

ACC

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WAGES & SA
ALLIED CO
MAY 1945 -

36/440

WAGES & SALARIES, ITALIAN, CIVILIAN, GENERAL,
ALLIED COMMISSION
MAY 1945 - JAN. 1947

5202/CC

LIST OF PAPERS

Office of the
Chief CommissionerFile under No. 5202/CC WAGES & SALARIES, ITALIAN, CIVILIAN - GENERAL
ALLIED COMMISSION**Confidential**

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SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
121	Ltr 3476/12307-0/3.2.10 Parri	26 Nov 45	Stone	Lease of town buildings
122	Cbl 8782 Labor S/C	27 Nov 45	All regions	Wages in private industries in North
122a	Ltr 13214/F Stone	30 Nov 45	Kirk	Italian net troop expenditure account
123	Ltr 2612/39/EC Braybrooke	4 Dec 45	CA Section	AMG Order in North It(enclo; Osborne)
124	Cbl 9169 E Leona	10 Dec 45	Ec Com N Ita	State Employees Remuneration
125	Cbl QG 303	19 Dec 45	CC	Cancellation HQ signal QS 452
126	Ltr Pasca	31 Dec 45	CC	Troop pay account
126a	Memo CAO/205/8 Duff	12 Jan 46	CC	Payment of Italian Civil Labour
126b	Cbl 131 Eaton	23 Jan 46	ALCOR	Armed force wage scales in Naples
127	Ltr 13035 Stone	24 Jan 46	CAO AFHQ	Payment of Italian Civil Labour
128	Cbl PALERMO	5 Feb 46	Allied Fin	Payment of Prisoners of War
129	Cbl 972 HQ ALCOR	7 Feb 46	PALERMO	Payment of Prisoners of War
130	Cbl 6023	11 Jan 47	AMG VG	Re advance of salary and payment of sep allowance to It state employees

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Office of the
Chief Commissioner

ALLIED COMMISSION

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106	Cbl AC Lab, 1244	5 Jul 45	Lomb, IV, 5	Milan Industrial Wage Agreement.
107	ES/11.06, McKinley	5 Jul 45	CC	Milan Wage Industrial Agreement.
108	Cbl AC Lab, 1287	6 Jul 45	RCs, SCAOs	Milan Industrial Wage Agreement.
108a	Camera Lavoro, Rome	6 Jul 45	CC	Dismissal of It employed by Allies.
109	Cbl Piemonte PR/LA/47/42	7 Jul 45	Lig, AC Lab	Torino Industrial Wage Agreement.
110	Cbl AC Lab, 1641	11 Jul 45	8, AFHQ IRS	Carovita bonus for shipyard workers.
111	LSC/403/906, McKinley	16 Jul 45	C. del Lavoro	Dismissal of It employed by Allies.
112	LSC/403/906, McKinley	25 Jul 45	C. del Lavoro	Dismissal of It employed by Allies.
113	Cbl AC Econ, 2555	26 Jul 45	PBS, MTOUSA	Fixing of purchase prices in IGT.
114	Cbl Lomb, 1580	26 Jul 45	AC Lab	Salary increases in 2 District.
115	Cbl MTOUSA, FX-30145	30 Jul 45	PBS, AC, PSOUTH	Fixing of purchase prices in IGT.
116	Cbl MTOUSA, FX-35893	16 Aug 45	PBS, AC	Fixing of purchase prices in IGT.
117	Cbl Piemonte, 40/432 3141	6 Oct 45	AC Lab S/C	Possibility of strife over wage incre to FIAT group. Intervention by Minister BARBARESCHI sought.
118	Cbl AC Lab, 6765	8 Oct 45	Piemonte Reg.	BARBARESCHI on route Turin to interven
119	Cbl AMG Piemt PR/LA/47/ 441	11 Oct 45	AC Lab S/C	BARBARESCHI approves of method in handling of FIAT situation over wages.
120	Ltr. LSC/411 Braine	20 Oct 45	Exec Com. AC	Wage Increase to State and Para-statal Employees.-Strike of Para-Statal Emplee
120a	Ltr LSC/411 Braine	22 Oct 45	Exec Com. AC	" " " " " " " "

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SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
91	Cbl AC Econ 8606	28 May 45	5A, 8, IV, 15,	Wages policy for North.
92	Cbl AC Econ, 8614	28 May 45	Emilia, Tosc	Econ boundary abolished 28 May.
92a	Cbl 5A, NC 4551, C 288	31 May 45	AC	Wages & liv. costs - Bolzano
93	5215/EC, Office EC	2 Jun 45	CC	Econ Sec taking action on wages pol.
94	Cbl ACLAB 8913	1 Jun 45	N. Prov's.	Premio di Liberta bonus payments
95	Cbl 5/A, 2366	2 Jun 45	AFHQ, AC, 8 etc	5A request auth increase wages paid.
96	Cbl AFHQ CAO FX-86826	3 Jun 45	5, AC, 8, 1, 2, etc	5A request auth increase wages paid.
97	Cbl 5A, 4783	9 Jun 45	1, 2, 8, PBS, 15	5A to increase wages-carovita.
98	Cbl AC Labor, 9431	9 Jun 45	RCs, SCAOs,	Premio di Liberta bonus payments.
99	Cbl Lomb fr Maj Hall 1179	12 Jun 45	AC Fin	Payments to State railway employees
99a	Cbl Ven Reg 337.R12	15 Jun 45	AC	Payments to State employees, etc.
100	3201/365/EC, Arnoldy	14 Jun 45	Econ Sec	Premio di Liberta bonus; demobilisation of heavy industries to peace production.
100a	Cbl AC Econ 9869	14 Jun 45	Ven Reg	Payments to State employees, etc.
101	Cbl Lomb, 1212	15 Jun 45	AC ExC	Paymts to State employees & premio di Liberta' - Poletti's suggestions.
102	Cbl AC Fin, 9981	18 Jun 45	Lombardia	Payments to State employees & premio di Liberta' - (AC opposes Lib. bonus)
103	Cbl AC Econ, 498	24 Jun 45	RCs, SCAOs	Revised policy on pricing foodstuffs agreed with IG.
104	Parri, 22920	24 Jun 45	Stone	Wages & salaries in N.It.
105	LSC/443, Stone	30 Jun 45	Parri	Wages & Salaries in N.It.

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LIST OF PAPERS

Office of the
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File under No. 5202 WAGES & SALARIES, ITALIAN, CIVILIAN - GENERAL

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75	Cbl AFHQ, FX-72114	7 May 45	15 AG, AC	N. It price-wage policies - econ contr ol to be continued until further word.
76	Cbl Venezie, fr Antolind	10 May 45	AC for Stone	Economics of Bologna & Venezia func- tioning smoothly; inflation trend appnt.
77	Cbl AC Econ 7644	15 May 45	AFHQ	Econ Council, CLMAI, requests econ bou ndary be continued two weeks fr 12 May.
77a	SAC's Econ Subcommittee	15 May 45		Current status of Econ Boundary.
78	Cbl AC Econ, 7732	16 May 45	G5, 15, 5, 8, etc	Questions-answers on Econ Boundary.
79	Cbl Distone, A/37	17 May 45	15, AFHQ, AC, 8	Reasons for road-blocks ineffective.
80	Cbl AC PS, 7856	17 May 45	1 Dist, 15, AFHQ	RCs given orders cooperate w Areas HQ
81	LSC-217, Stone	21 May 45	Bonomi	Protest DIL No. 148 - IG econ policy.
81a	Cbl AC CAS 8208	23 May 45	AFHQ, 15	Recommend abolition restricted line.
82	Cbl AC EXC (Econ) 8210	23 May 45	AFHQ, 15, 5, 8,	Recommend Econ Boundary line be abol-
82a	Cbl AC EXC (Econ) 8211	23 May 45	IV	ished w. e. f. 28 May; control to continue.
83	Cbl AFHQ, FX-81398	24 May 45	5, 8, IV, MAAF, PBS, 1, 15, AC,	Econ Boundary Line will be abolished effective 0001 hrs 28 May.
84	Cbl AFIRS, LRS-601A	23 May 45	AFHQ CAO	Labor-Wages Committee of AFIRS recom- mendations for wages control in North.
85	ES/1.44, Highland	25 May 45	Stearns	Date of abolition will be 28 May.
86	SAC Econ Subcom 7 Mtg	25 May 45	(Min. 3)	Current status of Econ Boundary, 22/5.
87	SAC Econ Subcom 7 Mtg	25 May 45	(min. 4)	Estab by CLMAI of "Retribution Bonus".
88	Cbl AC LABOR 8557	26 May 45	Emilia Reg	Wage increase, industry in Bologna atzd
89	Bonomi, 36432/10282.9	27 May 45	Stone	Publication DIL 148 - IG econ policy.
90	Cbl Emilia Reg fr Lush	28 May 45	AC EXC	5A signal on abolition of econ line.

3141

SECRET

11 1300 JAN 47 "A"

ALCOM

HQ AMG VENEZIA GIULIA FOR CHIEF FINANCE OFFICER

6023

RESTRICTED

REFERENCE PHONE CONVERSATION WITH COLONEL BATTENBY PD ADVANCE
OF SALARY AND PAYMENT OF SEPARATION ALLOWANCE TO ITALIAN STATE
EMPLOYEES NOT REPEAT NOT PERMISSABLE UNDER ITALIAN LAW PD
SUGGEST FOLLOWING TECHNICAL PROCEDURE TO RELIEVE DISTRESS PD
AMG ORDER TRANSFER OF STATE EMPLOYEES AND FAMILIES TO ITALY AND
ORDER EMPLOYEES TO REPORT POLA ON MISSION THUS NO PHYSICAL
MOVEMENT OF EMPLOYEES PD YOU CAN THEN ADVANCE AMOUNT OF TRAVELLING
EXPENSES AND PAY MISSION ALLOWANCE BOTH ACCORDING TO SCALE LAID
DOWN BY ITALIAN REGULATIONS

5204/100

3145

PRIORITY
ALLIED FINANCIAL AGENCY

478636

JOHN R. HAYES
Major AGD
Adjutant

(130)

ACFIN HQ ALCOM

7 February 1946-12.30

NAVDET PALERMO

972

restricted

PARA ONE PD REFERENCE YOUR TELEGRAM FIVE FEBRUARY PD
PARA TWO PD HAVE CONSULTED OFFICE FISCAL DIRECTOR CMA
MTOUSA CMA WHICH STATES US MILITARY PAYMENT ORDERS
OF RETURNED PRISONERS OF WAR ARE BEING PAID AT RATE OF
TWO HUNDRED AND TWENTY FIVE LIRE EQUAL ONE DOLLAR

(128)

5202/ce

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PRIORITY

Finance Sub-Commission

G.J. LEONE,
CWO, USA,

Cable G/8794
Transferred to CC3753 folio 9.

3144

128.

CONFIDENTIAL

13035/P.

24 January 1946.

SUBJECT : Payment of Italian Civil Labour.

TO : Chief Administrative Officer,
Allied Force Headquarters.

1. I write with reference to your memorandum CAG/205/8/26a of 12 January, 1946, entitled "Payment of Italian Civil Labour".

2. We realize that all lire expenditures by the U.S. and British Armed Forces in Italy are charged against their respective national appropriations, and that, with the end of the war, appropriations are being reduced, so that the Armies are concerned over the constantly rising cost of Italian Civil Labour. At the same time, as you know, (using the U.S. side as an example) when the U.S. Army in Italy spends against appropriate funds and pays out lire, the Italian Government receives, under present arrangements, only those dollars equivalent to net U.S. troop expenditure; it does not receive the dollars equivalent to the lire expended by the U.S. Army on procurement of Italian goods and services, so that the pay of Italian civil labour does not at the present time cost the U.S. Government dollars. On the British side at the present time, there is no reimbursement of sterling to the Italian Government for any type of lire expenditure by the British Armed Forces in Italy.

3. Against this background, it is our view that the problem raised in the reference memorandum is one that cannot be solved by any action of the Italian Government. The memorandum speaks of a crediting of the U.S. and British lire accounts by AFA on the authority of the Italian Government with amounts of lire paid as wages to Italian civil employees by the Allied Armed Forces in Italy. I believe that this suggestion does not take into consideration the way in which the paymasters and finance officers of the U.S. and British Armed Forces in Italy obtain lire currency from the Allied Commission. The Allied Commission holds in safe-keeping the total amount of unutilized AM lire currency. This currency is supplied to the finance officers and paymasters of the Allied Armed Forces at their request; the Allied Commission's responsibility and accountability for such currency ceases at the moment of transfer, because no lire account as such is set

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- 2 -

up or charged. It is my understanding, however, that such currency, once it is received by the paymasters and finance officers of the Allied Armed Forces, can only be expended as appropriated funds, i.e., (again using the U.S. side as an example) as the U.S. Army spends lire for any purpose, the U.S. War Department's appropriation is debited and the dollars transferred to a special suspense account. Only that portion of this special suspense account which is equal to net U.S. troop expenditure represents an actual dollar expenditure by the U.S. Government at this time. Thus it appears:

- (a) that the U.S. and British Armed Forces have no "lire accounts" with the Allied Financial Agency, and that the function of AFA is purely passive, i.e. it does not hold accounts for the Armed Forces but merely supplies the amounts of lire currency requested by the Allied Forces. Such currency is considered redeemable by the Italian Government. However, as soon as the Currency Agreement (see FAN 583, dated 3 July, 1945) is signed, it is anticipated that the Allied Armed Forces will shift over from the use of AM lire to the use of Metropolitan lire.
- (b) that at the present time the Allied Forces in Italy (except AC/AMG) have no authority to receive lire currency from AFA or the Italian Government and to spend such currency, except against a budget appropriation. It should be emphasized that this limitation is not imposed by any factor in the present financial relations between the Allied Governments and the Italian Government; the limitation rather results from measures adopted within the U.S. and British Governments for their internal budget controls.

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The question of whether any lire currency (AM or Metropolitan) received in the future by the U.S. or British Armed Forces from any source whatsoever (including AFA or the Italian Government) can be expended without being charged to an appropriation is a matter for decision by the appropriate Departments and Ministries of the U.S. and British Governments, and not for arrangement with the Italian Government.

4. As to the reasons why no lire account was ever set up, you will recall that the original suggestion for the establishment of a lire account was put to CCS by your HQ

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- 3 -

in MAT 353 of 12 October, 1944. CCS concurred with this suggestion in para. 14 (B) of FAN 583 dated 3 July, 1945. In view, however, of the other provisions of the currency agreement proposed in FAN 583, your HQ stated to CCS in para. 5 of MAT 836 of 24 July, 1945, that it was considered that the establishment of a lire account was no longer necessary, since it was anticipated that the Italian Government would agree to supply all lire currency and credits needed by the Allied Forces (see para. 14 A of FAN 583) and would accept responsibility for the issuance of all AM lire. CCS accepted the recommendation of your HQ in para. 6 of FAN 689 dated 25 September, 1945. Accordingly, the currency agreement put to the Italian Government did not contain a provision for a lire account. I have now received a draft of the reply that the Italian Government will make to the currency agreement, in which they accept responsibility for the issuance of AM lire and agree to furnish the lire currency and credits required by the Allied Armed Forces. The agreement does not provide for any reimbursement to the Italian Government for such lire currency and credits.

5. To recapitulate:

- 314
- (a) The U.S. and British Armed Forces have no lire accounts that could be credited with the lire paid as wages to Italian civil employees of the Allied Forces.
 - (b) In the absence of lire accounts (which presumably would have permitted the Allied Armed Forces to treat funds drawn from such accounts as non-appropriated funds), we know of no way in which the Allied Armed Forces could receive funds from any source and treat such funds as non-appropriated funds, except with the permission of their respective Governments.
 - (c) The Italian Government has already indicated its willingness to supply the amounts of lire currency and credits that are needed by the Allied Forces in Italy for any purposes whatsoever, and will shortly sign an agreement to that effect. No further approach to the Italian Government for funds to meet a specific type of expenditure would therefore appear to be needed.

- 4 -

6. If the Allied Armed Forces desire to pay their Italian civil employees without incurring charges against their respective national appropriations, it would appear that all that is necessary is to obtain the permission of the U.S. and British Governments to do so. Then that part of the lire currency drawn by the Allied Forces (from AFA or the Italian Government) and used to pay civil labour would not be reported as an expenditure against appropriated funds. However, I would suggest that this course of action be considered in the light of my letter 13018/F of 16 January, 1946, to the Assistant Chief of Staff, G-5, AFHQ, entitled "Reorientation of Allied Financial Policy toward Italy".

see "C"
Military Ed
points to file

/s/ Ellery W. Stone

ELLERY W. STONE,
Rear Admiral, USNR,
Chief Commissioner.

3111

127

131

6/7942

JAN 23 1330 A

JAN 24 1600 A

ROUTINE

PENSOUTH FROM RB BATOR, CHAIRMAN NAPLES LOCAL SUBCOM.
 JOINT SECRETARIAT OF LABOR AND WAGES COMMITTEE CASE OF LABOR
 SUBCOM ALCOM FOR DAVEY & IVEY

UNCLASSIFIED.

Pensouth C 3073. CITY 88480-OP. Naples local Sub-Committee
 at meeting 14 January found armed force wage scales in Naples to
 be more than 80 lire per day lower than local private wages for
 skilled and unskilled male manual workers. Sub-Committee granted
 35 lire per day increase for categories named. For categories
 named. For skilled workers this action exhausted committees pre-
 sent authority, in view of previous 65 lire per day increase.
 Sub-Committee desires approval for interim grant of additional
 100 lire per day of authority to enable further increase to be
 made. Without such increases REMS anticipates difficulty in re-
 training essential skilled personnel.

AC DIST.

ACTION: LABOR 2

INFO: CHIEF COMMISSIONER

ECON 2

FIRE 2

FLOAT

3131

126a

COPY

ALLIED FORCE HEADQUARTERS
C.A.O. Office

CONFIDENTIAL

CAO/205/8

Memorandum for : Chief Commissioner,
Allied Commission.

SUBJECT : Payment of Italian Civil Labour.

1. Reference the recommendations by the Allied Force Labour and Wages Committee at their meeting on 21 Nov 45 regarding a Compensating Indemnity, this matter has been examined in great detail by this HQ and I have forwarded my decisions, a copy of which I enclose herewith, to the Secretariat of the Labour and Wages Committee for the preparation of the necessary instructions.
2. This matter has raised an important point which I would like you to take up with the Italian Government. US Appropriations make no allowance for these additional benefits. Similarly the British now have to forward to the War Office estimates of Lire expenditure and additional benefits such as these cannot be forecasted. The JIFC at their meeting on 10 Dec 45, therefore recommended that the cost of these additional benefits to Italian labour should be borne directly by the Italian Government. Furthermore, the continued increase in the other elements of the wage for Italian civil labour make it practically impossible for us to prepare accurate estimates of expenditure.

I therefore, consider that the time has now come when the Italian Government should undertake the payment of all wages and other benefits paid in the future by the US and British Forces in ITALY in respect of civil labour. This could be done by the US and British employing authorities continuing to make the physical payments of wages and other benefits to labour and passing the relevant vouchers to AFA who should be authorised by the Italian Government to credit the US and British Lire accounts with the amounts shown on the vouchers and enter a corresponding debit on the Italian Government account.

4. We have proposed to do this before, and I believe that the objection of the Italian Government has been that they had not the organisation to pay the wages. This difficulty, however, seems to be overcome if the military continue to do the actual paying on the wages and the Italian Government reimburse our respective Lire accounts with AFA.

5. In any event we shall be unable to pay civil labour the additional benefits covered by the attached letter unless the Italian Government agree to reimburse the US and British Lire accounts with amounts involved. It would involve military units in such extra work and accounting if the Italian Government agreed to reimburse us only in respect of these additional benefits.

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3. I therefore, consider that the time has now come when the Italian Government should undertake the payment of all wages and other benefits paid in the future by the US and British forces in ITALY in respect of civil labour. This could be done by the US and British employing authorities continuing to make the physical payments of wages and other benefits to labour and passing the relevant vouchers to AFA who should be authorised by the Italian Government to credit the US and British Lire accounts with the amounts shown on the vouchers and enter a corresponding debit on the Italian Government account.

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5. In any event we shall be unable to pay civil labour the additional benefits covered by the attached letter unless the Italian Government agree to reimburse the US and British Lire accounts with amounts involved. It would involve military units in much extra work and accounting if the Italian Government agreed to reimburse us only in respect of these additional benefits.

6. I should be grateful if you would endeavour to secure the Italian Government's early agreement to the above proposals. Otherwise, we are going to be in grave difficulties in meeting the ever increasing wages rates.

12 Jan 46.

Copy to: G-4 (A)
"Q"

G-5
Financial Adviser
Fiscal Director
DPIC
AFIRS
Joint Secretariat, Allied Force Labour & Wages Committee - 2 copies
Labour.

A.C. DUFF,
Major General,
Chief Administrative Officer.

126a

CONFIDENTIAL



UNITED STATES OF AMERICA
TREASURY DEPARTMENT



Office of the Treasury
Representative

Embassy of the United States
Rome, December 31, 1945

JAN 3 RECD

1440

Admiral Ellery W. Stone
Chief Commissioner
Allied Commission
Rome

Dear Admiral Stone:

With reference to your letter of November 30, 1945, addressed to the Ambassador, I am pleased to inform you that according to a telegram recently received from the Treasury Department there is now \$140,000,000 credited to the troop pay account. Definitive certifications amount to \$120,000,000 through March 31, 1945. An additional \$20,000,000 has been certified provisionally subject to adjustments arising from excess lire and re-deployment of troops.

With best wishes for the coming year,

Sincerely yours

Henry J. Pasca

Henry J. Pasca
U. S. Treasury Representative

3131

DIST.

(COPIES) A

ACTION: FINANCE S/C (CFA) 2

INFO: EX COM

126

M

122

5202/cc

UNCLASSIFIED

ECONOMIC COMMISSIONER NORTHERN ITALY - FOR INFO LIGURIA REGION -
 FOR INFO - PIEMONTE REGION - FOR INFO LOMBARDIA REGION - FOR
 INFO VENEZIA REGION - FOR INFO VENEZIA GIULIA REGION

9169

10 DECEMBER 1945

PRIORITY

UNCLASSIFIED PD

PARA ONE PD SUBJECT IS STATE EMPLOYEES REMUNERATION PD

PAREN TO ECONOMIC COMMISSIONER NORTHERN ITALY OMA FOR INFO LIGURIA
REGION OMA FOR INFO PIEMONTE REGION OMA FOR INFO LOMBARDIA REGION OMA
FOR INFO VENEZIA REGION OMA FOR INFO VENEZIA GIULIA REGION OMA FROM
ALCOM HEADQUARTERS SITE AGLAB ATTENTION REGIONAL FINANCE AND LABOUR
OFFICERS PAREN

PARA TWO PD INTIMATION HAS NOW BEEN RECEIVED FROM THE ITALIAN
 GOVERNMENT THAT EMPLOYEES OF LABOUR OFFICES ARE ENTITLED TO THE ADVANCE
 OF ONE MONTH'S PAY BRACKET NOT TO EXCEED TWO THOUSAND LIRE BRACKET
 ALREADY AUTHORIZED FOR OCTOBER AND NOVEMBER NINETEEN FORTYFIVE FOR
 STATE EMPLOYEES IN ANTICIPATION OF LEGISLATION PROVIDING INCREASED
 PAY AND ALLOWANCES PD

PARA THREE PD REGIONAL FINANCE AND LABOUR OFFICERS ARE ACCORDINGLY
 313 AUTHORIZED TO MAKE THIS PAY ENT TO PERSONNEL EMPLOYED BY LABOUR OFFICES
EXCEPT WHERE IT MAY HAVE ALREADY BEEN MADE FOLLOWING RECEIPT OF FINANCE
SUBCOMMISSION MEMORANDUM FOR GLANT ONE THREE ZERO ZERO SIX OF TWENTY
THIRD OCTOBER NINETEEN FORTYFIVE PD

PARA FOUR PD FINANCE SUBCOMMISSION CONCUR WITH FOREGOING
 INSTRUCTION PD

LABOUR SUB COMMISSION

204

G. J. LEONE
 CWO USA
 ASST ADJUTANT

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C O P Y

UNITED STATES OF AMERICA
TREASURY DEPARTMENT

Office of the Treasury
Representative

Embassy of the United States
Rome, December 31, 1945

Admiral Ellery W. Stone
Chief Commissioner
Allied Commission
Rome

Dear Admiral Stone:

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With best wishes for the coming year,

Sincerely yours,

/s/ Henry J. Tasca
HENRY J. TASCA
U. S. Treasury Representative

313.

Supl...
5202/11

C O P Y

UNITED STATES OF AMERICA

TREASURY DEPARTMENT

Office of the Treasury
Representative

Embassy of the United States

Rome, December 31, 1945

Admiral Ellery W. Stone
Chief Commissioner
Allied Commission
Rome

Dear Admiral Stone:

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With best wishes for the coming year,

Sincerely yours,

3133

/s/ Henry J. Tasca
HENRY J. TASCA
U. S. Treasury Representative

HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Executive Commissioner

DEC 4 RECD

Ref: 2612/39/EO

4 December 1945

SUBJECT: AMG's Order in Northern Italy

TO : OA Section

I enclose a copy of a letter 13/23/45 dated 1 Dec 45 received by the Executive Commissioner from Sir D'Arcy Osborne with reference to an alleged AMG's Order in Northern Italy publishing the application of an Italian Decree increasing the stipends of its Italian clergy.

Will you please take action as appropriate and submit a reply to the letter a copy of which is enclosed for signature by the Ex. Commissioner.

C. R. BRAYBROOKE

Chief Staff Officer
to Executive Commissioner

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5202/oc

C O P Y

UNITED STATES OF AMERICA
TREASURY DEPARTMENT

Office of the Treasury
Representative

Embassy of the United States

Rome, December 31, 1945

Admiral Ellery W. Stone
Chief Commissioner
Allied Commission
Rome

Dear Admiral Stone:

With reference to your letter of November 30, 1945, addressed to the Ambassador, I am pleased to inform you that according to a telegram recently received from the Treasury Department there is now \$140,000,000 credited to the troop pay account. Definitive certifications amount to \$120,000,000 through March 31, 1945. An additional \$20,000,000 has been certified provisionally subject to adjustments arising from excess lire and redeployment of troops.

With best wishes for the coming year,

Sincerely yours,

/s/ Henry J. Tasca
HENRY J. TASCA
U. S. Treasury Representative

313?

Surplus
5202

COPY

British Legation to the Holy See,
Rome.

13/12/45

1st December, 1945.

Dear Brigadier Lush,

The Under Secretary at the Secretariat of State of the Vatican sent for me today to invoke my assistance in the following matter.

2. In view of the increasing cost of living the Italian Government has recently decreed (Decree Law No. 213 of 22nd March, 1945) an increase in the stipends of the Italian clergy. By this law the annual stipend of a parish priest is raised from Lire 3,500 to Lire 10,010; that of a curate is raised to Lire 5,720, of an Archbishop to Lire 51,480, of a Bishop to Lire 48,620. (I cannot see how they contrive to exist on even these increased salaries; they must have other resources.) Anyway, it appears that in North Italy, i.e. in the Provinces north of the Provinces of Ravenna, Florence and Pistoia, Lucca and Apennia, an A.M.G. Order dated 5th June, 1945 prohibits the application of the Italian Decree, so that the clergy in those Provinces must still live on the previous, and completely inadequate stipends. They have accordingly appealed to the Vatican to urge reconsideration of the A.M.G. Order, and the Vatican have invoked my good offices to this end.

3. Unless there is some very good overriding consideration, there would seem to be a very good case on compassionate grounds for the modification of the Order so as to allow the clergy to receive their increased pay. Would you kindly let me know what I can reply to the Vatican.

Yours sincerely,

/s/ D.C. GEFORNE

Brigadier M.S. Lush, C.B.E., M.C.,
Headquarters,
Allied Commission,
Rome.

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LIGURIA REGION - PIEMONTE REGION - LOMBARDIA REGION - VENEZIA REGION -
REGION - VENEZIA GIULIA REGION

8702

27 NOVEMBER 1945

PRIORITY

UNCLASSIFIED - FI

PARA ONE PD SUBJECT IS WAGES AND INDEMNITIES IN PRIVATE INDUSTRY IN NORTHERN ITALY PD
PAREN TO REGIONAL COMMISSIONER LIGURIA REGION CMA REGIONAL COMMISSIONER PIEMONTE
REGION CMA REGIONAL COMMISSIONER LOMBARDIA REGION CMA REGIONAL COMMISSIONER
VENEZIA REGION CMA FOR INFO REGIONAL COMMISSIONER VENEZIA GIULIA REGION CMA
FROM ALCOM HEADQUARTERS CITE ACLAR PAREN

PARA TWO PD ROME CONFERENCE WHICH BEGAN THIRTEEN NOVEMBER CONCLUDED TWENTY FOUR
NOVEMBER WITH GENERAL AGREEMENT IN PRINCIPLE FOR PAREN ABLE PAREN BASIC HOURLY
RATES IN INDUSTRIES FOR SPECIFIED CATEGORIES OF WORKERS FROM HIGHLY SKILLED DOWN
TO COMMON LABORER PAREN BAKER PAREN DIFFERENTIAL ACCORDING TO LOCALITY AND SIZE OF
TOWN IN THREE DEFINED TERRITORIAL CATEGORIES PAREN CHARLIE PAREN PAYMENT OF
CONTINGENCY INDEMNITY RELATED TO COST OF LIVING ON SLIDING SCALE ADJUSTED AT THREE
MONTHLY INTERVALS PAREN DOG PAREN PAYMENT OF MAKE UP PAY FROM CASSA INTEGRAZIONE ON
BASIS OF TWO THIRDS OF NORMAL EARNING FOR TIME NOT WORKED FROM ZERO TO FORTY HOURS PD
SUCH PAYMENTS AT EXPENSE OF CASSA INTEGRAZIONE FUND PD

PARA THREE PD TEXT OF AGREEMENT IS BEING PREPARED FOR FORMAL SIGNATURE OF
INTERESTED PARTIES THIS WEEK PD ITALIAN REGIONAL LABOR DIRECTORS FOR NORTHERN
REGIONS WERE PRESENT THROUGHOUT CONFERENCE AND ON RETURN WILL BE IN A POSITION TO
ADVISE AS TO DETAILS PD

LABOUR SUB COMMISSION

204

O.J. LEONE

CWC USA

ASST ADJUTANT

13214/F

30 November 1945

My dear Mr. Ambassador:

1. I refer to your letter of 6 April, 1945, informing me that the Italian net troop expenditure account had been credited with a total of \$100 million through 31 December 1944, and to my letter 13214/F of 9 April, with copy to you, in which I conveyed this information to the President of the Council of Ministers.

2. The recently resigned Minister of the Treasury, Senatore Federico Ricci, indicated in an official press statement on 22 November, 1945, that the Italian net troop expenditure account has now been credited with a total of \$150 million, although he did not indicate what period of time is covered by this amount. I cannot find, however, that the Allied Commission has received official advice of any addition to the account for periods of time subsequent to 31 December, 1944.

3. It is most desirable that the Allied Commission be informed concurrently with the Italian Government as further credits are placed at the disposal of the Italian Government in the net troop expenditure account, as the data are needed both by my financial advisers in their consideration of the Italian foreign exchange position and by the officers of the Economic Section handling supply problems, in their discussions with the Italian Government regarding the programming of imported supplies.

4. I should be grateful if you could ascertain the present balance in the net troop expenditure account as well as the period covered by the present credit, and if arrangements could be made with Washington for notification to the Allied Commission as soon as any future credits are made.

See (126)

KERRY W. STONE,
Rear Admiral, USNR,
Chief Commaider.

122a The Honorable Alexander Kirk,
U.S. Embassy, Rome.

LIGURIA REGION - PIEMONTE REGION - LOMBARDIA REGION - VENEZIA REGION -
REGION - VENEZIA GIULIA REGION

8782

27 NOVEMBER 1945

PRIORITY

UNCLASSIFIED PD

PARA ONE PD SUBJECT IS WAGES AND INDEMNITIES IN PRIVATE INDUSTRY IN NORTHERN ITALY PD
PAREN TO REGIONAL COMMISSIONER LIGURIA REGION CMA REGIONAL COMMISSIONER PIEMONTE
REGION CMA REGIONAL COMMISSIONER LOMBARDIA REGION CMA REGIONAL COMMISSIONER
VENEZIE REGION CMA FOR INFO REGIONAL COMMISSIONER VENEZIA GIULIA REGION CMA
FROM ALCOM HEADQUARTERS CITE ACLAB PAREN

PARA TWO PD ROME CONFERENCE WHICH BEGAN THIRTEEN NOVEMBER CONCLUDED TWENTY FOUR
NOVEMBER WITH GENERAL AGREEMENT IN PRINCIPLE FOR PAREN ABLE PAREN BASIC HOURLY
RATES IN INDUSTRIES FOR SPECIFIED CATEGORIES OF WORKERS FROM HIGHLY SKILLED DOWN
TO COMMON LABORER PAREN BAKER PAREN DIFFERENTIAL ACCORDING TO LOCALITY AND SIZE OF
TOWN IN THREE DEFINED TERRITORIAL CATEGORIES PAREN CHARLIE PAREN PAYMENT OF
CONTINGENCY INDEMNITY RELATED TO COST OF LIVING ON SLIDING SCALE ADJUSTED AT THREE
MONTHLY INTERVALS PAREN DOG PAREN PAYMENT OF MAKE UP PAY FROM CASSA INTEGRAZIONE ON
BASIS OF TWO THIRDS OF NORMAL EARNING FOR TIME NOT WORKED FROM ZERO TO FORTY HOURS PD
SUCH PAYMENTS AT EXPENSE OF CASSA INTEGRAZIONE FUND PD

PARA THREE PD TEXT OF AGREEMENT IS BEING PREPARED FOR FORMAL SIGNATURE OF
INTERESTED PARTIES THIS WEEK PD ITALIAN REGIONAL LABOR DIRECTORS FOR NORTHERN
REGIONS WERE PRESENT THROUGHOUT CONFERENCE AND ON RETURN WILL BE IN A POSITION TO
ADVISE AS TO DETAILS PD

LABOUR SUB COMMISSION

204

G.J. LEONE

CWO USA

ASST ADJUTANT

A Files

122

Translation

0855 C.C.

345

The President of the Council of Ministers
 S 3476/12307 - 0/3.2.10

Rome, 26 November 1945

My dear Admiral Stone,

I have been informed from several sides that it would be necessary to enforce without delay, and also in the provinces which haven't yet been returned to the Italian administration, the D.L.L. dated 12th of October 1945, n. 669 - published in the supplement of the Gazzetta Ufficiale n. 130, of October 29th, and concerning the regulations for the lease of town buildings.

In fact, such a decree establishes a rise of the rents, which has been enforced in the territories handed back to the Italian administration, starting from the 1st instant; in the provinces which haven't yet been handed back, such a rise will be enforced on the 1st of the month following that in which the decree will have become in force in the territories themselves. For this reason, though the economic situation is the same in the various regions of Italy, different rents are being paid.

To make it possible for the rise of rents to be enforced in the regions which are still under A.M.G. from December 1st, 1945, the said decree should be enforced in such regions before the end of this month.

I shall be most grateful, my dear Admiral, for your interest in this matter, and ask you to issue the necessary orders.

Believe me,

Sincerely yours,

B. Ferruccio Parri

3121

Admiral Ellery J. Stone
 Chief Commissioner
 Allied Commission
 R o m e

E.O. DIST- 23 Nov
 Action: C.A. Sec (2)
 Info: Ex Comm
 C.C.
 Econ Sec

e/c

(121)

HEADQUARTERS ALLIED COMMISSION
APO 394
LABOR SUB COMMISSION

W/sb

REF : LSC/411

22 October 1945

SUBJECT: Wage Increases to State and Parastatal Employees-
Strike of Parastatal Workers in Naples.

TO : Executive Commissioner.

1. Reference is made to memorandum LSC/411 of 20 October 1945.
2. Following Labor Sub-Commission representations to the Italian Government the Minister of Labor has indicated that in the opinion of his Ministry the Naples municipal workers shall be granted for the current month of October an advance of 2000 lire in accordance with the award made to all state employees. The Minister adds that the municipality of Naples retains the faculty of agreeing to a simultaneous payment of a further advance of 2000 lire in respect of the month of November if this is within the municipality's financial possibilities.
3. This information was immediately transmitted by telephone to Naples and it was subsequently reported by Colonel Guy Warren that 75% of the total number of parastatal workers who were on strike had resumed work yesterday. It was expected that the balance of the workers would resume work today.
4. The financial aspects of the payment of the advance to the municipal workers has been a subject of separate directions from the Finance Sub-Commission.

212

W. H. Braine
W. H. BRAINE
Director
Labor Sub-Commission

see 120
Distribution:
Chief Commissioner ✓
Acting Vice President, Econ. Sec.
Finance S/C

120a

HEADQUARTERS ALLIED COMMISSION
AFC 394
LABOUR SUB-COMMISSION

FP/ce

TEL : Ext. 204
REF : ISC/411.
SUBJECT: Wage Increase to State and
Para-statal Employees.- Strike of Para-Statal Employees
TO : Executive Commissioner. Naples.

20 October 1945.

1. The Italian Council of Ministers at their meeting held on 19th October 1945 agreed that a substantial improvement in wages of State and Para-statal employees and pensioners was necessary, and instructed that a draft-decree be prepared for approval, the increases to be retroactive to 1st October 1945, and be not less than a minimum of 2,000 lire per month.

2. While the new decree is in course of preparation it was decided that in the meantime an advance of 2,000 lire is to be paid to all State and Para-statal employees at the end of the current month.

3. An advance, the amount of which will shortly be announced, will also be paid at the end of this month to State pensioners.

4. On 19th October 1945 a cable was received from the Commissioner of Naples Commune intimating that a strike involving 11,000 communal employees was in progress, but that no essential services involving the Military were affected.

5. Col. Guy Warren, AG/AMG. Liaison Officer in Naples, reported by telephone to-day that the number of work people on strike had now increased to 13/14,000, and that they were demanding an immediate advance of 4,000 lire to be made up of 2,000 lire in respect of month of October and 2,000 lire in respect of month of November.

6. Col. Warren assured the representatives of the workers that he would endeavour through A.C. Headquarters to meet their

wishes, and on this understanding the workers' representatives have arranged to consult the work people to-day with a view to persuading them to resume work immediately.

7. The position has been represented by the Labour Sub-Commission to the Italian Government and the Confederazione Generale Italiana del Lavoro, and it is understood that both the Italian Authorities and the Confederazione are considering what action is possible on the lines indicated.

W.H. Braine

W.H. BRAINE

Director

Labour Sub-Commission

cc.: Chief Commissioner, ✓
Vice-President, Economic Section,
Finance Sub-Commission.

3124

see 120a

120

RESTRICTED

IR/LA/47/441
OCTG/600
OCT 110900AAKO PIEMONTE REGION
ALCOM LABOUR SUBCOMMISSION

IMPORTANT

RESTRICTED.

1. Subject your signal 6765 of 8 October reference FIAT wage increase.
2. BARBARESCHI expressed approval over handling of FIAT situation and considered as timely our invitation for his intervention. All yesterday BARBARESCHI devoted himself interview of interested parties and during discussion with undersigned was not pessimistic about averting industrial unrest by finding ways and means of having wage increases discussed on wide northern ITALY basis.
3. Interim report outlining sequence events sent to you yesterday. So far no definite turn in the situation which remains calm while all accepted procedures are also being respected.

DISTACTION: Labour
INFO: Chief Commissioner
Econ Sec 2
File 2
Float

312

119

Confidential

5202/1

PIEMONTE REGION

8 Oct 1945

ROUTINE

RESTRICTED PD

4 of 432
PARA ONE PD SUBJECT YOUR SIGNAL FOUR ZERO SLANT FOUR THREE TWO OF SIX
OCTOBER REFERENCE FLAT WAGE INCREASE PD

PAREN TO PIEMONTE REGION FOR LABOR OFFICER FROM ALCOM HQ CITE ACLAB PAREN

PARA TWO PD MINISTER OF LABOR BARRARESCI ON ROUTE TO TURIN TO INTERVENE
IN MATTER PD MAINTAIN CLOSE CONTACT WITH SITUATION AND SIGNAL DEVELOPMENTS PD
PARA THREE PD FOR YOUR INFORMATION THERE HAS BEEN A RECENT TENDENCY TO
PROVIDE FOR INCREASES IN BASIC WAGE IN AGREEMENTS NEGOTIATED IN NORTH ITALY PD

312

118

LABOR SUBCOMMISSION

315

DAVID C. SAGHS

NICHOLAS PIONBINI
ASST ADJ
CWO USA

5-202/15

40/432
oct 6/1647A

RESTRICTED

G/220
OCT 6/2000A
PRIORITY

LABOUR DIVISION HQ PIEMONTE REGION AIG
ALCUM ATTENTION DIRECTOR LABOUR SUB COMMISSIONER

RESTRICTED.

1. Information reached me on October 4 that FIAT group had concluded agreement for 50% increase on all basic wages. Commissario CAVINATO signed agreement without previous consultation with Unione Industriali.
2. At meeting held Unione Industriali on October 5 CAVINATO explained that the increases had been conceded in view of an alleged compromised situation which he had inherited from previous giunta di gestione and further pledged himself for the future to coordinate his initiative with Unione Industriali.
3. Unione Industriali decided that no such wage increases could be met by other industries in PIEMONTE.
4. RIV and MICROTECNICA of FIAT group do not receive the wage increases as these are autonomous limited liability companies. Unless some concessions are made these 2 companies will strike Monday and similarly other companies like LANCIA and metal works.
5. This FIAT agreement likely to produce repercussions not only in TORINO and in PIEMONTE but also in other industrial centers in Northern ITALY. With view of advising eventual industrial unrest Regional Labour office now inviting intervention

of Minister BARBARISCHI

Confidential

ACTION
INFO

LIST

LABOUR
CHIEF COMMISSIONER
EX COMM (2)
ECON SEC
FINANCE FILE (2)
FLOAT

117

RESTRICTED

FX 35893
AUGUST 16/0945BF/4089
AUGUST 16/1445B
ROUTINE

METUSA SIGNED COMMERCE CITE MAGDS

CG PENBASE INFO: ALCOM CO 800 ENGINEER FORESTRY COMPANY PIRBCCA

RESTRICTED.

112

Strict adherence to procedure outlined in FX 30145 of 30 July is directed.

In Italian government territory the function of price setting has been delegated to the Italian government. Funds used by UNITED STATES ARMY in paying for items purchased locally finally result in a charge to the Italian government because such items are paid for in lire. This headquarters will/take not action to readjust prices set by the Italian government as such action is considered as limiting the authority of the Italian government in Italian government territory. This replies to your cable of 14 August, subject "Lumber Price in CALABRIA"

3113

DIST

INFO-ACTION : DO ON SEC (2)

INFO : CHIEF COMMISSIONER
FILE (2)
FLOAT

116

Confidential

RESTRICTEDPI 30145
JULY 3022123P/191
JULY 310930B
ROUTINEAPHS SIGNED CG MTOWNA SITE NAODS
CG PENBASE INFO ALCON 800 ENGINEER FORESTRY COMPANY AND PENSOUTH

RESTRICTED

Pricing of locally produced commodities is a function assigned to ALLIED COMMISSION by this Hq.

In cases involving price differentials, the questions will be discussed with ALLIED COMMISSION before deviating from ALLIED COMMISSIONS published price lists.

ALLIED COMMISSION price schedules will be observed in all instances unless the prices set appear out of line with the local prevailing levels. It must be borne in mind that local prices are based on local standards and comparisons with US prices will not furnish a fair basis of evaluating the costs involved. ALCON 2555 of 26 July refers.

See 116
DistInfo-Action - Econ Sec 3
Info - Chief Commissioner
File 2
Float

3116

115
Confidential
113
5202/05

RESTRICTED

1580
JULY 26 1230E/1408
JULY 26 1915
ROUTINELOMBARDIA REGION LABOR FOR POLETTI SIGNED DI FEDE
ALCON ROME AGLAB

RESTRICTED.

SECOND DISTRICT Committee has recommended increases of 75 lire per day to males, 60 lire per day females, 40 lire per day to juveniles. Employees paid on monthly basis will receive 26 times daily increases. Hotel and mess employees will receive 1800 lire per month for males, 1500 lire per month for females and 750 lire per month for juveniles. We desire these increases to be effective on August first. Please get proper approval from ALLIED FORCES Local Resources Board as soon as possible.

3114

DIST
ACTION LABOUR SC
INFO CHIEF COMMISSIONER
ECON SEC
FINANCE SC
FILE 2
FLOAT

nt
Confidential

PENBASE CITE SPERG SPGDS RPTD FOR INFO MTCUSA CMA EIGHT
ZERO ZERO ENGINEER FORESTRY COMPANY CMA PENBOUTH

2555

26 JULY 1945

ROUTINE

RESTRICTED PD

PARA ONE PD FAST PRACTICE HAS BEEN FOR ITALIAN GOVERNMENT TO
FIX PRICES FOR CIVILIAN PURCHASES AND ALLIED COMMISSION TO FIX
PRICES FOR ALLIED MILITARY PURCHASES IN ITALIAN GOVERNMENT
TERRITORY PD

PARA TWO FOR ACTION PENBASE CITE SPERG SPGDS RPTD FOR INFO
MTCUSA CMA EIGHT ZERO ZERO ENGINEER FORESTRY COMPANY CMA
PENBOUTH FROM ALCON CITE AGGIC PAREN

PARA TWO PD SINCE ALLIED PURCHASES IN ITALY ARE PAID FOR BY
THE ITALIAN GOVERNMENT IT HAS BEEN DEEMED PROPER THAT THE
ITALIAN GOVERNMENT SHOULD HAVE THE RIGHT TO FIX ITS OWN PRICES
PD THIS ALSO AVOIDS CONFUSION BY HAVING ONE UNIFORM PRICE

311 FOR BOTH ALLIED AND CIVILIAN PURCHASES PD

PARA THREE PD THE PRICE OF ONE EIGHT FIVE ZERO LIRE PER
CUBIC METER FOR BLENDED PINE WAS FIXED ON THE RECOMMENDATION

113

L

See 115

✓

5202/11

JUL 28 1945

HEADQUARTERS ALLIED COMMISSION

APO 394
ECONOMIC SECTION

FP/sb

TEL : 493

25 July 1945

REF : LSC/403/906

SUBJECT: Civilians Employed by the Allies.

TO : Secretariat
Camera del Lavoro
R O M E

1. With further reference to your letter (Reference 7144-5) of the 6th July 1945 regarding the question of the discharge of civilians employed by the Allied Forces.

2. It is now desired to inform you that this matter was duly considered by the appropriate authority and while the problem was viewed with sympathy, it was decided that no guarantee of prior notice of dismissal could be undertaken, nor could consideration be given to the question of a discharge bonus. Whenever feasible, however, as much notice as possible will be given by employing services.

(sgd) E B. McKinley

E. B. MCKINLEY
Brigadier General, USA
Vice-President

Copies to:
Chief Commissioner
Executive Commissioner
Establishments Section

3111

117

5201/2

PAGE TWO

OF THE ITALIAN GOVERNMENT AND SHOULD THEREFORE BE OBSERVED BY
ALL ALLIED MILITARY UNITS PD

3112

ECOM. SEC. Price office

497

Nicholas Piombino
ECOM, USA
Asst. Adjutant

HEADQUARTERS ALLIED COMMISSION
ECONOMIC SECTION
APO 394

REF. : LSC/403/906

16 July, 1946

SUBJECT: Civilians employed by the
Allied Forces: Dismissals.

TO : Secretariat, Camera del Lavoro, Rome. *102a*

1. It is desired to refer to your letter of the 6th July (Reference 7144-5) regarding the question of the discharge of civilians employed by the Allied Forces.

2. The position is that the regulations governing the terms and conditions of employment of such workers are the responsibility of the Allied Forces Headquarters and under these Regulations there is at present no provision made for any definite period of notice to be given to an employee prior to dismissal.

3. The matter is therefore being referred to the appropriate authority for consideration.

See 117
(sgd) E. B. McKinley

E. B. MCKINLEY
Brigadier-General USA
Vice-President

cc: Chief Commissioner
Executive Commissioner
Establishments Section

3111

111

5202/11

11

EIGHTH ARMY HEAD - AFHQ

1641

11 July 1945

ROUTINE

RESTRICTED PD

L A 2507 10

PAGE ONE PD SUBJECT IS SIGNAL LOVE ABLA TWO FIVE ZERO SEVEN AT TEN JULY
TO ALLIED FORCES LEGAL RESOURCES SECTION PD

PAGE TWO PD FORN TO EIGHTH ARMY HEAD ONE INFO TO AFHQ FOR ALLIED FORCES LEGAL RESOURCES
SECTION FROM ALGERIA RE CITY ALLIED LAGOS

PAGE TWO PD NO CONFIRMATION AT HOME OF AUTHORITY FOR SORT OF LIVING
BORNS TO SHIPYARD WORKING PD CASE INCREASE AGREEMENTS HOWEVER HAVE BEEN
NEGOTIATED AND APPROVED FOR ENTIRE NORTH FOR DAILY INCREASE OF APPROXIMATELY
ONE TWO ZERO LINE PD

PAGE THREE PD EFFECT ON SOME SCALE EMPLOYERS ALLIED FORCES WILL BE
CONSIDERED AT MEAT MEETING LAGOS AND BUREAU CONTROL COMMITTEE ONE NINE JULY
NONE PD

3104

LABOR SUBCOMMISSION

416

DAVID C. SACHS

NICHOLAS PIONBINO
CWO USA
ASST. ADJUTANT

5202/10

RESTRICTED

FR/RA/47/142
JULY 19775/8720
JULY 081100Z
IMPORTANT

LABOUR DIVISION

REG COMMUNISTURIA INFO ALOOM LABOUR SC

RESTRICTED

Industrial wage agreements in subject: Collective bargaining between industrialists and Camera del Lavoro now proceeding in TORINO for carovita indemnity. MILANO industrial agreement is being used as model. NOVARA and ALESSANDRIA have concluded agreements for carovita but no approval has yet been given by Regional Commissioner. In view of pending discussions in MILANO between Ministry and Confederazione and Unione Industriale to settle uniformly question of wage increases and norms for such agreements Labour Division here has advised Regional Commissioner to approve NOVARA and ALESSANDRIA agreements only in principle recommending to contracting parties that agreements concluded be made to conform with MILANO decisions scheduled for Sunday next.

Dist

Info-Action - Labor SC
Info - Chief Commissioner
Soon See
Finance SC
File 2
Float

3108

Confidential

109

5202/c

JUL 13 1945

Translation

Camera del Lavoro for
Rome and the Rome Province

Office; economic
n. 7144 -5

Rome, 6 July 1945

To Admiral Stone
Allied Commission - Rome

We take the liberty of writing to you to ask that the employees depending from the Allied Offices be given the liquidation treatment in case they should be dismissed.

While offices such as A.M.C. in via Liguillo - Rome, or P.W.B. in Via Veneto - Rome pay a liquidation sum corresponding to 15 days or a month according to the duration of the employment, other offices do not pay anything and dismiss their personnel without warning.

This causes a difference of treatment which we hope you may eliminate, in the interest of collaborators, who, because of the general situation of work at present, generally have to face long periods of unemployment after their dismissal.

THE SECRETARIAT

S. Massimo Cesare

R.C. DIST - 12 July 45.

ACTION: ECONOMIC SECTION.
INFO: ~~CHIEF COMMR.~~
: EXEC COMMR.
Y ESTAB SEC.

310/1082

RETURN TO
Chief Commissioner

5202/CC

R E S T R I C T E D

EMILIA REGION - VENEZIA REGION - PIEMONTE REGION - 57 AREA
FOR LIGURIA REGION ALCOM - SCAG 13TH CORPS - SCAG 4TH CORPS -
AMG 5TH ARMY

6 JULY 1945

URGENT

1287

RESTRICTED PD

PARA ONE PD SUBJECT IS MILAN INDUSTRIAL WAGE AGREEMENT OF
TWENTY THREE JUNE PD

~~PARA TWO~~ REGIONAL COMMISSIONER EMILIA REGION REPEAT REGIONAL
COMMISSIONER VENEZIA REGION REPEAT REGIONAL COMMISSIONER PIEMONTE
REGION REPEAT 57 AREA FOR LIGURIA REGION ALCOM FOR REGIONAL
COMMISSIONER REPEAT SCAG 13TH CORPS REPEAT SCAG 4TH CORPS REPEAT
AMG 5TH ARMY FROM ALCOM HEADQUARTERS CITE AGLAB PAULIN

PARA TWO PD REPRESENTATIVES FROM MILAN WITH CONFEDERAZIONE
GENERALE ITALIANA LAVORO WERE RECEIVED BY THE ITALIAN PRIME
MINISTER AND OTHER MINISTERS TODAY ONA FIVE JULY PD FINANCE
SUBCOMMISSION GRAFFTEY SMITH AND MENNAPAGE AND LABOR SUBCOMMISSION
BRAINE WERE PRESENT ALSO PD

PARA THREE PD ITALIAN GOVERNMENT AGREED SO FAR AS STATE FUNDS
ARE INVOLVED FOR CASSA INTEGRAZIONE PD ALLIED MILITARY
GOVERNMENT APPROVAL FOR MILAN MAY THEREFORE BE GIVEN QUOTE IN
ACCORD WITH ITALIAN GOVERNMENT UNQUOTE PD

109 PARA FOUR PD THE TERMS OF THE AGREEMENT MUST OBVIOUSLY BE APPLIED
THROUGHOUT NORTHERN ITALY AND SPECIAL ARRANGEMENTS ARE BEING MADE

LABOUR SUBCOMMISSION

204

NICHOLAS PIOMBINO
CWO USA
ADJT ASSISTANT

R E S T R I C T E D

- 2 -

TO CONVEENE MEETING OF REPRESENTATIVES OF INDUSTRY IN MILAN
SUNDAY CMA EIGHT JULY PD ITALIAN MINISTERS BARBARISCHI CMA
GRONCHI CMA SOLERI AND OTHERS WILL BE PRESENT PD
PARA FIVE PD AGREED STATEMENT IS NOW BEING PREPARED FOR ISSUE
IN MILAN STATING THAT THE MILAN AGREEMENT WILL TAKE EFFECT
FROM TWENTY FIVE JUNE WITH APPROVAL OF ALLIED MILITARY
GOVERNMENT IN AGREEMENT WITH ITALIAN GOVERNMENT PD THE
LATTER WILL TAKE THE NECESSARY STEPS AND WILL CONSIDER
CONSEQUENCES OF POSSIBLE EXTENSION THROUGHOUT NORTHERN ITALY PD
PARA SIX PD THIS MESSAGE HAS BEEN SENT TO MILAN FOR ACTION
AND TO OTHERS FOR INFORMATION OF REGIONAL LABOUR OFFICERS PD

310

LABOUR SUBCOMMISSION

204

NICHOLAS PIOMBINO
CSC USA
ADJT ASSISTANT

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

WHB/rmw

TEL : Ext. 550

5 July 1945

REF : ES/11.06

SUBJECT: Industrial Wage Agreements in Milan

TO : Chief Commissioner

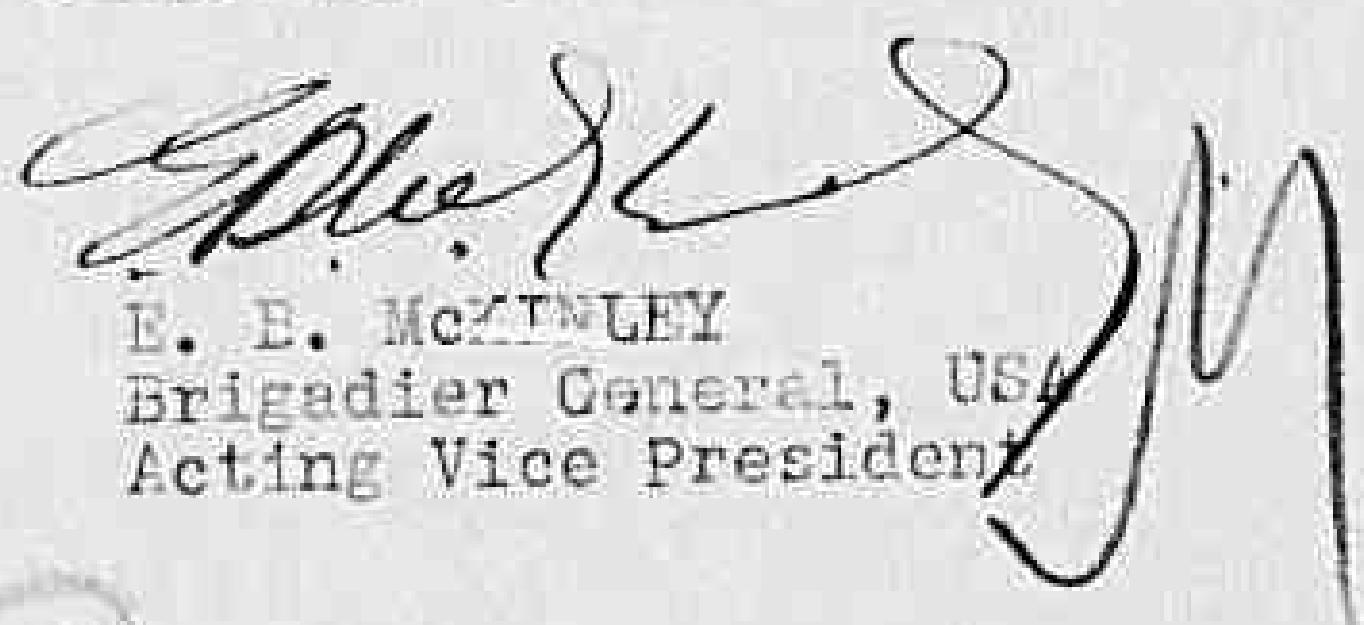
1. The result of the conference at the Viminale today, 5 July, at which Prime Minister Parri and other Ministers received representations regarding labor unrest in Milan, was a decision by the Italian Government to provide the necessary funds from Italian Treasury to enable the agreement to be operated in Milan City and Province.

2. In view of this agreement on the part of the Italian interests it was indicated that no objection would be raised by AMG to the implementation of that part of the agreement which concerned employers and workers only.

3. A public announcement to this effect will be made to help allay unrest in Milan.

4. It was agreed that such an agreement would inevitably spread to the remainder of the North of Italy; but that it would be necessary to obtain the agreement of industrialists in other Regions before putting it into effect. Accordingly it was arranged to summon a conference of representatives of industry throughout Northern Italy to be held at Milan on Sunday, 8 July, at which representative Ministers would attend: viz., Soleri, Gronchi, Barbareschi, etc. If that conference results in decision to extend the scope of the Milan agreement, the immediate cause for the unrest in Turin, etc., will be removed.

5-20-21-22-23-24-25-26-27-28-29-30-31-32-33-34-35-36-37-38-39-40-41-42-43-44-45-46-47-48-49-50-51-52-53-54-55-56-57-58-59-60-61-62-63-64-65-66-67-68-69-70-71-72-73-74-75-76-77-78-79-80-81-82-83-84-85-86-87-88-89-90-91-92-93-94-95-96-97-98-99-100


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

3101

107

RESTRICTED

LOMBARDIA REGION FOR ACTION - INFORMATION TO SOAO 4TH
CORPS AND AMG 5TH ARMY

1244

5 JULY 1945

URGENT

RESTRICTED PD

PARA ONE PD SUBJECT IS INDUSTRIAL WAGE AGREEMENT OF TWENTY THREE
JUNE PD

PARA TWO PD TO COLONEL FOLETTI REGIONAL COMMISSIONER LOMBARDIA REGION FOR
ACTION DASH INFORMATION TO SOAO 4TH CORPS AND AMG 5TH ARMY FROM
ALCON HEADQUARTERS SITE AGLAB PARKH

PARA TWO PD REPRESENTATIVES FROM MILAN WITH CONFEDERAZIONE
GENERALE ITALIANA LAVORO WERE RECEIVED BY THE ITALIAN PRIME
MINISTER AND OTHER MINISTERS TODAY CMA FIVE JULY PD FINANCIAL
SUBCOMMISSION CHAFFETTY SMITH AND MANNAPORE CMA AND LABOR SUBCOMMISSION
BRADINE WERE ALSO PRESENT PD

PARA THREE PD ITALIAN GOVERNMENT AGREED SO FAR AS STATE FUNDS
ARE INVOLVED FOR CASSA INTEGRAZIONE PD ALLIED MILITARY
GOVERNMENT APPROVAL MAY THEREFORE BE GIVEN QUOTE IN ACCORD WITH
ITALIAN GOVERNMENT UNQUOTE PD

PARA FOUR PD THE TERMS OF THE AGREEMENTS MUST OBVIOUSLY BE APPLIED
31- THROUGHOUT NORTHERN ITALY AND SPECIAL ARRANGEMENTS ARE BEING MADE
TO CONVEY MEETING OF REPRESENTATIVES OF INDUSTRY AT MILAN SUNDAY
CMA EIGHT JULY PD ITALIAN MINISTERS BARBARISCHI CMA GRONCHI CMA
SOLERI AND OTHERS WILL BE PRESENT PD

LABOUR SUBCOMMISSION

204

NICHOLAS PIGNORIO
CWO USA
ADJT ASSISTANT

RESTRICTED

1244

- 2 -

PARA FIVE PD AGREED STATEMENT IS NOW BEING PREPARED FOR
ISSUE IN MILAN STATING THAT THE MILAN AGREEMENT WILL TAKE
EFFECT FROM TWENTY FIVE JUNE WITH APPROVAL OF ALLIED MILITARY
GOVERNMENT IN AGREEMENT WITH ITALIAN GOVERNMENT PD THE
LATTER WILL TAKE THE NECESSARY STEPS AND WILL CONSIDER
CONSEQUENCES OF POSSIBLE EXTENSION THROUGHOUT NORTHERN ITALY PE

3104

LABOUR SUBCOMMISSION

204



NICHOLAS PIGBINO
CGO USA
ADJT ASSISTANT

REF : LSC/413

30 June 1945

My Dear Mr. Prime Minister:

104

I have received your letter of 24 June regarding the question of wages and salaries in Northern Italy. I should first like to dispel any illusion that the Allied authorities desire to keep wages and salaries unchanged. In fact the contrary is the case, for it is recognized that changes in living conditions in the North of Italy will inevitably occur and will make it necessary to adjust wages and salaries.

In Allied Military Government General Order No. 41, which is now promulgated throughout Northern Italy, it is specifically stated that representatives of organized labor and of industry may negotiate for variations in the prevailing wage contracts and may submit new wage agreements for the approval of Allied Military Government. The organization of Provincial Labor Offices and Regional Labor Offices which Allied Military Government, with the agreement of the Italian Government, is establishing in Northern Italy provides for the reception of proposals for wage variations; and in each Region a Regional Italian Joint Advisory Committee is being established comprising representatives of the Italian State, industry and workers to which proposals for wage changes are referred in order that Allied Military Government may have the benefit of advice of representatives of the interests concerned before deciding on wage changes.

A number of proposals for wage increases have been made as a result of negotiations between workers and employers, and after reference to the Regional Italian Joint Advisory Committee such proposals have been approved by Allied Military Government in Northern Italy. It will be seen, therefore, that a system has been established by which wage variations can be considered for various industries or in particular localities according to the special circumstances prevailing, and I trust that you will agree that this system should be adequate if operated with the maximum amount of goodwill on all sides. If it becomes apparent that a general improvement in the North is necessary, instead of or in addition to variations in particular industries or localities, full consideration will be given to any representations made by representatives of organized labor in conjunction with representatives of industry.

W
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- 2 -

Allied Military Government General Order No. 41 provides that agreements for wage changes must receive the approval of Allied Military Government. This requirement is made in order to introduce some degree of regulation in the field of wages, in order to avoid, as far as possible, inflationary tendencies and in order to safeguard the general interests of Italian industry and workers so long as Allied Military Government is responsible for the area which it administers.

It is not proposed that this policy should be operated in any arbitrary sense, but that due regard should be paid to the advice received from the various Italian interests affected.

I note that you are prepared to make definite proposals on this subject and I should be glad to have an interchange of views so that we may arrive at the utmost agreement at the earliest possible date.

Yours very truly,

/s/ Ellery W. Stone
ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Professor Ferruccio Parri
The President of the Council of Ministers
Italian Government
Rome

3099

(105)

Translation

The President of the Council of Ministers
Minister of the Interior

22920

Rome, 24 June 1945

SC 1640
JUN 25 1945

Dear Admiral,

I enclose a memorandum of the question of wages
and salaries in North Italy.

I draw your personal attention on this question which
is very important and very urgent.

I remain, my dear Admiral,

Yours very truly,

s. Ferruccio Parri

Admiral Ellery W. Stone
Chief Commissioner
Allied Commission
Rome

3094

c.c.

E. C. JST-25 JUNE 45

ACTION: ECON SEC (2)
INFO: CHIEF COMMR
EXEC COMMR

104

Translation

M E M O R A N D U M

From the President of the Council Minister of the Interior
to Admiral Stone - Chief Commissioner of the Allied Commission

Unrest of the employees in North Italy.

As it is known to this Commission, unrest among the workers and employees is reported to have been going on for a few days, beginning in Milan and spreading to and taking place in many centres of the province, in Lombardy and in the Turin province.

Asked about the characteristics and causes of this unrest, the Confederazione Generale del Lavoro said that up to now, the Allied Military Government kept wages and salaries unchanged, thinking that the price level of the articles of consumption had remained what it was at the time of the liberation.

For psychological, economic and social causes, it isn't so.

As a matter of fact, the goods which were already scarce at the beginning have grown more and more so when people began to hear about the high prices in South Italy; speculation started at once, and was rendered more active still by the authorization to travel between the North and South provinces.

This immediately caused a considerable rise of prices which reached, for some articles, a very high percentage; the economic disparity between the salaries in the Centre-South and in the North of Italy appeared quite clearly.

The requests for an increase of wages and salaries, accompanied, in Milan and in other big centres, by strikes of the poorer categories of workers, are caused, according to the Confederazione Generale del Lavoro, by the smaller buying power of the currency.

The working masses are in a more excitable state of mind because of the problem of unemployment which threatens to strike the majority of the workers of the industrial centres because of the lack or insufficiency of raw materials.

It seems that while the agreements between the competent organisms are being made an indemnity was granted to all the workers, and that regulations to be made against the high cost of living are being studied.

309 / A meeting of all the Secretariats of the Chambers of Labour of North Italy is to take place in Milan on the 21st, with the participation of the Secretaries of the Confederazione Generale del Lavoro, Ca. di Vittorio and Lizzadri.

It is believed that in this occasion, proposals are to be made and submitted to the Allied Commission, to fix an adequate economic treatment for the employees and workers of North Italy.

As the definitive decision on this matter will have to be made by the Allied Commission, I wanted now to draw your personal attention on this very serious

- 2 -

problem, that the Italian Government greatly wishes to solve successfully.

The official reports which we have received up to now, and the informations given by the Prefects of North Italy who happened to come to Rome confirm the need of finding a solution which takes in consideration the present miserable conditions of the masses of employees and workers in North Italy.

At a later date I mean to submit precise proposals on this subject.

Rome, 23 June 1945

THE PRESIDENT OF THE COUNCIL
MINISTER OF THE INTERIOR

s. Ferruccio Parri

e.e.

309 i

104

C O P Y

REGIONAL COMMISSIONERS PIEMONTE CMA EMILIA CMA LOMBARDIA CMA LIGURIA CMA
 VENEZIA REGIONS RPTD AFHQ, G-5, 15 ARMY GROUP, G-5, SCAOS 5 ARMY, 8 ARMY,
 IV CORPS, XIII CORPS

498

24 JUNE 1945

OPERATIONAL PRIORITY

RESTRICTED

PARA ONE PD REVISED POLICY ON PRICING FOODSTUFFS AGREED TODAY WITH ITALIAN
 GOVERNMENT PD

PAREN TO REGIONAL COMMISSIONERS PIEMONTE CMA EMILIA CMA LOMBARDIA CMA LIGURIA CMA
VENEZIA REGIONS RPTD AFHQ CMA GEORGE FIVE CMA ONE FIVE ARMY GROUP CMA GEORGE FIVE
CMA SCAOS FIVE ARMY CMA EIGHT ARMY CMA FOUR CORPS CMA ONE THREE CORPS FROM HQ
ALCOM CITE ACECO PAREN

PARA TWO PD PRICES PAID TO PRODUCERS AND PROCESSORS WILL BE DETERMINED FOR ALL
 NORTH ITALY BY HEADQUARTERS ALCOM WITH RECOMMENDATIONS OF INTER DASH MINISTERIAL
 PRICE COMMITTEE CMA CLNAX^I PRICE COMMITTEE AND AMG OFFICERS PD PRODUCER AND
 PROCESSOR PRICES WILL BE SO ESTABLISHED ONLY ON COMMODITIES SUBJECT TO
 DISTRIBUTION CONTROLS AS STATED IN LETTER REFERENCE NINE TWO DASH ONE SLANT TWO
 ZERO SLANT FOOD OF TWO THREE JUNE ONE NINE FOUR FIVE NOW IN MAIL PD FOODSTUFFS
 NOT INCLUDED IN THIS LIST ARE FREE OF CENTRALIZED ALCOM PRICE CONTROL AT ALL

30 DISTRIBUTION LEVELS PD

A TRUE COPY

Economic Section

E. B. McKINLEY
 Brigadier General, USA
 Acting Vice President

Joseph W. Durber
 JOSEPH W. DURBER
 2nd Lt, Inf.

NICHOLAS PIOMBINO
 CWO, USA
 ASST. ADJUTANT

503

103

498 ACECO continued.

PARA THREE PD NO WHOLESALE AND RETAIL SELLING PRICES WILL BE CENTRALLY DETERMINED AND SPECIFIED BY ALCOM PD SUCH PRICES WILL BE CONTROLLED BY LOCAL ORGANIZATIONS WHICH WILL BE EXPECTED TO HOLD CONSUMER PRICES IN LINE WITH PRODUCER PRICES ALLOWING FOR LOCAL VARIATIONS IN HANDLING AND TRANSPORT COSTS PD

PARA FOUR PD UPON THE PROMULGATION OF PRODUCER AND PROCESSOR PRICE LISTS BY ALCOM CMA PRICE MEMORANDUM NUMBER ONE CMA ECONOMIC SECTION CMA ALCOM TWO JUNE ONE NINE FOUR FIVE CMA IS RESCINDED INSOFAR AS INCONSISTENT WITH PRICING POLICY STATED HEREIN PD ITS PROCEDURES AND PROVISIONS CMA MODIFIED IN CONFORMITY WITH STATED POLICY CMA ARE MADE OPTIONAL PD

PARA FIVE PD PROCEDURE WILL BE AS FOLLOWS PAREN ABLE PAREN ALCOM WILL FROM TIME TO TIME ISSUE PRICE MEMOS SETTING PRICES TO BE PAID PRODUCERS OR PROCESSORS PD ALCOM WILL NOT ISSUE LISTS OF CEILING WHOLESALE AND RETAIL PRICES AS ORIGINALLY PUBLISHED IN APPENDIX ABEL TO PRICE MEMORANDUM NUMBER ONE PD PAREN BAKER PAREN REGIONAL COMMISSIONERS WILL CAUSE TO BE CREATED IN PROVINCES OR OTHER SUITABLE POLITICAL SUBDIVISIONS CMA ORGANIZATIONS WHICH CMA WITH AMG SANCTION CMA WILL BE EXPECTED TO HOLD CONSUMER PRICES IN LINE WITH PRODUCER PRICES ALLOWING FOR LOCAL VARIATIONS IN DISTRIBUTION COSTS PD MAXIMUM LEEWAY IN CREATING THESE LOCAL PRICE SUPERVISING ORGANIZATIONS IS DELEGATED TO REGIONS TO PERMIT UTILIZATION OF SATISFACTORY EXISTING POLITICAL STRUCTURE PD DELEGATION OF THIS FUNCTION TO ITALIAN CIVILIAN CONTROL IS TO BE ENCOURAGED PD PAREN CHARLIE PAREN LOCAL PRICE FIXING ORGANIZATIONS MUST BE ESTABLISHED WITHOUT DELAY AND BE IN

309 POSITION TO FUNCTION SIMULTANEOUSLY WITH ANNOUNCEMENT OF PRICES TO BE PAID THE PRODUCER OR PROCESSOR PD

PARA SIX GENERAL ORDER NUMBER FOUR ONE IS AMENDED INSOFAR AS IT IS INCONSISTENT WITH THESE PROVISIONS PD

103

AMG LOMBARDIA REGION

9981

18 June 1945

PRIORITY

CONFIDENTIAL PD

1 2 1 2 1 5
PARA ONE PD REFERENCE YOUR ONE TWO ONE TWO OF ONE FIVE JUNE PDPAYEN TO AMG LOMBARDIA REGION FOR RPO FROM HQ ALCOM CITE ACFIN PAYEN

PARA TWO PD A PAYMENT IN ANTICIPATION OF WAGE ADJUSTMENT FOR STATE AND PUBLIC EMPLOYEES HAS BEEN AUTHORIZED PD SEE FINANCE SUBCOMMISSION DIRECTIVE ONE THREE ZERO THREE FIVE SLANT BOX OF ONE FOUR JUNE TO YOU PD FOR YOUR OWN INFORMATION ONLY CMA PROBLEM OF FURTHER GRADUATED INCREASES TO RAISE LEVEL OF ALL PUBLIC WAGES IS NOW BEING STUDIED PD WE ARE OPPOSED TO ANY PAYMENT OF PREMIO DI LIBERTA TO PUBLIC EMPLOYEES

309

FINANCE SUB-Comm.

478604

NICHOLAS PIONEIRO,
OWO USA, Asst Adjutant.

(102)

52026

1212
JUNE 151630

E/5239
JUNE 160900
ROUTINE

LOMBARDIA REGION REGIONAL COMMISSIONER FOR POLETTI SIGNED POLETTI
HQ ALCON AGEYS

RESTRICTED.

1. Growing demand for increase in pay for State employees and also for payment of reward of liberation.
2. I favor granting an increase in pay and refusing the reward of liberation.

309

EC

What done?

EWS

18/6

See

DIST.

ACTION - ECOM SEC 3

INFO - CHIEF COMMISSIONER

EX COMMISSIONER

FILE 2

FLOAT

101

5-2021-0

ROGER CHARLIE VENEZIA REGION FROM ALBOM

9869

14 JUNE 1945

PRIORITY

RESTRICTED

PARA ONE PD REFERENCE YOUR RADIO ROGER XRAY ONE ONE SLANT THREE THREE SEVEN PD
ROGER ONE TWO OF JUNE ONE THREE PD

PAREN TO ROGER CHARLIE VENEZIA REGION FROM HQ ALBOM SITE AGEDO PAREN

PARA TWO PD ACTION IN PROGRESS OF COMPLETION IS SUBSTANTIALLY IN AGREEMENT WITH
PARAGRAPH ONE ONE TWO ONE AND THREE PD YOU WILL BE NOTIFIED PROMPTLY WHEN
DECISIONS ARE REACHED PD

PARA THREE PD PARAGRAPH FOUR WAS ACTED UPON PER LETTER TO ALL REGIONAL COMMISSIONERS
FROM THIS HQ ONE ^{FILE} ~~ONE~~ THREE ZERO THREE FIVE SLANT FOX DATED FOURTEEN JUNE ONE
SUBJECT ONE PAYMENT FOR JUNE ONE NINE FOUR FIVE IN ANTICIPATION OF RAGE ADJUSTMENT
FOR STATE AND PUBLIC EMPLOYEES IN NORTHERN ITALY PD

PARA FOUR PD PARAGRAPH FIVE NOTED

309

Economic Section

536

JACK WILLIAMS
CAPTAIN, INFANTRY

Nicholas Piccino
CRO, USA
Adjutant

5202/c

C O P Y*Chief*

JUN 16 1945

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Executive Commissioner

Ref: 329/365/EC

14 June 1945

MEMORANDUM:

TO : Economic Section

1. In SITREP No. 11, dated 7 June 45, from Hq IV Corps, CA Section, the following appears under Lombardia Region: "This Headquarters is still being asked by industrialists and employers as to what the policy is regarding payment of the Premio di Liberazione, and how long they are expected to pay those who are not working. This problem has been put up to Hq AC for an establishment of policy. Another problem which concerns not only Lombardia Region, but Northwestern Italy as a whole, is the arrangements for the demobilization of heavy industries to peace time production. The lack of a concrete plan in this regard has meant that we are unable to answer concrete scores of daily inquiries. This problem has also been referred to Hq AC."
2. In cable 9542 of 11 June, sent out by the Public Relations Branch, regarding publication of two communiques from Labor Subcommittee, paragraphs 9 and 10 refer to Premio di Liberazione in North Italy and it is stated: "Allied Military Government has consulted the Italian Government regarding the payment of Premio di Liberazione in Piemonte, Lombardia, Liguria, Emilia, and Venezia and has been advised that the Italian Government is of the opinion that a payment of the bonus cannot be refused since it derives from a promise made to workers during the period of clandestine fighting to encourage them to defend industrial plants."
3. It will be appreciated if you would advise this office if this is now established policy. Also, please advise whether the problem of demobilization of heavy industries is now being considered and when an answer will be forthcoming so that Regions can be advised.

A. B. ARNOLDY,
Chief Staff Officer,
To Executive Commissioner.

*Copy to ISI/EC**100**5202/12*
BR

RESTRICTED

PK11/337.R12

JUNE 131630

B/5052

JUNE 150830

IMPORTANT

HQ VENEZIE REGION

HQ AIDCM

RESTRICTED.

Urgent. Regional Commissioners conference with all Provincial Commissioners and Heads of Divisions was held yesterday and Regional Commissioner had conference with 6 Prefects this morning. Following represents generally agreed opinion.

First. It is not possible to maintain General Order Number 41.

Second. It should be possible to exercise control at agreed higher levels on bread, minestra, flour, fats sugar and meat.

Third. Prices of other goods should be left to find own level subject to Special orders where necessary.

Fourth. There is necessity for immediate and definite scaling up of wages of Statal and Parastatal employees including Communal employees.

Fifth. Claims for increase in industrial and agricultural wages should be subject to normal methods of negotiation.

DIST

ACTION C A SEC
ECON SEC
INFO CHIEF COMMISSIONER
EXEC COMMISSIONER

99a

1006

Confidential

RESTRICTED1179
JUN 121630BE/4771
JUN 130830B
ROUTINEHALL CHIEF BUDGET OFFICER MILAN LOMBARDIA REGION FINANCE DIV
ALLIED COMMISSION ROME ACFIN

RESTRICTED.

1. State railway employees paid 2500 Lire in compartments TURIN and GENOVA. 2000 Lire married 1250 Lire unmarried 1000 Lire under 18 in compartment MILAN. No payments made in VENICE BOLOGNA or VERONA. Have stopped further payments pending specific authority. This payment alledged to be anticipatory grant of salary and wage increases. No authority to support this statement which is having bad effect on other state offices.
2. Suggest that DI RAIMONDO Director General State Railways, ROME be prevented from issuing any further instructions on financial matters to state railways in NORTHERN ITALY. Reply urgently required.

DISTACTION: Finance S/C
INFO: Chief Commissioner
Econ Sec
File 2
Float

3083

(99)

RESTRICTED

5202/22

RESTRICTED

TOSCANA REGION - EMILIA REGION - PIEMONTE REGION - 57 AREA FOR
 LIGURIA REGION ALCOM - LOMBARDIA REGION - VENEZIA REGION -
 FIFTH ARMY - EIGHTH ARMY - FIFTEENTH ARMY GROUP - FOURTH CORPS
 9431 9 JUNE 1945 ROUTINE

RESTRICTED PD

PARA ONE PD SUBJECT IS PREMIO DI LIBERAZIONE IN NORTH ITALY PD
PAREN TO TOSCANA REGION FOR REGIONAL COMMISSIONER CMA PROVINCIAL
COMMISSIONER CMA LABOR OFFICERS DASH TO EMILIA REGION FOR REGIONAL
COMMISSIONER CMA PROVINCIAL COMMISSIONERS CMA LABOR OFFICERS DASH
TO PIEMONTE REGION FOR REGIONAL COMMISSIONER CMA PROVINCIAL
COMMISSIONERS CMA LABOR OFFICERS DASH TO 57 AREA FOR LIGURIA REGION
ALCOM FOR REGIONAL COMMISSIONER CMA PROVINCIAL COMMISSIONERS CMA
LABOR OFFICERS DASH TO LOMBARDIA REGION FOR REGIONAL COMMISSIONER CMA
PROVINCIAL COMMISSIONERS CMA LABOR OFFICERS DASH TO VENEZIA REGION
FOR REGIONAL COMMISSIONER CMA PROVINCIAL COMMISSIONERS CMA LABOR
OFFICERS DASH TO FIFTH ARMY FOR SUGAR CHARLIE ABLE OBOE DASH TO EIGHTH
ARMY FOR SUGAR CHARLIE ABLE OBOE DASH TO FIFTEENTH ARMY GROUP FOR
SUGAR CHARLIE ABLE OBOE DASH TO FOURTH CORPS FOR SUGAR CHARLIE ABLE
OBOE FROM ALCOM HEADQUARTERS CITY AGLAS PAREN

PARA TWO PD A PRESS ANNOUNCEMENT WILL BE ARRANGED BY ALLIED

3089 COMMISSION IN THE FOLLOWING TERMS PD

PARA THREE PD BEGINS DASH ALLIED MILITARY GOVERNMENT HAS CONSULTED
THE ITALIAN GOVERNMENT REGARDING THE PAYMENT OF PREMIO DI LIBERAZIONE

LABOUR SUB COMMISSION

NICHOLAS PIOMBINO
 CWO USA
 ADJT ASSISTANT

204

98

5-201/10

R E S T R I C T E D

IN PISMONTE CMA LOMBARDIA CMA LIGURIA CMA EMILIA AND VENESSIA CMA AND
HAS BEEN ADVISED THAT THE ITALIAN GOVERNMENT IS OF THE OPINION THAT
THE PAYMENT OF THE BONUS CANNOT BE REFUSED CMA SINCE IT DERIVES FROM
A PROMISE MADE TO WORKERS DURING THE PERIOD OF CLANDESTINE FIGHTING
TO ENCOURAGE THEM TO DEFEND INDUSTRIAL PLANTS PD ALLIED MILITARY
GOVERNMENT THEREFORE MAKES THE FOLLOWING ANNOUNCEMENT ON THE SUBJECT CMA
WITH WHICH THE ITALIAN GOVERNMENT IS IN FULL AGREEMENT PD
PARA FOUR PD PAREN ABLE PAREN THERE IS NO LAW OR DECREE WHICH COMPELS
THE PAYMENT OF A LIBERATION BONUS PD
PARA FIVE PD PAREN BAKER PAREN NEITHER ALLIED MILITARY GOVERNMENT
NOR THE ITALIAN GOVERNMENT WOULD CMA HOWEVER CMA OPPOSE THE OPERATION
OF ANY AGREEMENT REGARDING THE PAYMENT OF SUCH A BONUS CMA IF SUCH AN
AGREEMENT IS FREELY MADE BETWEEN EMPLOYERS AND WORKERS PD
PARA SIX PD PAREN CHARLIE PAREN TO PREVENT HARMFUL REPERCUSSIONS ON
THE FINANCIAL POSITION IT IS DESIRABLE THAT AGREEMENTS SHOULD PROVIDE
FOR PAYMENT TO BE MADE BY INSTALMENTS SPREAD OVER THREE OR FOUR MONTHS
308 CMA AND ALLIED MILITARY GOVERNMENT GIVES PROMINENCE TO THE DESIRE OF
THE ITALIAN GOVERNMENT THAT CMA ESPECIALLY IN THE INDUSTRIAL SECTORS
CMA PAYMENT SHOULD BE SPREAD OUT IN SUCH A MANNER PD

LABOUR SUB COMMISSION

RESTRICTED

PARA SEVEN PD PAREN DOG PAREN THE GENERAL UNDERSTANDING REGARDING THE PAYMENT OF PREMIO DI LIBERAZIONE RELATES TO INDUSTRY PD THE QUESTION WHETHER EMPLOYEES OF OTHER CONCERNS SHOULD RECEIVE SIMILAR BONUS IS ONE FOR FREE NEGOTIATION BETWEEN EMPLOYERS AND WORKERS PD

PARA EIGHT PD PAREN EASY PAREN THE QUESTION OF PAYMENT OF LIBERATION BONUS TO STATE EMPLOYEES AND PARASTATAL AND COMMUNAL EMPLOYEES IS TO BE CONSIDERED BY THE ITALIAN GOVERNMENT AFTER REGULATION REGULATIONS HAVE BEEN FIXED PD END OF PRESS ANNOUNCEMENT PD

PARA NINE PD THE PURPOSE OF PAREN ABLE PAREN IS TO AVOID ANY SUGGESTION THAT THE GOVERNMENT IS LIABLE TO RENDER FINANCIAL ASSISTANCE TO ENABLE EMPLOYEES TO MAKE PAYMENT OF BONUS PD

PARA TEN PD WITH REGARD TO PAREN EASY PAREN IT SHOULD BE NOTED THAT THE ITALIAN GOVERNMENT HAS UNDER ACTIVE CONSIDERATION THE WHOLE QUESTION OF BONUSES AND SALARIES OF STATE EMPLOYEES AND REGIONAL COMMISSIONERS SHOULD AVOID GRANTING BONUS OR AUTHORIZING INCREASES TO THESE TYPES OF EMPLOYEES WITHOUT PRIOR REFERENCE TO ALCON PD

308

LABOUR SUBCOMMISSION

204
98NICHOLAS PIONEIRO
CWO USA
ADJT ASSISTANT

CONFIDENTIAL

4783

JUNE 091234B

P/4401

JUNE 100910B

ROUTINE

5 ARMY

ACTION: CG DISTONE and CG DISTWO. INFO: 8 ARMY, PBS, 15 ARMY GP,
APLRS ROME

CONFIDENTIAL

Subject civilian wage rates. Cable AFHQ FX 86826 cites FHCAO 3 June authorizes 5 ARMY to increase wages based on minimum AFHQ scale up to 100 percent of cost of living bonus. Bonus is now 60 lira per day. As an initial measure contemplate authorizing wage increase in 5 ARMY up to 50 percent of cost of living bonus. Increase will advance present basic wage from 85 lira per day to 115 lira per day. Your comment invited prior to authorization of increase.

Dist

Info-Action - Labor SC
Info - Chief Commissioner
Econ Sec
Finance SC
APLRS ROME
File 2
Float

303

CONFIDENTIAL

CONFIDENTIALFX 86826
JUNE 031248BE/3497
JUNE 031801B
ROUTINE

AFHQ SIGNED SACRED CITE FHCAO

5TH ARMY INFO: ALCON, 8TH ARMY, DISTONE, DISTWO PBS - 15 ARMY GP,
AFLRS ROME

CONFIDENTIAL

Answers your 2366.

1. No general instructions will be issued as to procedure adjusting and controlling wages until all interested parties have replied to our FX 82607 CITE FHCAO 26 May.

2. In view of wider base of DISTRICT and Base Section Sub Committees which usually reflect views of all services including economic and financial advisors as well as procurers of labour and due to short term control of armies it is desirable to restrict army authority to raise wages to minimum essential to meet local urgent needs.

3. Authority is granted 5TH ARMY to increase wages based on the minimum AFHQ scale up to 100 percent of cost of living bonus which bonus is now 75 lira per day. Any increases shall be authorized only after being assured that they are necessary to keep Allied wages in step with those of private industry.

4. Reports of all wage increases and the geographic limits of such wages will be furnished ALCON and AFLRS.

3083

Dist over

Confidential

2366
JUNE 020140B

CONFIDENTIAL

E/3323

JUNE 020930
PRIORITY

5 ARMY

AFHQ INFO: AFHQ, GOC 8TH ARMY, DISTONE, DISTWO, DISTTHREE
COBBS, CO 15 ARMY GROUP, AFHQ, HAAC, PENBASE.

CONFIDENTIAL.

Civilian wage rates is subject.

Reference your PX 822507 dated 26 May. Proposal to refer wage matters arising in 5 ARMY area to subcommittees of DISTRICT 1, DISTRICT 2 and PENBASE not considered practicable so long as areas wherein wage rates require adjustment are under army control. Request 5TH ARMY be granted authority to increase wages up to 100 % of cost of living bonus without reference to other agencies. This authority is required to meet local conditions arising out of wage rates of private industry. Wage increases by the army would affect an insignificant number of civilians and would in no way upset the economic conditions of northern ITALY. Army authority is desired only until such time as areas come under District control.

DIST

INFO-ACTION - ECON SEC
INFO - CHIEF COMMISSIONER
EX COMMISSIONER
FOOD S/C 2
LABOR
COMMERCE S/C
INDUSTRY S/C 2
FILE 2
FLOAT

5202/c

382

95

Confidential

CONFIDENTIALFX 86826
JUNE 031248BE/3497
JUNE 031801B
ROUTINE

AFHQ SIGNED SACHED CITE FHCAO

5TH ARMY INFO: ALCON, 8TH ARMY, DISTONE, DISTWO PRS - 15 ARMY GP,
AFLRS ROME**CONFIDENTIAL**

Answers your 2366.

1. No general instructions will be issued as to procedure adjusting and controlling wages until all interested parties have replied to our FX 82607 CITE FHCAO 26 May.

2. In view of wider base of DISTRICT and Base Section Sub Committees which usually reflect views of all services including economic and financial advisors as well as procurers of labour and due to short term control of armies it is desirable to restrict army authority to raise wages to minimum essential to meet local urgent needs.

3. Authority is granted 5TH ARMY to increase wages based on the minimum AFHQ scale up to 100 percent of cost of living bonus which bonus is now 75 lira per day. Any increases shall be authorized only after being assured that they are necessary to keep Allied wages in step with those of private industry.

4. Reports of all wage increases and the geographic limits of such wages will be furnished ALCON and AFLRS.

3083

See (97) Dist over

Confidential

CONFIDENTIAL

CONFIDENTIAL
 DEPT. OF AGRICULTURE
 WASHINGTON

CONFIDENTIAL
 DEPT. OF AGRICULTURE
 WASHINGTON

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CONFIDENTIAL
 DEPT. OF AGRICULTURE
 WASHINGTON

1. The general information will be furnished to the appropriate
 adjusting and controlling agencies with the interested parties have
 replied to our request for information in May.

2. In view of the fact that the Department of Agriculture
 Commission which is now in the process of being organized
 should be able to handle the matter as well as the Department of Labor and
 the Department of Commerce it is suggested that the
 any authority to make such a decision should be made local
 where possible.

3. Authority is requested that the Department of Agriculture
 the situation which exists up to the present of the fact of the
 issue is now in the hands of the Department of Agriculture which
 after being advised that they are necessary to keep the matter in
 step with those of private industry.

4. Reports of all cases involving the Department of Agriculture
 of such cases will be furnished to the Department of Agriculture.

CONFIDENTIAL
 DEPT. OF AGRICULTURE
 WASHINGTON

CONFIDENTIAL

2366
JUNE 020140B**CONFIDENTIAL**E/3323
JUNE 020930
PRIORITY

5 ARMY

AFHQ INFO: ALCON, GOC 8TH ARMY, DISTONE, DISTWO, DISTTHREE
CGPBS, CC 15 ARMY GROUP, AELRS - RAAC, PENBASE.**CONFIDENTIAL.**

Civilian wage rates is subject.

Reference your PX 822507 dated 26 May. Proposal to refer wage matters arising in 5 ARMY area to subcommittees of DISTRICT 1, DISTRICT 2 and PENBASE not considered practicable so long as areas wherein wage rates require adjustment are under army control. Request 5TH ARMY be granted authority to increase wages up to 100 % of cost of living bonus without reference to other agencies. This authority is required to meet local conditions arising out of wage rates of private industry. Wage increases by the army would affect an insignificant number of civilians and would in no way upset the economic conditions of northern ITALY. Army authority is desired only until such time as areas come under District control.

(96)

DIST

INFO-ACTION - ECON SEC
INFO - CHIEF COMMISSIONER
EX COMMISSIONER
FOOD S/C 2
LABOR
COMMERCE S/C
INDUSTRY S/C 2
FILE 2
FLOAT

520212

382

(95)

Confidential

RESTRICTED

AMC VENEZIA - MILAN - TURIN - GENOA - BOLOGNA

8913

1 JUNE 1945

ROUTINE

RESTRICTED PDPARA ONE PD SUBJECT CMA PREMIO DI LIBERTA PDPARSH TO AMC VENEZIA REPEAT MILAN REPEAT TURIN REPEAT GENOA
REPEAT BOLOGNA FROM ALCON HEADQUARTERS CIVIL AGLAN PARENPARA TWO PD PLEASE NOTE AND INFORM BRIGADIER GRAFFETY SMITH
THAT STATEMENT ALLEGED TO HAVE APPEARED IN PSYCHOLOGICAL WARFARE
BRANCH PAPERS THAT PREMIO DI LIBERTA HAS BEEN OFFICIALLY
AUTHORIZED BY ROMAN AUTHORITIES IS NOT REPEAT NOT CORRECT PDPARA THREE PD IT HAS NOT BEEN POSSIBLE TO EFFORT CONTACT WITH
ITALIAN GOVERNMENT ON THIS SUBJECT IN VIEW OF PREOCCUPATION WITH
OTHER ISSUES PDPARA FOUR PD POSITION IS STILL AS BEFORE CMA NAMELY CMA EXTENT
AND SCOPE OF BONUS PAYMENTS AND METHOD OF PAYMENT ARE NOT CLEARLY
DEFINED PDPARA FIVE PD IT IS PROPOSED TO JOIN THE ITALIAN GOVERNMENT AND
COMITATO LIBERAZIONE NAZIONALE WITH ALLIED MILITARY GOVERNMENT
IN ATTEMPT TO REGULATE PAYMENT OF BONUS TO PRESCRIBED CLASSES
OF WORKERS IN NORTH OF ITALY PDPARA SIX PD ANTOLINI WILL BE IN MILAN ON MONDAY PD

LABOUR SUBCOMMISSION

204

NICHOLAS PIOMBINO
CWO USA
ADJT ASSISTANT

5202/2

308

94

HEADQUARTERS ALLIED COMMISSION

Office of the Executive Commissioner

~~XXXXXXXXXXXX~~

A P O 394

JUN 2 RECD
CC 1816

Ref: 5215/EC

2 June 1945

MEMORANDUM TO: Office of the Chief Commissioner

SUBJECT: : Price and Wage Policy in North Italy

1. With reference to your inquiry of May 26th regarding incoming cable E/2405 from IV Corps, on subject of implementation of G.O. No. 41.
2. This matter was referred to the Economic Section and reference is made to Folio 59, signal 8560 from Economic Section to IV Corps.
3. Please note Folios 56, 57, and 58; 56 being LSC/116 "Wage Policy for the North", copies of which were sent to all Regional Commissioners and SCACs, Folio 57, cable no. 8211 from Economic Section requesting that implementation of wage policy as set out in LSC/116 be made and stating that instructions as to implementation of price control policy is being prepared and will be forwarded as soon as completed, Folio 58, copy of Cable 8606 from Economic Section again calls attention to wage policy set out in LSC/116 and that price controls are established by Article 6 of General Order 41 but instructions and limitations on adjustment from price established will be issued soon.
4. From this it will be seen that Economic Section is taking action with respect to price and wage control in North Italy.

J. M. Kennedy
Chief Staff Officer
To Executive Commissioner

3081

(93)

Noted
[Signature]

LWS/hjp

29 May 1945

TO: Executive Commissioner, Hq A.C.

The Chief Commissioner desires to know what action has been or is being taken in regards to the following cables:

1. Incoming E/2612 of May 27 from 15th Army Group, concerning instructions implementing G.O. #41. *Reminder to EC 1/6 with a copy of cable.*

OK 2. Incoming E/2607 of May 22 from SACMED, concerning the AFLRS system of allocation of local resources. Has AC concurrence been sent forward in this matter? *Checking with Com. Sec. for copy. 1/6. L.*

OK 3. Incoming E/2571 of May 27 from SACMED. Subject matter doubtful; refers to dispatch of Hasblen. What is this all about? *See file 1015/12. follow up.*

L. W. STEARNS
Major, A.G.D.
Staff Officer to CC

3079

(93)

Major Stearns
Follow This

RESTRICTED

up
+ 9m

CAS 560

MAY 27 1230

E/2612

MAY 27 1310

RCOT 112

15 ARMY GP

AICOM INFO 5 ARMY FOR G5

RESTRICTED.

Following cable received from 4 US CORPS, CORPS ref 1492. "Urgent that balance instructions implementing GC 41 be issued immediately. CAPE and MARSHALL both wire requesting instructions". Please take necessary action.

DIST

ACTION C A SEC
INFO CHIEF COMMISSIONER
LEGAL SC
FILE (2)
FLOAT

Ex. C.

4/6/45

3073

Copies of action on
Ex. C. file 5215/EC.

93

Confidential

RESTRICTED

NO 4551

MAY 31/11/28

1/3088

MAY 31/1321B

PRIORITY

AMG FIVE ARMY CITE: OUR 283

ALCOM FOR AGLAB

RESTRICTED.

following cable received from AMG BOLZANO:

* EXIL/B2/122/1 of 28 May. Living costs in BOLZANO are equally as high as in southern ITALY. This affects the total wage rates of civilians employed by AMG since cost of living bonus is now excluded today all my drivers left because of low pay. Other employees difficult to retain unless I can have authority to eliminate first week minimum wage and increase pay to equal the totals made up of base wage and cost of living bonus. My entire organisation composed mainly of civilians may break up. Matter is urgent (payrolls now in preparation) request immediate decision.

similar difficulties being met in Economics and Supply Division this HQ.

Recommendation has been made by 5 ARMY to AFHQ to permit 5 ARMY to pay full cost of living bonus. To date no reply from AFHQ.

DISC

ACTION : LABOUR SC

INFO : CHIEF COMMISSIONER
 ECON COMMISSIONER
 ECON SEC
 FILE (2)
 FLOAT

CONFIDENTIAL

3077

92a

5/20/28

AMC EMILIA AND TOSCANA REGIONS

8614

28 MAY 45

PRIORITY

RESTRICTED PD

ECONOMIC BOUNDARY LINE ESTABLISHED BY CABLE ACECO FIVE NINE TWO ZERO OF TWO FOUR APRIL IS ABOLISHED EFFECTIVE ZERO ZERO ZERO ONE HOURS TWO EIGHT MAY PD PAREN TO AMC EMILIA AND TOSCANA REGIONS FROM HQ ALCOM CITE ACECO PAREN ACCORDINGLY ROAD BLOCKS WILL BE DISCONTINUED PD THIS ACTION DOES NOT AFFECT CONTROLS OF PRICES AND WAGE DIFFERENTIALS AS ESTABLISHED IN GENERAL ORDER NUMBER FOUR ONE WHICH WILL REMAIN APPLICABLE UNTIL MODIFIED UNDER NORMAL PROCEDURE PD

520x/cw

3076

ECONOMIC SECTION

415

CECIL B. HIGHLAND, JR.
Captain, Infantry

NICHOLAS PIONBINO
ACG USA
ASST ADJ

92

FIFTH ARMY FOR HUME FOR ACTION RPTD FOR INFO SCAOS EIGHTH ARMY
AND FOUR CORPS CMA GEORGE DASH FIVE SECTION FIFTEEN ARMY GROUP
AND GEORGE DASH FIVE AFHQ
8606 28 MAY 45 PRIORITY

CONFIDENTIAL PD

9 3 0 3 F 1 8 9
REFERENCE YOUR NINE THREE ZERO THREE CITE FOX ONE EIGHT NINE NOT TO
ALL PD

PARIN TO FIFTH ARMY FOR HUME FOR ACTION RPTD FOR INFO SCAOS EIGHTH
ARMY AND FOUR CORPS CMA GEORGE DASH FIVE SECTION FIFTEEN ARMY GROUP
AND GEORGE DASH FIVE AFHQ FROM HQ ALCON CITE ACECO PARIN

PARA ONE PD SUBJECT IS WAGES AND PRICES POLICY NORTHERN ITALY PD
PARA TWO PD WAGE CONTROLS PD DEFINITIVE INSTRUCTIONS ON WAGE
ADJUSTMENT PROCEDURE ARE SET FORTH IN MEMORANDUM LOVE SUGAR CHARLIE
SLANT ONE ONE SIX OF FOUR MAY ONE NINE FOUR FIVE CMA DISTRIBUTED
TO SCAOS CMA REGIONAL COMMISSIONERS AND REGIONAL LABOR OFFICERS PD
PARA THREE PD PRICE CONTROLS PD PRESENT PRICES ARE ESTABLISHED
BY ARTICLE SIX OF GENERAL ORDER FOUR ONE PD INSTRUCTIONS AND
LIMITATIONS ON ADJUSTMENTS FROM THE PRICES SO ESTABLISHED WILL BE
ISSUED SOON PD

ECONOMIC SECTION

415

CECIL B. HIGHLAND, Jr.
Captain, Infantry

NICHOLAS PIONBINO
CWO USA
ASST. ADJ.

CONFIDENTIAL

MAY 29 RECD

RIX/CAB/165
MAY 281550BE/2688
MAY 281700B
PRIORITYAMG EMILIA FROM LUSH
HQ ALGOM CITE ACXG FOR ACTION

CONFIDENTIAL.

Reference my RIX/CAB/164.

5TH ARMY signal 2233 addressed for action 57 SUB AREA for AMG LIGURIA and
AMG EMILIA and for info 2 CORPS for AMG and IV CORPS for AMG reads as follows:

"Effective 28 May the operation of road blocks on economic line will be
suspended, and police may therefore be withdrawn. The operation of the restricted
line continues and check posts to control civilian movement should continue as
heretofore."

DISTACTION: Pub Safety S/C
INFO: Chief Commissioner
Executive Commissioner
CA Sec
Econ Sec
File 2
Float307
30

(90)

Confidential

5-202/cc

- 2 -

states that in the provinces which have not yet been handed over to Italian Administration, the treatment for temporary integration is in force from the day which will be established by the orders of the Allied Military Government. The same article adds that, failing these instructions, the said treatment will be enforced, in every province, starting from the first day of the month in which the relative chief town will go back to Italian Administration. This also for the R.D.L. n. 18/B to have no retroactive effect in future.

Meanwhile, the economic treatment of the officials who reside in the north has been regulated, on general principles, by the D.L.L. 26 April 1945, n. 189, which has been drafted in close agreement with the organs of the Allied Commission and in conformity with the well known principles of economic policy aiming at preventing inflation. The principle admitted on this subject was the blocking in accordance to the regulations which were in force on September 8th 1943, of the economic treatment, of any kind whatever, of the officials residing in the provinces north of Ancona and in those of Forlì and Ravenna. For greater clearness, the decree defines that the applicability of the economic improvement decided by the Italian Government after September 8th 1943 is therefore excluded in the said territories; these include the temporary integration granted by the R.D. 6 December 1943, n. 18/B. The latter can therefore not be enforced in the provinces under the above mentioned block; nor will the fact of the return of the said provinces under Italian Administration imply its enforcement. As a matter of fact, the D.L.L. n. 189 expressly states in art. 2 that the block of economic treatments will be in force till the Allied Military Government decides otherwise, or after a decision of the Italian Government when these provinces will have been handed over.

The scheme of decree n. 148 was already drafted, when, at the same time, it became necessary to take action for the blocking of the economic treatments. The different bearing of the two regulations made it clear that the first couldn't be considered as absorbed by the second, and that it had therefore to be issued also. To avoid any doubtful interpretation, the regulation on the block has been issued and published after the one concerning the enforcement of the R.D.L. n. 18/B.

I feel sure that the above mentioned explanations will clear up the misunderstanding caused by the publication of the decree n. 148.

I remain, my dear Admiral,

Yours very truly,

S. I. Bonomi

3072

S.O.

89

Translation

The President of the Council of Ministers

36132/10282.9/1.5.1

CHIEF COMMR

MAY 28 1945
CC 1750

Rome, 27 May 1945

Dear Admiral,

In your letter of the 21st, you expressed your annoyance at the publication - in the Gazzetta Ufficiale n. 51 of April 28th - of the D.L.L. 22 April 1945, n. 148, concerning the future enforcement of D.L.L. 6 December 1943, n. 18/8, in the territories in which this decree has not yet been extended.

I hasten to make it clear that the said D.L.L. 22 April 1945, n. 148, in no way modifies the present economic treatment of public employees.

The publishing of the said D.L.L. is connected with the well known question which arose some time ago as to the date when the D.L.L. n. 18/8 was to be considered in force; this was the subject of the letter you sent me on February 21st. As you remember, the temporary integration of salary granted by the decree started from the date fixed by the decree itself, i.e., from November 1st, 1943. It was therefore necessary to observe this one date in the various territories which were being liberated, and in which the decree was enforced, in relation with the right already acquired by the officials.

In your letter of February 8th, you agreed with my point of view that the formerly established legal situation was to be respected, paying the officials what was due to them because of the said date of payment. In this occasion, we also agreed that it was advisable to prevent a similar situation from arising in the other provinces which had not yet been liberated or to which the decree n. 18/8 had not yet been extended, by its enforcement from November 1st, 1943 onward; this would have thrust new and heavy burdens on the financial administration; this would not be justified, considering the different and less difficult economic conditions in these other territories. To this end, and to exclude the said retroactive enforcement, this regulation which is now published under n. 148 has been issued. From the technical point of view, the regulation is expressed by a formula entirely similar to that which was adopted in the other regulations of the same kind (as, for instance, in D.L.L. 18 November 1944, n. 328, and in D.L.L. 26 April 1945, n. 160). As a matter of fact, art. 1 of the said decree n. 148

Admiral Hilary E. Stone
Chief Commissioner
Allied Commission
R o m e

E.C. DIST - 28 MAY 45

ACTION: ECON Sec (2)
INFO: CHIEF COMMR
EX COMMR

89

Seen by AC [initials]

5202/4

R E S T R I C T E D

EMILIA REGION

8557

26 MAY 1945

ROUTINE

R E S T R I C T E D P D

PARA ONE PD REFERENCE WAGE INCREASES PRIVATE INDUSTRY PD
PAHEN TO REGIONAL COMMISSIONER EMILIA REGION OMA ATTENTION
REGIONAL LABOR OFFICER OMA FROM ALCOH HEADQUARTERS CITE ACLEAB
PARME

PARA TWO PD ALLIED COMMISSION AUTHORIZES INCREASES UP TO
FOLLOWING DAILY RATES OMA UNSKILLED OMA LINE ONE FIVE ZERO OMA
SEMI-SKILLED OMA LINE ONE SIX FIVE OMA SKILLED OMA LINE ONE
EIGHT ZERO PD ABOVE RATES INCLUDE REPEAD INCLUDE ALL
INDENITIES AND REPEAT AND FAMILY ALLOWANCES FOR NOTIONAL FAMILY
OF WIFE AND TWO CHILDREN PD

PARA THREE PD AUTHORITY APPLIABLE TO BOLOGNA PROVINCE ONLY PD

PARA FOUR PD PARALLEL INCREASES FOR OFFICE WORKERS AUTHORIZED PD

PARA FIVE PD PLEASE REPORT PROMPTLY ACTION PD

307:

LABOUR SUBCOMMISSION

204

NICHOLAS PIOMBINO
CWO. USA

ADJT ASSISTANT

5-202/c-

RESTRICTEDALLIED FORCE HEADQUARTERS7th Meeting

25 May 1945

EXTRACTSUPREME ALLIED COMMANDER'S
ECONOMIC SUB-COMMITTEE

MINUTES OF A MEETING OF THE ECONOMIC SUB-
COMMITTEE HELD IN THE G-3 WAR ROOM AT
1030 HOURS ON TUESDAY 22 MAY 1945

4. ESTABLISHMENT BY CLNAI OF RETRIBUTION BONUS.

MR. ANTOLINI reported that the CLNAI had established in Northern Italy a retribution bonus system to be supported by all industrial workers. Collections are being enforced by industrial unions and similar organizations. He recommended that further collections be prohibited until approved by the Italian Government when this territory ceases to be a responsibility of AMG. GENERAL SPOFFORD pointed out that CLNAI decrees in AMG territory are not legal or enforceable, and as a consequence this is a matter to be dealt with by AMG. GENERAL ROBERTSON stated that he would await further advice on this matter from the Chief Commissioner, A.C.

520
copy in

approved by the Italian Government when this territory ceases to be a responsibility of AMG. GENERAL SPOFFORD pointed out that CLNAI decrees in AMG territory are not legal or enforceable, and as a consequence this is a matter to be dealt with by AMG. GENERAL ROBERTSON stated that he would await further advice on this matter from the Chief Commissioner, A.C.

5203/CC
(entry in 3201/CC)

3004

CONFIDENTIAL

18

RESTRICTED

EXTRACT

ALLIED FORCE HEADQUARTERS

7th Meeting

25 May 1945

SUPREME ALLIED COMMANDER'S

ECONOMIC SUB-COMMITTEE

MINUTES OF A MEETING OF THE ECONOMIC SUB-COMMITTEE HELD IN THE G-3 WAR ROOM AT 1030 HOURS ON TUESDAY 22 MAY 1945

776

* * *

3. REPORT ON CURRENT STATUS OF ECONOMIC BARRIER BETWEEN THE NORTH AND THE SOUTH.

The Committee had before it a paper prepared by G-5 summarizing the status of the economic barrier which stated that the purpose of the barrier was to maintain reportedly lower prices and wages in Northern Italy, through the establishment of police road blocks, during the period immediately following occupation; and pending clarification of the economic situation in the North, recommended that no action be taken to abolish the barrier.

GENERAL SPOFFORD amplified the paper by observing that it was not considered advisable to make a decision regarding the necessity for the barrier until a report had been received from A.C. summarizing the current situation in the North.

ADMIRAL STONE recommended that the barrier be abolished on 28 May. He requested that the existing instructions respecting prices and wages in the North remain in effect. GENERAL ROBERTSON asked COLONEL SHELDON whether the extension of AFLRS authority to the North might not be made to coincide with the abolition of the barrier, which would place wages and prices under AFLRS control. GENERAL HAMLEN and COLONEL SHELDON agreed that this could be done. ADMIRAL STONE said that the A.C. felt the movement of population North and South should be permitted, subject to military convenience, but Fifth Army has so far refused to recognise Questora passes issued to civilians by Italian authorities.

MR. ANTOLINI, recently returned from an inspection of North Italy, reported that in general supplies are more abundant and wages and prices are lower than in the South. The barrier has served its intended purpose, largely through its psychological effect, which was to prevent speculation and rapid inflation.

5202/c

3068

X

GENERAL SPOFFORD amplified the paper by observing that it was not considered advisable to make a decision regarding the necessity for the barrier until a report had been received from A.C. summarizing the current situation in the North.

ADMIRAL STONE recommended that the barrier be abolished on 28 May. He requested that the existing instructions respecting prices and wages in the North remain in effect. GENERAL ROBERTSON asked COLONEL SHELTON whether the extension of AFPS authority to the North might not be made to coincide with the abolition of the barrier, which would place wages and prices under AFPS control. GENERAL HAMBLEY and COLONEL SHELTON agreed that this could be done. ADMIRAL STONE said that the A.C. felt the movement of population North and South should be permitted, subject to military convenience, but Fifth Army has so far refused to recognize Questura passes issued to civilians by Italian authorities.

MR. ANTOLINI, recently returned from an inspection of North Italy, reported that in general supplies are more abundant and wages and prices are lower than in the South. The barrier has served its intended purpose, largely through its psychological effect, which was to prevent speculation and rapid inflation. Wages and prices will be raised as circumstances require, with established military controls acting as a retarding factor. It is anticipated that certain inflation will take place in the North with a somewhat opposite deflationary effect in the South, as a consequence of the draining from the North of goods and services.

GENERAL ROBERTSON, referring to the movement of personnel to and from 5 Army area, stated:

- (a) 5th Army has authority to restrict the free movement of goods and personnel only insofar as such movement affects operational requirements. At present 5th Army have two primarily operational responsibilities:
 - (1) The activity along the Italian-French border.
 - (2) Collecting enemy personnel.
- (b) If it will prove of assistance to A.C., a signal will be dispatched to 5 Army requesting they honor Questura passes insofar as civilian travel does not restrict operational requirements. ADMIRAL STONE requested that this signal be withheld pending reply from a signal to 5 Army as to whether Questura passes will be honored. GENERAL ROBERTSON agreed.

THE CHIEF ADMINISTRATIVE OFFICER DIRECTED:

That G-5, in conjunction with the A/CAO, take action as at (X) above.

26

MAY 25 REC'D

25 REC'D

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

CBH/emg

ES/144

25 May 1945

MEMORANDUM:

TO : Major L. W. Stearns,
Staff Officer to Chief Commissioner

As requested by you, the following telephoned message of 24 May from Major Green (?), G-5, AFHQ, is transmitted:

"A draft of the signal directing the termination of the Economic Boundary was handed to the Chief Commissioner on 24 May. The draft gave the effective date of termination as 30 May. The correct date, and the one which was actually used in the signal as dispatched, should be 28 May. Request amendment of the Chief Commissioner's copy."

Cecil B. Highland
CECIL B. HIGHLAND, Jr.
Captain, Infantry
Staff Officer

3061

5-202/cc

(85)

RESTRICTED

IRS 601A
MAY 23/75

E/2111
MAY 24/1000
ROUTINE

AFHQ ROME AREA ALLIED COMMAND
AFHQ CITE FROAC

RESTRICTED.

Subject is wages for civilians employed by Allied Forces in territory North of Northern boundaries of RAVENNA FIRENZE PISTOIA LUCCA and APUANIA (MASSA) Provinces.

1. Signal IRS/601A dated 23 April refers. Evidence presented to Labour and Wages Control Committee today reveals considerable variations in local wage rates in different territories for which power of local adjustment not adequate under interim instructions in IRS/601A of 23 April.

2. After full consideration and discussion Labour and Wages Control Committee recommends that a signal be issued from AFHQ instructing

- (a) that local Sub Committees as defined in AFHQ Administrative Memorandum 25 of 18 April 45 be established forthwith by PENINSULAR BASE SECTION Number 2 DISTRICT and Number 1 DISTRICT to consider such adjustments as may be necessary locally in territory covered by this cable and take Provisional Executive action where considered essential
- (b) that such local Sub Committees will not exercise full powers as defined in paragraph 6 of AFHQ Administrative Memorandum 25 but their powers will be limited to granting so much as may be necessary of a bonus as authorized by AFHQ Administrative Memorandum 62/44 as amended by AFHQ Administrative Memo 18/45 which are hereby made applicable to the territory subject of this cable
- (c) that PENINSULAR BASE SECTION Number 2 DISTRICT and Number 1 DISTRICT be instructed to establish the local Sub Committees in respect of that territory now under Administrative Control of 5 ARMY or 8 ARMY but intended at a

3066

5202/c

84

Page 2

later date to be transferred to PENINSULAR BASE SECTION Number 2 DISTRICT and Number 1 DISTRICT respectively

- (d) that any provisions contained in LPS/601A of 23 April which are contrary to this instruction are superseded
- (e) that any bonus increase already authorized or paid as a matter of operational necessity by 5 ARMY be ratified pending formation of local Sub Committee

DIST

INFO-ACTION LABOUR SC
INFO A/PRESIDENT
CHIEF COMMISSIONER
ECON SEC
FILE (2)
FLOAT

3065

84

CONFIDENTIAL

S E C R E T

FX 81398
MAY 241840B

E/2326
MAY 251840B
PRIORITY

FROM: AFHQ SIGNED SACED CITE FHGEG

TO : 5 ARMY, 8 ARMY, IV CORPS, MAAP, PBS, DISTONE, INFO, 15 ARMY GP,
ALCOM, DISTWO, DISTHREE, AFLRS, RAAC.

SECRET.

Economic boundary line established by para 3 FX 64182 of 22 April FX 65919 of 26 April FX 73836 of 11 May will be abolished effective 0001 hrs 28 May. Accordingly road blocks will be discontinued. This action does not affect controls of prices and wage differentials which will remain applicable until modified under normal procedure.

To ALCOM. Your 8210 of 23 May refers.

G-5
Econ Supply - May Grady.
Correct date is 28th May
per phone 26th May
[Signature]

300

Dist

Info-Action : Econ Sec 2
Info : A/President
Chief Commr
C.A. Sec
P. Safety S/C
Tn S/C 2
File

Confidential

83

[Signature]

24 May 1945

SUBJECT: Economic Boundary

TO : General Spofford

1. Attached are two signals in typescript. One is our draft for despatch today and the other is a G-2 signal sent last night. Relevant IN signals are attached behind.

2. I spoke to G-2 and found that when the substance of this signal on the restricted line is implemented by the receipt of our signal on the road blocks, there will be free movement everywhere in the North except for a narrow frontier strip (AUSTRIA) and the area East of PIAVE river (roughly a line North of VENICE). This should meet the Chief Commissioner's wishes.

M. J. Glenn

M. J. GLENN
Lt. Colonel
Economics & Supply Division

Check

306

*(83) APP**5-202/cv*

DRAFTPRIORITY - SECRET

TO : 5 Army, 8 Army, IV Corps, MAAF, PBS, 1 Dist

INFO: 15 Army Group, ALCOM ROCE, 2 Dist, 3 Dist.

Economic Boundary Line established by para 3 FX 64182 of 22 April, FX 65919 of 26 April, FX 73836 of 11 May will be abolished, effective 0001 hrs ²⁸ 20 May. Accordingly road blocks will be discontinued. This action does not affect controls of price and wage differentials which will remain applicable until modified under normal procedure.

To ALCOM: Your 8210 of 23 May refers.

Concur: G-4(A) _____

G-4(B) _____

G-3 _____

Distribution:

G-3	SACS
PMG	US POLAD
G-1	RESMIN
G-1(B)	DPIC
G-4	M & TN
PA(B)	G-4(B)
CAO	C IN C IED
D/LABOUR	USN
FIN ADV (B)	LOG PLANS
FISC DIR	MAAF
	C/S MTO

300?

(83) App

CONFIDENTIAL

FROM: AFHQ
TO : ALCOM ROME
INFO: 15 A.G.

Copy

Abolition of restricted line is authorized to take effect as from date of abolition of economic line. Your 8208 of 23 May refers. Please notify all concerned of this change as soon as economic line abolished.

Orig G 2

Concur: G-5 _____

Sent

3001

(83) APP

SCAOS FIFTH AND EIGHTH ARMIES FOUR CORPSOMA RPTD FOR INFO
 GEORGE DASH FIVE SECTION FIFTEEN ARMY GROUP AND ~~XXXX~~ FIVE
 ALLIED FORCE HEADQUARTERS GEORGE

0211

22 May 1945

P PRIORITY

SECRET PD

SUBJECT IS WAGES AND PRICES POLICY NORTHERN ITALY AND ECONOMIC
 BOUNDARY LINE PD

PARA TO SCAOS FIFTH AND EIGHTH ARMIES FOUR CORPSOMA RPTD
FOR INFO GEORGE DASH FIVE SECTION FIFTEEN ARMY GROUP AND
GEORGE DASH FIVE AFHQ FROM HQ ALLIED CITE AGENC PARAN

PARA ONE PD REFERENCE ONE EIGHT TWO ONE ZERO OF TWO TWO MAY PD
 PARA TWO PD GRATEFUL IF YOU WILL AUTHORISE REGIONAL COMMISSIONERS
 AS ASSISTANT SCAOS TO IMPLEMENT FORTHWITH WAGE POLICY AS SET
 OUT IN MEMORANDUM FROM LABOUR SUBCOMMISSION REFERENCE LOVE
 SUGAR CHARLIE SLANT ONE ONE SIX OF FOUR MAY ONE NINE FOUR FIVE PD
 PARA THREE PD INSTRUCTIONS AS TO IMPLEMENTATION OF PRICE
 CONTROL POLICY NOW BEING PREPARED AND WILL BE FORWARDED TO
 YOU AND REGIONAL COMMISSIONERS EARLIEST

3000

ECONOMIC SECTION

007

L. D. DENMORE, Colonel

NICHOLAS PIGNONEO
 CWO, USA
 Asst. Adj.

SECRET
AFHQ MESSAGE CENTER
INCOMING MESSAGE

Filed: 230010H

AFSC N 300/23
paq

PRIORITY

FROM: HQ ALCOM

TO : AFHQ FOR G-5 INFO 15 ARMY GROUP FOR G-5 SCAO FIFTH ARMY
SCAO EIGHTH ARMY SCAO IV CORPS

REF. NO. THIS MSG: 8210, 23 May 1945

Cite ACEXC.

Subject is wages and prices policy Northern ITALY
and economic boundary line.

1. Reference your FX 64182 FHGEG of 22 April and
your F 70796 of 5 May.

2. Wage and price regulation policy for the North
will continue as set forth in General Order No. 41, and we
are asking Fifth and Eighth Armies to authorize Regional
Commissioners at present operating as assistant SCAOS to
implement this policy immediately on the basis of instructions
already issued and about to be issued.

Initial period during which economic boundary line
and policy road blocks were required can be concluded without
prejudice to effective operation of general policy. It is
therefore recommended that effective 28 May 45 further action
with respect to the establishment and operation of police road
blocks as provided for in AFHQ message FX 64182 of 22 April on
ALL roads crossing the boundary be discontinued.

FX-64182 MC OUT 672/B 22-4-45 G 5
F-70796 Orig by G-5 5-5-45

ACTION : G-5

INFORMATION : G-3 G-4 PMG PM(B) CAO D/LABOUR
FA(B) SACS **

MC IN 16455 23 May 45 0650B REF NO: 8210 b/M/G COPY No.
THE MAKING OF AN EXACT COPY OF THIS MESSAGE IS FORBIDDEN

SPARE

Stone

- 3 -

(CABLE 8210 Cont'd.)

PROVIDED FOR IN AFHQ MESSAGE FOX XRAY SIX FOUR ONE EIGHT TWO
OF TWO TWO APRIL ON ALL ROADS CROSSING THE BOUNDARY BE
DISCONTINUED PD

3056

82

G-5 AFHQ RPTD (FOR INFORMATION) G-5 15 ARMY GROUP, SCAD FIFTH
ARMY, SCAD EIGHTH ARMY, SCAD IV CORPS

8210

22 MAY 45

PRIORITY

SECRET PD

SUBJECT IS WAGES AND PRICES POLICY NORTHERN ITALY AND ECONOMIC BOUNDARY
LINE PD PAREN TO AFHQ FOR GEORGE DASH FIVE RPTD PAREN FOR INFO PAREN
ONE FIVE ARMY FOR GEORGE DASH FIVE CMA SCAD FIVE ARMY CMA SCAD EIGHT
ARMY CMA SCAD FOUR CORPS FROM HQ ALCON CITE ACKIO PAREN

PARA ONE PD REFERENCE YOUR FOX TRAY SIX FOUR ONE EIGHT TWO FIGURE OF
TWO TWO APRIL AND YOUR FOX SEVEN ZERO SEVEN NINE SIX OF FIVE MAY PD
PARA TWO PD WAGE AND PRICE REGULATION POLICY FOR THE NORTH WILL
CONTINUE AS SET FORTH IN GENERAL ORDER NUMBER FOUR ONE AND WE ARE
ASKING FIFTH AND EIGHTH ARMIES TO AUTHORIZE REGIONAL COMMISSIONERS
AT PRESENT OPERATING AS ASSISTANT SCAGS TO IMPLEMENT THIS POLICY
IMMEDIATELY ON THE BASIS OF INSTRUCTIONS ALREADY ISSUED AND ABOUT TO
BE ISSUED PD INITIAL PERIOD DURING WHICH ECONOMIC BOUNDARY LINE AND
POLICE ROAD BLOCKS WHEN REQUIRED CAN BE CONCLUDED WITHOUT PREJUDICE
TO EFFECTIVE OPERATION OF GENERAL POLICY PD IT IS THEREFORE
RECOMMENDED THAT EFFECTIVE TWO EIGHT MAY FOUR FIVE FURTHER ACTION WITH
RESPECT TO THE ESTABLISHMENT AND OPERATION OF POLICE ROAD BLOCKS AS

3053

(82)

Spone

CONFIDENTIAL
AFHQ MESSAGE CENTER
INCOMING MESSAGE

FILED: 230029B

AFSC N 286/23
mah

ROUTINE

GARE

FROM: ALCOM

TO : AFHQ INFORMATION 15TH ARMY GROUP CIVIL AFFAIRS

REFERENCE NUMBER THIS MESSAGE: 8208, 23 May 1945

For FHGBI.

CITE ACCAS.

1. It is expected that the abolition of the economic line will shortly be recommended.

2. In the event of this recommendation receiving approval, it is suggested that authority be given to abolish the restricted line at the same time as the economic line.

ACTION: G-2

INFORMATION: G-5

G-3	EX-1
OPS	ORG. INT.
W/B	ORG. BR.
	FRG
	HIST
	NO.

2050

NO IN 16395

23 May 45

0327B

REF NO 8208

Y/N/G

CONFIDENTIAL

COPY NO.

THE MAKING OF AN EXACT COPY OF THIS MESSAGE IS FORBIDDEN

8

8

5202/45
(copy in 502/45)5202/45
5202/45

81a

TO : DIRECTOR, FBI
FROM : SAC, NEW YORK
SUBJECT: [Illegible]
[Illegible text follows, including a signature and date]

300

NO IN 1995 23 MAY 95 0315Z 8008 ON 432 0110

REF : LSC217

21 May 1945

My dear Mr. Prime Minister:

My attention has been called to DIL No. 148 of 22 April 1945 appearing in the Gazzetta Ufficiale No. 51. This Decree provides in part that FDL 16B of 6 December 1943 shall become effective in the North immediately upon turnover to Italian Government unless previously made effective by Allied Military Government. This last Decree provides for the increase in wages of Government employees.

You are undoubtedly aware of the many conferences held between representatives of the Allied Commission and of your Government for the purpose of establishing a policy in the North which would prevent widespread inflation. As a result of these discussions it was formally agreed by representatives of both the Allied Commission and of your Ministers, and indeed was suggested by a representative of one of your Ministers, that Decrees providing for increases in wages or allowances should be excluded from implementation in the Northern Regions until economic conditions were deemed to warrant their implementation.

It is a matter of some surprise to me therefore that DIL No. 148 was published. I feel sure that Your Excellency will agree that publication of this Decree might lead some people to believe that the economic policy adopted by the Allied Commission is a policy which is not supported by the Italian Government. I am certain that there was no intention of creating this misrepresentation and that the consequences were not foreseen or appreciated. I sincerely hope that Your Excellency will insure that more care is taken in the preparation and enactment of these Decrees, particularly when no prior notice to the Allied Commission is given.

Yours very truly,

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

205

His Excellency Ivanoe Bonomi
The President of the Council of Ministers
Italian Government
Rome

DISTONE INFORMATION 15 ARMY GROUP, AFHQ 9-5, 8 ARMY REAR FOR AME

7856

17, May 1945

PRIORITY

CONFIDENTIAL PD

SUBJECT IS ECONOMIC CONTROL LINE PD

PARAM TO DISTONE INFORMATION 15 ARMY GROUP CMA AFHQ 9-5 CMA EIGHTH
ARMY REAR FOR AME FROM ALCON CITE ACNPF PARAM PD

PARA ONE PD REFERENCE YOUR ABLE SLANT THREE SEVEN DATED ONE SEVEN
MAY FOUR FIVE PD

PARA TWO PD REGIONAL COMMISSIONERS HAVE BEEN DIRECTED BY THIS
CO
COMMISSION TO GIVE EVERY ASSISTANCE IN THE ENFORCEMENT OF THE
ECONOMIC CONTROL LINE PD

PARA THREE PD PLEASE REPLY REGION AND DISTRICTS WHERE DIFFICULTY
IS BEING EXPERIENCED PD

205

Public Safety S/C

489031-365

F.J. Wilson, Lt Col.

NICHOLAS PIGNARO
CWO, USA

Asst, Adjutant

(80)

RESTRICTED

A/37
MAY 170740BE/1108
MAY 171110B
ROUTINE

DISTONE

15 ARMY GP INFO AFHQ G-5, 8 ARMY, ALCOM

RESTRICTED.

Reference your AG 68 of 13 May. No road blocks yet effective as AC Region have failed to comply with area request. Provide necessary Carabinieri or other personnel. CMP checks established on main routes but volume of traffic on routes 9 and 16 completely precludes effective check of military vehicles thereon. Consider vehicles of Italian Gruppi most likely offenders but unable to deal with all these on Routes 9 and 16. Extremely difficult obtain information as to exportation from NORTH to SOUTH particularly in view of vast numbers of refugees travelling SOUTH but will endeavour forward report earliest.

DIST

INFO-ACTION: P. Safety S/C
INFO: A/President
Chief Commissioner
CA Sec
L. Forces S/C
File & float 3

RESTRICTED

2052

(79)

520026017

FOR ACTION: G-5, 15 ARMY GROUP FOR INFO: AMG, 8 ARMY ANG 5 ARMY G-5 IV CORPS
 LIGURIA PEMONTE LOMBARDIA VENEZIA
 EMILIA AND TOSCANA REGIONS
 HQ ALCON

SECRET

7732

MAY 16 1947

PRIORITY

ECONOMIC SECTION

SECRET PD

REFERENCE IS TELEPHONE MESSAGE FROM GEORGE DASH FIVE FIFTEEN ARMY GROUP OF FOURTEEN
 MAY SUBJECT YOUR QUESTIONS ON ECONOMIC CONTROL OF NORTH PD

PAREN TO FOR ACTION GEORGE DASH FIVE FIFTEEN ARMY GROUP FOR INFORMATION ANG EIGHT
ARMY GMA ANG FIVE ARMY GMA GEORGE DASH FIVE IV CORPS GMA LIGURIA REGION GMA PEMONTE
REGION GMA LOMBARDIA REGION GMA VENEZIA REGION GMA EMILIA REGION GMA TOSCANA REGION
FROM HQ ALCON CITE AGEXO PAREN

QUESTION ONE PD IS THERE A GENERAL ORDER REFERENCE ECONOMIC CONTROL QUES ANSWER
 YES PD GENERAL ORDER NUMBER FORTYONE IN ANG FIFTEEN THOUSAND COPIES OF WHICH WERE
 SENT TO FIFTEEN ARMY GROUP FOR DISTRIBUTION PD GENERAL ORDER NUMBER FORTYONE SHOULD
 BE POSTED PD SEE ALSO ALCON MESSAGE FIVE NINE TWO ZERO OF TWENTYFOUR APRIL PD

QUESTION TWO PD WHAT QUANTITIES OF COMMODITIES WHICH ARE RESTRICTED MAY BE CARRIED
 ANSWER
 ACROSS CONTROL LINE QUESTION PD SEE GENERAL ORDER NUMBER FORTYONE PD

QUESTION THREE PD WHAT LICENSING SYSTEM HAS BEEN ARRANGED QUESTION ANSWER SEE
 GENERAL ORDER FORTYONE PD

NEW SUBJECT PD ALCON HAS RECOMMENDED TO AFHQ THAT STATUS QVO OF ECONOMIC CONTROL
 OF NORTH BE MAINTAINED UNTIL COMMITTEE NOW IN NORTH MAKING STUDY CAN SUBMIT RECOMMENDA-
 TION ON CONTINUANCE GMA MODIFICATION OR TERMINATION OF CONTROL POLICY PD

2055

78

77

RESTRICTED

ALLIED FORCE HEADQUARTERS
APO 514

Supreme Allied Commander's
Economic Sub-Committee

15 May 1945

REPORT ON CURRENT STATUS OF ECONOMIC BARRIER
BETWEEN NORTH AND SOUTH ITALY

Note by Assistant Chief of Staff, G-5

1. On 22 April, at the request of the Allied Commission, this Headquarters directed the Allied military authorities in the North to establish police road blocks as a means of assisting in maintaining, for at least an interim period, an economic barrier between Northern and Southern Italy. The purpose was to maintain the reportedly lower prices and wages in Northern Italy. At the same time AFIRS directed that in general prices and wages would be maintained at the prevailing level in the North but that wage rates would not exceed the Southern A.F. scale minus bonuses. On 26 April the 15th Army Group expressed the belief that the above wage policy was based on a false premise, and urged that normal discretionary powers be given to keep wages and prices as low as possible, leaving in mind operational necessities. Thereupon this Headquarters directed the A. C. to investigate and report on the wage and price situation in the North. 15th Army Group was, however, instructed that the policy was to be enforced until otherwise directed.
2. As to prices, no detailed information has been received by this Headquarters from the Allied Commission or elsewhere concerning price levels in the North. G-4 have received no complaints from Fifth Army or Penbase that Allied price lists have interfered with local procurement and the Chief of AFIRS has heard of no complaints from Eighth Army area. The Director of Labor (British) stated in a phone conversation from the North to his Headquarters that prices are rising rapidly in the North and controls are not effective.
3. As to wages, Fifth Army urges that authority be granted to add 50 percent of the cost-of-living bonus to the A.F. basic wage scale in the North (but not the bread bonus), and states that the A.F. basic wage rates have caused dissension in Bologna. The Director of Labor (British) stated in the conversation mentioned above that in his judgment authority should be granted to both Fifth and Eighth Armies to pay the full cost-of-living bonus, and expressed the view that unless there is strict Government control wages in the North will soon be higher than in the South.
4. This Headquarters has informed the Allied Military Authorities in the North that action on the Fifth Army request will be postponed until the meeting of the Labor and War Control Com-

5202
(x-10)

low as possible, having in mind operational necessities. Thereupon this Headquarters directed the A. C. to investigate and report on the wage and price situation in the North. 15th Army Group was, however, instructed that the policy was to be enforced until otherwise directed.

2. As to prices, no detailed information has been received by this Headquarters from the Allied Commission or elsewhere concerning price levels in the North. G-4 have received no complaints from Fifth Army or Penbase that Allied price lists have interfered with local procurement and the Chief of AFLRS has heard of no complaints from Eighth Army area. The Director of Labor (British) stated in a phone conversation from the North to his Headquarters that prices are rising rapidly in the North and controls are not effective.
3. As to wages, Fifth Army urges that authority be granted to add 50 percent of the cost-of-living bonus to the A.F. basic wage scale in the North (but not the bread bonus), and states that the A.F. basic wage rates have caused dissension in Bologna. The Director of Labor (British) stated in the conversation mentioned above that in his judgment authority should be granted to both Fifth and Eighth Armies to pay the full cost-of-living bonus, and expressed the view that unless there is strict Government control wages in the North will soon be higher than in the South.
4. This Headquarters has informed the Allied Military Authorities in the North that action on the Fifth Army request will be postponed until the meeting of the Labor and Wages Control Committee at Rome on 23 May, at which time the Allied Commission is to make a full report. In the meantime, the Vice President (Economic Section), the Director of the Labor Sub-Commission and other A.C. officials are in the North making an investigation of the wage and price situation in preparation of the A.C. report. The Chief of AFLRS fully concurs in the decision to postpone action until the Allied Commission has reported. The Armies have been requested to be represented at the meeting on 23 May.
5. Pending clarification of the economic situation in the North, the Italian authorities (including the CLM/I) have expressed the hope that the road blocks between North and South will be maintained; the A.C. and AFLRS urge that this be done. With the war in Italy at an end, and operational necessities eased, it would appear to be particularly desirable to cooperate with the Italian authorities in all practicable means to slow down the rise in wages and prices. The effectiveness of the economic barrier is not known; 15th Army Group on 13 May instructed the Allied military authorities responsible for its enforcement to report whether exportation from North to South had been checked. After this report is available, and the wage and price conditions in the North have been reviewed, a basis for final decision will be at hand.

776
 Ser 86
 Charles M. Spofford
 Brigadier General, G.S.C.,
 Assistant Chief of Staff, G-5.

RESTRICTED

20200
 (x-1003/100)

C-3, AFM

HQ ALLIED COMMISSION

7544

15 May 48
1600

SECRET

PRIORITY

ECON SECTION

SECRET.

ECONOMIC CONTROL NORTHERN ITALY IS SUBJECT PD
IN PRACTICE ITS EFFECT IS SMALL DUE TO ABSENCE OF ADEQUATE ROAD BLOCKS CONSEQUENT
ON REMOVAL OF ARMY CONTROL LINE AS ITS EXISTENCE HOWEVER HAS PROBABLY HAD SOME
EFFECT IN REDUCING TRANSFER OF MERCHANDISE AND GOODS MADE IN FIRST FEW DAYS WERE
SATISFACTORY IN THIS RESPECT PD

CITE ACECO

PARIS TO NEW YORK'S ORIGIN DASH FIVE ALLIED FORCE HEADQUARTERS FROM HQ ALLIED/AFM
FRAGMENTARY INFORMATION RECEIVED INDICATES SUBSTANTIAL DIFFERENCE IN PRICES AND WAGE
RATES BETWEEN NORTH AND SOUTH ITALY PD INTERIM REPORT FROM ANTI INFLATION COMMITTEE
NOW GATHERING DATA IN NORTH TRANSMITS VIEW OF ECONOMIC COUNCIL CLAIM THAT ECONOMIC
BOUNDARY LINE AND POLICY BE CONTINUED TWO WEEKS FROM TWELVE MAY PD ITALIAN GOVERNMENT
ALSO FAVORS ECONOMIC LINE ATTEMPT TO SOFTEN IMPACT OF JOINING ECONOMY OF NORTH AND
SOUTH PD COMMITTEE RETURNING HERE TWENTY DAY WHEN DEFINITE RECOMMENDATION WILL BE
FORTHCOMING PD SINCE ECONOMIC LINE ESTABLISHED ONLY AS TEMPORARY EXPERIMENT IMMEDIATELY
FOLLOWING LIBERATION OF NORTH RECOMMEND MAINTAINING STATUS QUO UNTIL COMMITTEE CAN
MAKE INTELLIGENT RECOMMENDATION PD

3044

Econ. Section

(77)

5-20-48

INCOMING MESSAGE

HEADQUARTERS ALLIED COMMISSION

CC 1172
MAY 11 RECD

Chief Commr

Originator's Reference: 246
Date/Time of Origin: MAY 101500BMessage Centre No: E/302
Date/Time Rec'd: MAY 111030B
Precedence: OF PRIORITYFROM: AMG VENEZIA REGION FROM ANTOLINI
TO: HQ ALCOM FOR ADMIRAL STONE

RESTRICTED

INFO - ACTION

RESTRICTED.

First report.

Economies of BOLOGNA and VENEZIA functioning smoothly. Values in foodstuffs lower than central south similarly wages. Consumer goods fairly well assorted and apparently in good quantities with low prices. Inflationary pressures apparent but civil administrations keenly aware and endeavouring hold the present levels. Economic boundary road blocks do not exist. Proceeding to MILAN will report in detail Saturday. Signed ANTOLINI.

HEADQUARTERS
11 MAY 1945

DIST

ACTION: Chief Commissioner
INFO: A/President
Chief Commissioner
Executive Commissioner
Econ Sec
File 2
Float

51202/cc

3048

RESTRICTED

76

SECRETFX 72114
MAY 071857BE/10
MAY 080930B
PRIORITYAFHQ SIGNED SIGNED CITE PHGEG
ACTION 15 ARMY GP INFO ALGOM ROME**SECRET**

1. Matter under consideration. Ref your 12 45 dated 26 April.
2. Pending decision directions in FX 64182 for establishment of controls should be maintained without relaxation or modification to prevent large scale purchasing in north and export to south.

DistInfo-Action - Leon Sec 3
Info - A/President
Chief Commissioner
File 2
Float

3041

SECRET

520.2 / cm

LIST OF PAPERS

File under No.

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
3046				

2062