section,  
Rome Area Allied Command,  
C. M. P.

1. I refer to your letter LRS/2142/132 of 15 February 1945 and to telegram P29606 of 19 February from Lieut. General Robertson, Joint Chairman.

2. I consider that in spite of the publicity already given to the proposed action of the Italian Government, immediate publication would be premature. The Allied military authorities, however, should publish their intentions simultaneously with the official announcement of the Italian Government that a special bonus will be paid. Labour Sub-Commission of the Allied Commission should prepare such a statement and transmit it to you for action through R.F.O. There is, of course, no objection to informing military formations immediately and confidentially of the proposed action. The recommendation with regard to the maintenance of the midshift meal without additional cost is approved.

/s/ Elroy W. Stone

ELROY W. STONE  
Rear Admiral, USNR  
Chief Commissioner

3562

Economic Section  
Copy to: Labour Sub-Com (with copy of cable and letter  
under reference).

(4)

i 322/10104

**CONFIDENTIAL**F 29605  
FEB 191227AD/2438  
FEB 191410A  
PRIORITYAFHQ SIGNED SACKED CITE PHCAO  
ALCOM INFO AFLRS, RAEC

CONFIDENTIAL.

Personal for Admiral STONE from ROBERTSON.

Subject bonus on labour rates for increased cost of bread.  
AFLRS letter LRS/214D/132 of 15 February refers. Please take such  
action as you think fit on recommendation made by Labour and Wages  
Control Committee at meeting on 15 February. You may assume my  
agreement.

DistAction - S.O. to Chief Commissioner (2)  
Info - A/President  
Chief Commissioner  
File

3501

**CONFIDENTIAL**

(3)



SECRET

HEADQUARTERS ALLIED COMMISSION  
AIC 394  
ECONOMIC SECTION

CC files  
507

Tel. 271

JDE/son

22/13.13

17 February, 1948

SUBJECT: Cost of Bread -- Substitution of Economic Price for  
Political Subsidized Price.

TO: Chief Commissioner

1. On 4 February 1948, Brigadier Grafftoy-Smith and Mr. E. H. Braise, con-  
ferred with Minister of the Treasury Solari on the above subject and were  
advised that the following proposals had been formulated and were to be con-  
sidered by the Council of Ministers:

- A. Increase in Prices.  
The cost of bread would be raised from 8 lire to 14 lire per kilo  
and the cost of pasta from 9 lire to 18 lire per kilo.
- B. Allowances to State employees and parastatal employees.  
An allowance of 75 lire per month to be given to each member of the  
family, except in the case of employees having a private income of  
24,000 lire per year.
- C. Allowances to Employees of communes and of local governments.  
The National Government to indicate that the local government should  
follow the lead of the national government. The cost however, would  
not be set out of the national budget unless at a later date the cost  
of local government is borne directly by the national government.
- D. Allowances to employees of private industries.  
A similar allowance of 75 lire per month for each member of the family,  
to be paid by employers to employees who receive salaries up to 8,000  
lire per month. As in the case of government employees, those having  
a private income of more than 24,000 lire per year are to be excluded.
- E. Allowances to other beneficiaries.  
Similar provisions would be made for:
- (i) Unemployed persons.
  - (ii) Those receiving poor relief from the national government.
  - (iii) Families of soldiers who are retained in military service  
after completion of their normal period of service and who  
receive military allowances on this account.

3500

4016/cc

( Orig on Ex - Bureau file 4029/EC )

SECRET

Page 2/

F. Other Measures

Before the increase in price is effective, it is proposed to put into effect fiscal measures and measures to control the cost of milling. The fiscal measures include the imposition of a single levy of 1200 lire on each head of a family who has either an income exceeding 100,000 lire per year or who possesses a capital exceeding 250,000 lire per year. This levy is more in the nature of a gesture than a serious attempt to obtain funds.

2. Minister Soleri stated that the political subsidy of the price of bread was costing between 8 and 10 billion lire per year. It is estimated that the proposed allowances will cost 3 billion lire per year for the whole of Italy.

3. Minister Soleri estimated that the additional cost to family budget caused by the increase in price would be 2.50 lire per person per day or approximately 75 lire per month. Since the conference with Minister Soleri it has been learned that some consideration is being given to an allowance of 90/95 lire per month, based on the higher ration prevailing in Southern Italy.

4. It has been learned from High Commissioner of Food Bergami that the Council of Ministers considered the proposals yesterday and approved them in principle. It has also been learned from High Commissioner Bergami that the government proposes not to issue a decree until such time as the ration may be increased to 300 grams throughout Italy.

5. The Labor Sub-Commission is instituting action to increase the armed forces wage scale in accordance with the proposed increase to be put into effect by a decree, with a view to having the increases take effect simultaneously.

6. It is not believed that the Allied Commission should intervene in the question of the increase of the price of bread and pasta. Since the increase in the price of wheat to 1000 lire per quintal, the political price for bread has put an intolerable burden upon the Italian budget and the recent wage increases have shown that the Italian Government does not wish or is not able to use a low subsidized price of bread to keep wages down and hold the line against inflation. The net daily increase in cost to the consumer will not be substantial in view of the contemplated allowances to be given to large groups of employees and in view of the fact that the ration will be increased. It is believed that the decree should be made applicable to AMG territory.

E. B. McKIMLEY  
Brigadier General, U.S.A.  
Acting Vice President  
Economic Section

SECRET

COPI.

ALLIED FORCE LOCAL RESOURCES SECTION  
A.F.H.Q.

CONFIDENTIAL

LRS/214D/132.

SUBJECT: Cost of Bread Increase.

TO : C.A.O., A.F.H.Q.  
Chief Commissioner, HQ AC.Postal Address:  
AFLRS, Rome Area  
Allied Command, COMF.

TEL: ROME 66275

15 February 1945.

1. At the monthly meeting of the Labour & Wages Control Committee held today HQ AC obtained permission under the heading of "Other Business" to bring up for consideration the intention of the Italian Government to discontinue as from 1 MAR 45 the bread subsidy.
2. There was a good attendance and in spite of the fact that no previous notice had been given the matter received, in the opinion of this Section, adequate consideration.
3. Attached is a copy of minute No 89 setting out the basic facts and the Committee's unanimous conclusions.
4. The Chairman, Col J.R. SMITH, Deputy Director of the Labour Sub-Commission AC and the Director Mr. Brain, who attended to present the case did not hide their opinion that it was essential that the Armed Forces not only follow suit in taking action to mitigate the effect on the workers, but also if possible announce their intention to do so without delay. This opinion was endorsed by the other members.
5. In view of these facts it is requested that the recommendation of the Committee receive consideration prior to the next meeting of the Board on 3 MAR 45 and, that if thought fit, interim action be taken by the Joint Chairmen on the lines proposed.
6. At the request of this Section the Chairman directed the members of the Committee to treat the proceedings as Confidential and not to allow the fact that action was contemplated by the Italian Government or by the Armed Forces to become known prematurely.

3328

(Sgd) THOMAS R. GIBBON, Col., AUS,  
Chief of Section (US),  
A.F.L.R.S.(Sgd) J.L. PRESCOTT, Lt.Col. AQMC,  
Acting Chief of Section (Br)  
A.F.L.R.S.

JLB/gs.

Copy to: AFLRS AFHQ CASERTA  
Chairman, Labour and Wages Control Committee

(2)

Extract from Minutes of meeting of the Labour  
and Wages Control Committee, 15 FEB 1945.  
-----

89. COST OF BREAD INCREASE:

HQ AC representative reported that the Italian Government had intimated that they were no longer able to subsidise the price of bread, which would result in the present price of 5 lire per Kilo being raised to approximately 14 lire per Kilo, with effect from 1 MAR 45. In order to mitigate the effect of this increase on the working classes it was the intention of the Italian Government to authorise a special bonus (Caropane) of 75 to 95 lire per month, per dependent, payable to workers drawing less than a certain wage and not in receipt of private income.

The Committee came to the unanimous conclusion that if some similar action was not taken by the Allied Forces simultaneously with that of the Italian Government, including simultaneous publication, an extremely adverse situation would arise in so far as military labour was concerned.

In view of the short notice AFLRS agreed to bring these facts urgently to the notice of the Joint Chairman of the Board with a request for interim action on the following lines:

Immediate publication of the facts that:

- (a) In the event of the Italian Government taking such action as was intimated some similar gesture would be made by the Allied Armed Forces to their civilian employees with effect from the same date.
- (b) The Midshift meal as at present supplies will be maintained without additional cost to the worker.

3527

(1)

0 LIST OF PAPERS

File under No. \_\_\_\_\_

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
3526				

0 4 2 3