

ACC 10000/146/221 H.S.C./905

LABOR S/C CONFERENCES

Jan. - July 1945

FILE COPY

HEADQUARTERS ALLIED COMMISSION

APO 294

LABOR SUB-COMMISSION

JRS/rmw

TEL : 472904

18 January 1945

REF : LSC/301 (LSC/203)

→ See LSC/203

SUBJECT: CGIL Trade Union Congress, Naples, 28 January 1945.

TO : Economic Section

Attention: Colonel L. D. Bensmore

1. The Trade Union Congress arranged by the CGIL has been set for 28 January, to be held in Naples. Representatives from the "Comitato del Lavoro" from all parts of Italy are due to reach Naples no later than 27 January. R.E. Carabona, Minister of Transport, has granted the delegates attending this Congress all facilities of railway transportation in territories falling under Italian jurisdiction.

2. The Joint Secretariat of CGIL approached this Sub-Commission personally today on the question of obtaining authority for railway transportation in the case of delegates from territories under AMG jurisdiction. The "Comitato del Lavoro" involved are the following:

In Toscana : - Firenze, Grosseto, Arezzo, Pisa,
Livorno, Lucca, Pistoia, Massa, Siena

In Umbria : - Perugia

In Marche : - Ancona, Pesaro, Macerata

In Emilia : - Ravenna, Forlì.

Request was made for such authority so that Northern delegates will be able to reach Rome. The CGIL will arrange for the transportation from Rome to Naples.

3. This Sub-Commission is of the opinion that assistance as asked for above should be granted inasmuch as the object in view is a most worthy and important step in the Trade Union development of Italy, and as such should be supported by the Allied authorities.

4. This Sub-Commission indicated to the Secretariat that every effort would be made to secure the approval of the Allied Commission in order that the Military Railway Service be contacted to obtain authority for railroad travel from AMG territory. It was pointed out to the Secretariat that such names as the

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"Camera del Lavoro" might submit would have to be cleared through the Regional AMC authorities. Your approval is requested for the above procedure.

JUNIOR R. SMITH
Colonel, QMC
Acting Director
Labor Sub-Commission

4253

HEADQUARTERS ALLIED COMMISSION
A.O. 394
LABOUR SUB COMMISSION

FILE ✓

REF : LSO/901

26 February 1945

SUBJECT: International Meeting in London

TO : Sig. Nenni
Socialist Party,
41 Via Gregoriana, Rome.

Sir,

I am forwarding to you the following message received from Mr. Gillies of the Labour Party:

"The International Meeting opens on Saturday 3 March at 10 A.M. in Council Chamber, Transport House, Smith Square, London. Rooms reserved in Eccleston Hotel."

The departure of the Delegates from Rome has been arranged for Thursday 1st March.

Yours truly,

W. H. BRAINE
Director,
Labour Sub-Commission

4252

Mr. Rosen

From: Foreign Office

Please forward following message from
 Gillies Labor Party to Penni Via Gregoriana
 #41 Rome.

International Meeting ^{pers} ~~at~~ Sat. AM March
 3rd. 100' ^{rooms} ~~rooms~~ in Council Chamber Trans. House
 Smith Sq. London ~~rooms~~ ^{rooms} reserved in Eccleston
 Hotel.

62119

62635

Mi

will leave not later than
 Thursday 1st March.

4251

FILE COPY

HEADQUARTERS ALLIED COMMISSION
APD 204
LABOR SUB-COMMISSION

TEL : Ext. 204

WED/row

REF : LSC/901

19 February 1945

SUBJECT: Meeting at Ministry of Industry, Commerce and
Labor on 17 February 1945.

TO : Mr. Harlan Cleveland
Economic Section

1. Attached are copies of report of the conference which I attended on Saturday. Although the final sheet shows a distribution to various people, no copies have been sent out.

2. If you agree that the persons named should receive copies, would you please issue them as soon as possible as there are immediate issues arising which will have to be put forward and it is advisable that all interested should know of the conference.

3. If you think that copies should not be sent to those indicated, or that they should be sent in a different form, would you please let me know?

4. I was summoned to the meeting by an agitated telephone call from Gronchi's secretary who said that the meeting had already opened and could I come around with all haste. I am wondering how I came to be invited; whether it was a twinge of conscience on the part of Gronchi, whom I have been continually nagging since I have known that he was holding conversations without telling me; or whether it was from the C.I.L. to whom I have been regularly saying that they owe us much closer cooperation, if only as some indication of their gratitude for what we are doing for them. In any event I rushed round and sat through the conference which lasted some hours and which at some stages became rather outspoken as between workers and employers.

5. I am preparing separate minutes on points arising, and await a word from you regarding the distribution of these copies.

W. S. BRAINE
Director
Labor Sub-Commission

Encl. (17)

4250

REF

HEADQUARTERS ALLIED COMMISSION
APO 324
LABOUR SUB COMMISSION

Salon
This has been sent out

LABOR S/C sent out

REF : LBO/501

18 February 1945

SUBJECT: Meeting at Ministry of Industry, Commerce and Labour
on 17 February 1945.

TO : Economic Section.

An important conference was held at the Ministry of Industry, Commerce and Labour at 6 P.M. Saturday 17 February 1945. Minister Grandi presided, and there were present:-

Employers

Ing. Friggieri, President of the National Confederation of Italian Industry,
Avv. Toscano,
and others representing Industry and Commerce;

Workers

Sig. Grandi, (Joint Secretaries of the C.G.I.L.)
Dott. Lissandri
and others representing workers;

Allied Commission

Mr. W. E. Braine, Director of Labour Sub-Commission.

1. The purpose of the meeting was to consider claims by the workers for immediate adjustment of wages to endeavour to meet the rising cost of living.

The conclusion of the meeting was that immediate negotiations should be opened for revision of existing wage agreements, such revision to take effect from 15 February 1945.

2. The workers' representatives presented their case with restraint. They asked for some clarification of the confused wage structure which at present starts with the wage agreements enforced in September 1943, to which are added innumerable bonuses and indemnities.

They asked for the fixing of a minimum rate to which should be added a variable cost-of-living bonus on a sliding scale to keep pace with costs. They recognised that it was as much to their interests as to the interests of the Nation and of employers not to ruin particular industries and insisting upon the granting of exorbitant demand, but they came to

by

-2-

discharge the responsibility placed upon them at the National Congress of Naples, to negotiate for an improvement of the appalling conditions of the workers.

3. Minister Gronchi said that he recognized that the retention of the out of date basic rates and the addition of uniform bonuses had put out of balance the relative positions of professional men, technicians, skilled and unskilled workers. He thought that a minimum rate should not be sought but a definition of a new basic rate for various classes with variations according to locality, industry, individual efficiency, and a recognition of a period of service.

4. The employers pointed out that some industries were reaching the end of their resources. They had tried to avoid raising price levels, but in order to meet rising wages costs, they had drawn upon their reserves; they had been unable to make provision for replacements and renewals of plants, and their operations were declining.

5. Minister Gronchi intervened to request that increased wages costs should not be passed on to consumers in the form of increased prices, this would stimulate the inevitable spiral.

The employers pointed out that, for example, the banks could use no more resources from which to draw costs of further wage increases. They admitted, however, that some industries, in a better position than others, could do something.

The workers' representatives asked for a frank disclosure of the financial position by properly accredited representatives of the workers in each industry or establishment who, they said, would be the first to resign when the limit was reached. The employers did not take kindly to this suggestion.

Minister Gronchi receded somewhat from his first firm pronouncement and conceded that in some industries, prices might have to be raised. He pleaded for a restraint as far as possible in order to avoid a corresponding increase in prices to meet the total cost of increase of wages.

6. The workers' representatives undertook to restrain the demands put forward by the workers and to endeavour to act in an atmosphere of reality. With this cooperative approach on their part, they requested the employers to be equally considerative of the workers' representations in the course of negotiations for adjustments of wage agreements.

The employers said they would be prepared to negotiate with responsible workers' representatives such as the Camere del Lavoro, etc. They said they would object strongly to discuss these questions with the Internal Commissions (Workers' Committees). The C.G.I.L. said they equally recognized that such matters were outside the scope of Internal Commissions and had already stated as much clearly to all concerned.

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7. The position was summed up by Minister Gronchi, who said that it was clear that all were agreed that something must be done to improve workers' conditions; and that the present patch-work wage structure must be put in better order so that further discussion on wage adjustments could be on a sounder basis than the continual adding of bonuses.

On the question of payment of wage increases, he repeated his request for an avoidance of price increases as far as possible. He asked all concerned to negotiate on the basis of this general agreement in the more cooperative spirit and received assurances from both sides that this would be done.

8. A word must be said of the presence of the representative of the Allied Commission. It has not been the practice for Allied Commission to attend as observer or in a more active capacity, and this had lead to misunderstandings when decisions had been announced.

It was recently agreed that the Allied Commission should be invited to attend discussions but since that agreement, it has been known that meetings have been held to which Allied Commission was not invited. Suitable representations had been made, and this is the first occasion on which a representative has been invited to attend.

Mr. E. R. Braine, Director of Labour Sub-Commission, informed the meeting that he was present representing Allied Commission in a dual capacity: in the first place the Allied Forces, in respect of its Italian civilian employees, was the largest single employer of labour in Italy, and was naturally interested in wage discussions; secondly, a considerable portion of liberated Italy was still under Allied Military Government, which was therefore concerned with anything affecting conditions of workers in all industries.

Minister Gronchi and representatives of both sides were generous in their appreciation of the presence of the Director, and expressed the hope that his attendance would be possible on future occasions. Mr. Braine said that Allied Commission would keep in close contact on this wage issue and recognized the impact of any changes upon the Allied Force wage scales. He reminded them that the military machine could not undertake to keep exactly in step with the scales or the payments particularly where retroactive effect was given, but he assured the meeting of Allied Commission's desire to be helpful and cooperative.

File
Copies to: Brigadier Marley
Col. L.D. Bennett
Mr. Harlan Cleveland
Civil Affairs Section
Finance Sub-Commission
GDS Office
Chief Commissioner
G-5.

4247
E. R. BRAINE
Director,
Labour Sub-Commission

FILE

UNITED STATES ALLIED COMMISSION
APO 994
LABOUR AND OVERSEAS

2/23/45

REF : 143/901 cu LFC/203 10 February 1945SUBJECT: General Confederation of Italian Labour (CGIL) -
Appreciation of Assistance of Allied Commission
National Congress, Naples.

TO : Economic Section.

1. Attached is the original and 3 copies of translation of a generous tribute from the CGIL in respect to the assistance rendered by Allied Commission in connection with the Naples Congress.

2. Attached also, in triplicate, is a draft reply for consideration as to signature at a high level.

W. H. FRANK

R. E. SMITH
Director,
Labour Sub-Commission

4246

HEADQUARTERS ALLIED COMMISSION
APO 394
LABOUR SUB-COMMISSION

File HSC/901

REF. : 130/901 + H/S

4 July 1945

SUBJECT : Arising from Conference of Regional Labour
Officers at Milan on 23 June.

TO : Regional Labour Officers.

1. Attached are notes covering points discussed at
the Milan conference.

2. Following is a summary of the reports required from
you in order that we may be in a better position to formulate
policy and ensure consistency.

1. Industrial unrest. Immediate reports required of
any strike or agitation.
- ii. Surplus Labour. (a) Observations required by 10th
July on advisability of continuing General Order
No. 45.

(b) Special report is required
under para 4 of General Order No. 45. Can you
please arrange with Ufficio del Lavoro for the
"waiting list" that is to be furnished on 18th
July to be summarized by industry groups, under
the headings of skilled, semi-skilled and unskilled.
Separate firms need not be shown. Two copies of
the summary are required at this Office as soon
after 18th July as possible.

- iii. Regional organization. Statements showing Regional
organization and salaries, with any recommendations
for improving the organization, are awaited.
- iv. Socialization. Reports on the extent of socializa-
tion are outstanding from Lombardia and Venezia.

v. Reid, J.A.G.: The following information will be helpful:

1. Statement of the number of meetings held.
2. Summary of all wage changes already approved by R.I.J.A.G.
3. Report on all future wage changes approved.

W. H. Haines

W. H. HAINES
Director
Labour Sub-Commission

HEADQUARTERS ALLIED COMMISSION
APO 994
LABOUR SUB-COMMISSION

26 June 1945

REPORT ON MEETING OF LABOR OFFICERS FOR NORTHERN ITALY.

1. A meeting was held at Milan on Saturday, 23 June, 1945.
2. The following were present:-

Mr. W. H. Braine	- Director Labor Sub-Commission
Capt. Adams	- Lombardia Region
Major Albright	- Emilia Region
Capt. Alessandrini	- Liguria Region
Capt. Bailey	- Venezia Region
Mr. Di Fede	- Lombardia Region
Major Scieluna	- Piemonte Region
Sgt. Sorisi	- Liguria Region
Mr. Airey	- Labor Sub-Commission, A.C. Hq.
Mr. Bird	- Labor Sub-Commission, A.C. Hq.
Capt. Dorf	- AG Forward
Maj. Holsten	- Lombardia

Absent:-

Major Fisher	- Liguria Region
Col. Lane	- 5th Army
Capt. Giannareo	- Venezia Region
Capt. Schnee	- Emilia Region
Lt. Cantilli	- Piemonte Region

3. Mr. Braine summarized labor difficulties in the North, and stressed the need for machinery to handle problems. Existing factors must be:
 - (a) The Italians and their machinery must be prepared to assume responsibility for labor questions. There will not, in the North, be repetition of our detailed action in Sicily.
 - (b) The bubble of false optimism must be pricked. With industry undamaged Northern Italy dreams of being the workshop for Central Europe. The fact is that the productive capacity of Central Europe can largely cope with demands.

There is again, the dire shortage of coal, and no prospect of any great increase in coal imports.

Italian industry may, during the next 12 months, attain 3% of its pre-war productive capacity.

4. Immediate problems are:

- (a) Provision of adequate relief measures;
- (b) Reduction of surplus workers;
- (c) Stabilization of wages and prices;
- (d) Establishment of machinery;
- (e) Socialization of industry.

These are all vital problems, and a directive and policy cannot be given from Rome unless the full facts are known. The aim must be a unified policy, with the same general principles applied throughout, and this policy must initiate from, or be agreed by, the Italian Government.

Reports from Labor Officers are essential, especially in connection with industrial disturbances and unrest. Reports should differentiate between labor agitation (agitations) and complete stoppage with no intention of resuming (sciopero). Reports should give full information and the Labor Officer's assessment of the position. Provincial Labor Offices will provide useful network for collecting this information.

5. Reduction of surplus labor is a pressing problem. Industry has a hard core of industrial experts who are needed now, a larger number of experts who may be needed in the next six months, and a larger force that will never be needed by industry. These latter must be pared down so that industry can exist and price its commodities. The Allied Purchasing Agents cannot place contracts until costing is possible. But there must be an alternative to throwing hundreds of thousands of workers on the streets. General Order 48 will regulate this and will guarantee funds. Labor Officers should advise Labor Sub-commission, Headquarters, on or about 20th July as to whether the subsidy to Cassa Integrations should be continued beyond 31st July.
6. Minimum wage rates for Northern Italy have been under review. It is hoped that wage studies in respect of Milano will be forthcoming. There is doubt as to the application of the presence indemnity in Torino. Major Scialoja confirmed that the presence indemnity is a separate item in the contract of service for furniture making. It is paid in all other trades in the area but is not shown as a separate item in the gross pay make-up. Major Scialoja stated that the issue by employers of food packages and clothing at regular intervals has been rampant in Piemonte Region, and was still being done by Fiat.

7. Organization

- (a) Major Albright reported on the organization of labor offices in Emilia. The Regional Office functions in Bologna. There is little planning work but 13 wage agreements have been negotiated. RIJAO has held 3 formal meetings. The Council is composed of local people from Bologna but they operate at a regional level.

The Unione Industriale is organized and meets at Bologna on 15th July.

Communal Offices are operating - 10 personnel to each - but they have not yet been screened.

- (b) Capt. Bailey stated that in Venetia 8 Labor Offices have been opened, leaving 2 provinces not yet organized. Difficulty has been experienced in Treviso, where low salaries do not attract and where office accommodation was not easily obtained.

RIJAO has held 3 meetings in Venezia. There is a Sub-Provincial Council in each Province which handles cases initially and passes them to the Regional Commissioner.

- (c) Mrs. El Rada explained the difficulties of organization in Lombardia. Regional and Provincial Offices in Milano have been established, also 5 Provincial Offices, leaving 4 provinces not yet organized. In the Milano office 22 heads of sections had to be discharged following screening. Provincial Commissioners recognize the need of advice on labor problems. Unione Industriale is established.

- (d) Capt. Alessandrini reported on Liguria where a Regional and 4 Provincial Offices are organized. There is difficulty in Liguria, Ventimiglia, and Bordighera, owing to French occupation. There has been some difficulty explaining requirements to Provincial Commissioners.

- (e) Major Watkins dealt with Piemonte where all except one Provincial capital has a Collegamento and staffs have been screened. Communes have part-time employees reporting to some, and some reports to Province. There is difficulty in obtaining regional and provincial directors for Torino owing to (i) low salary; (ii) tendency to avoid state employment.

5 (out of 7) Provinces are now organized.

RIJAO has held 3 meetings.

Unione Industriale is organized in every Province, one delegate from each Province reports to Torino and the Torino delegate acts as liaison.

- (f) Mr. Braine stressed the need for speedy and complete organization and referred to General Order 48, which would require clear action at Labor Offices. An instruction, in Italian, stating the new procedure for non-dismissal and wage adjustment should be prepared for Provincial Offices. It should also be verified that Regional Finance Offices have funds readily available.

Labor Officers asked to furnish Headquarters, Rome with detailed statements of Regional Labor organizations & salaries, with recommendations.

A report was also desired on the working of RIJAO.

8. Mr. Di Reda raised the question of Commissari for winding up ex-Fascist organizations and asked who should recommend appointment. He suggested that Intendente Finanza should be responsible but was uncertain whether a local commissario or the National Liquidator should be actually appointed. Capt. Bailey stated that CLN Prefects wish to arrange the appointments under an Italian Decree but in most instances the work has already been completed.

Mr. Braine stated that the ultimate responsibility was the State's, but that it devolved as a cash and property question on Finance Branch. In the last resort the appointment of commissario should be made by the Regional Commissioner, and the Regional Labor Officer may recommend the appointment of CLN nominees. Screening would of course follow.

9. Surplus Workers

Mr. Braine made it clear that it is for the Italians to say:

- (i) what surplus there is;
- (ii) what industries, including agriculture, can absorb any of the surplus.

There will be large numbers for whom there is no employment and to whom, in the long view, relief schemes will be of little help. This, however, is Italy's own problem. General Order 48 will provide for regulation of discharge and, if desired, this Order can be amended or modified. The Italian Treasury have agreed that special action will be taken to meet financial claims arising under the Order, from employers. Major Salsina estimated that, on the basis of a 48-hour week, there are 50,000 surplus workers in Torino.

10. Socialization

Mr. Braine gave the background of socialization under the Fascist regime. It is doubtful whether the members of workers' management committees are representative or how far they have legal authority under CLN Decree. Labor Officers should supply A.C. Headquarters with full information on the extent of socialization with a detailed description of the position in each firm concerned.

11. State Employment

Mr. Braine explained that as State employees are eventually paid from the Italian Treasury, Finance Branch insist on having primary interest. Wages are low, but proposals for increase are under consideration. The aim is to increase Northern wages to Southern level by September (this increase to include "liberation bonus").

It is important that:

- (a) Employees above the Southern scale should not receive more bonuses;
- (b) Employees on low salaries should receive a real benefit and not merely an advance that they have to hand back.

12. Private Industrial Wages

Mr. Braine described the purpose of General Order 41 - to hold prices so that wages can be regulated accordingly. The price aspect is not entirely satisfactory and on the wages side there is provision for keeping in step through negotiating machinery, if prior approval is given by ANO. The ideal is a National Wages Regulation Board and the badge of this lies in RIJAC. The latter may be informed that a specific standard having been set, ANO will more or less automatically approve up to that level. The levels will, of course, vary by Regions.

Labor Officers should give A.C., Headquarters a summary of all wage changes approved.

Labor Officers should also furnish their views on the steps to be taken until September regarding increase of industrial wages and avoidance of black bonuses. Mr. Di Edo described the position in Milano where 3 banks have granted increases in pay retrospective to 1st January 1945, on the basis of an old Fascist Decree that was never officially published. Arrears of 69,000,000 lire are payable to employees of the 3 banks. The Camera del Lavoro is agitating for universal adoption of the Decree and agreements are being negotiated providing for huge arrears.

Capt. Bailey asked for clarification of the Mezzadria system and Mr. Braine agreed that the Ministry of Agriculture should be asked to obtain a decision as to what proportion of the crop is to be shared during the coming year.

13. Armed Forces Wage Scale

Mr. Braine explained that this scale conforms to the "good employer" level and the Army authorities have endeavored to avoid inflation of wage levels in the North. It is hoped that the Wages Control Committee may soon agree that labor can be engaged at any point between the minimum and maximum of the authorized scales, plus such proportion of the cost-of-living bonus as may be necessary to bring wages up to the local scale. Labor Officers agreed that a fast rule of 50% of the 60 lire bonus is insufficient; they also agreed that a local committee might be set up, officially or unofficially, to fix a uniform rate for different employers.

Variations within the maximum and minimum of the scale seem appropriate for fixation according to the individual worker.

14. Labor officers raised the point of Italian Decrees, affecting labor, being implemented without the knowledge of the labor officers (e.g., control of "assint. states"). They asked that a list of all Decrees affecting labor & provisions of them, should be furnished.

4898

file

HEADQUARTERS ALLIED COMMISSION
 AND
 LABOR CO-ORDINATION

12/75

Tel. 46001 - 24

31 July 1945

REF : 120/305

SUBJECT: Conference of Labor Officers at
 Milan on 31st August 1945

TO : Col. C. Poletti - R.C. Lombardia Reg.
 Brig. M. Carr - R.C. Liguria Reg.
 Col. R.P. Marchesi - R.C. Piemonte Reg.
 Brig. J.K. Dunlop - R.C. Veneto Reg.
 Lt. Col. A.C. Bowman - A.C. Emilia Reg.

NOTE

It is proposed to convene a conference of Regional Labor Officers at Milan on Thursday 31st August.

The Conference will commence at 9 a.m., and the agenda, together with information as to the location of the Conference room will be notified later.

I should be glad if you could arrange for your Labor Officers to be available at Milan on that date.

Yours sincerely

4237



W. E. HAINES
 Director
 Labor Co-ordination

HEADQUARTERS ALLIED COMMISSION
APO 894
LABOR SUB-COMMISSION

~~CONFIDENTIAL~~
LSC/905
KH/PHW

26 June 1945

REPORT ON MEETING OF LABOR OFFICERS FOR NORTHERN ITALY

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Capt. Bailey	- Venesia Region
Mr. Di Fede	- Lombardia Region
Major Scicluna	- Piemonte Region
Sgt. Sorisi	- Liguria Region
Mr. Airey	- Labor Sub-Commission, A.C. Hq.
Mr. Hird	- Labor Sub-Commission, A.C. Hq.
<i>Mr. [illegible]</i>	<i>[illegible]</i>

Absent:-

Major Fisher	- Liguria Region
Col. Lane	- 5th Army
Capt. Giammarco	- Venesia Region
Capt. Schnee	- Emilia Region
Lt. Cantilli	- Piemonte Region

3. Mr. Braine summarized labor difficulties in the North, and stressed the need for machinery to handle problems. Guiding factors must be:

- (a) The Italians and their machinery must be prepared to assume responsibility for labor questions. There will not, in the North, be repetition of our detailed action in Sicily.
- (b) The bubble of false optimism must be pricked. With industry undamaged Northern Italy dreams of being the workshop for Central Europe. The fact is that the productive capacity of *initial* can cope with demands.

Within Italy, one firm alone (Pirelli) can supply the rubber needs of the whole country. Rayon production, for which Italy expects heavy demand, is unlikely to be developed owing to shortage of shipping space for importing raw material.

There is, again, the dire shortage of coal, and no prospect of any great increase in coal imports.

- 2 -

Italian industry may, during the next 12 months, attain 55% of its pre-war productive capacity.

4. Immediate problems are:

- (a) Provision of adequate relief measures;
- (b) Reduction of surplus workers;
- (c) Stabilization of wages and prices;
- (d) Establishment of machinery;
- (e) Socialization of industry.

These are all vital problems, and a directive and policy cannot be given from Rome unless the full facts are known. The aim must be a unified policy, with the same general principles applied throughout, and this policy must initiate from, or be agreed by, the Italian Government.

Reports from Labor Officers are essential, especially in connection with industrial disturbance and unrest. Reports should differentiate between labor agitation (agitazione) and complete stoppage with no intention of resuming (sciopero). Reports should give full information and the Labor Officer's assessment of the position. Provincial Labor Offices will provide a useful net-work for collecting this information.

5. Reduction of surplus labor is a pressing problem. Industry has a hard core of industrial experts who are needed now, a larger number of experts who may be needed in the next six months, and a larger force that will never be needed by industry. These latter must be pared down so that industry can cost and price its commodities. The Allied Purchasing Agents cannot place contracts until costing is possible. But there must be an alternative to throwing hundreds of thousands of workers on the streets. General Order 48 will regulate this and will guarantee funds. Labor Officers should advise Labor Sub-Commission, Headquarters, on or about 30th July as to whether the subsidy to Cassa Integrazione should be continued beyond 31st July.

6. Minimum wage rates for Northern Italy have been under review. It is hoped that wage studies in respect of Milano will be forthcoming. There is doubt as to the application of the presence indemnity in Torino. Major Scicluna confirmed that the presence indemnity is a separate item in the contract of service for furniture making. It is paid in all other trades in the area but is not known as a separate item in the gross pay make-up. Major Scicluna stated that the issue by employers of food packages and clothing at regular intervals has been rampant in Piemonte Region, and was still being done by Fiat.

- 3 -

Organization

- (a) Major Albright reported on the organization of Labor Offices in Emilia. The Regional Office functions in Bologna. There is little placing work but 13 wage agreements have been negotiated. RIJAC has held 3 formal meetings. The Council is composed of local people from Bologna but they operate at a regional level.

The Unione Industriale is organized and meets at Bologna on 15th July.

Communal Offices are operating - 10 personnel to each - but they have not yet been screened.

- (b) Capt. Bailey stated that in Venezia 8 Labor Offices have been opened, leaving 2 Provinces not yet organized. Difficulty has been experienced in Treviso where low salaries do not attract and where office accommodation was not easily obtained.

RIJAC has held 3 meetings in Venezia. There is a Sub-Provincial Council in each Province which handles cases initially and passes them to the Regional Commissioner within 5 to 6 days.

- (c) Mr. DiFede explained the difficulties of organization in Lombardia. Regional and Provincial Offices in Milano have been established, also 5 Provincial Offices, leaving 4 Provinces not yet organized. In the Milano Office 22 heads of sections had to be discharged following screening. Provincial Commissioners, whilst recognizing the need of advice on labor problems, are slow in organizing. Unione Industriale is established.

- (d) Capt. Alessandrini reported on Liguria where a Regional and 4 Provincial Offices are organized. There is difficulty in Imperia, Ventimiglia and Bordighera, owing to French occupation. There has been some difficulty explaining requirements to Provincial Commissioners.

4234

- (e) Major Scicluna dealt with Piemonte where all except one Provincial capital has a Collacamento and staffs have been screened. Communes have part-time employees reporting to Zone, and Zone reports to Province. There is difficulty in obtaining Regional and Provincial Directors for Torino owing to (i) low salary; (ii) tendency to avoid State employment.

Provincial Commissioners delayed the selection of Labor Officers, but 5 (out of 7) Provinces are now organized.

- 4 -

RIJAC has held 3 meetings; since the arrival of Camini there has been a tendency to circumvent RIJAC.

Unione Industriale is organized in every Province, one delegate from each Province reports to Torino and the Torino delegate acts as liaison.

- (f) Mr. Braine stressed the need for speedy and complete organization and referred to General Order 43, which would require clear action at Labor Offices. An instruction, in Italian, stating the new procedure for non-dismissal and wage adjustment should be prepared for Provincial Officers. It should also be verified that Regional Finance Officers have funds readily available.

Labor Officers asked to furnish Headquarters, Rome with detailed statement of Regional Labor organizations' salaries, with recommendations.

A report was also desired on the working of RIJAC.

8. Mr. DiFede raised the question of Commissarii for winding up ex-Fascist organizations and asked who should recommend appointment. He suggested that Intendente Finanzia should be responsible but was uncertain whether a local Commissario or the National Liquidator should be actually appointed. Capt. Bailey stated that CLN Prefects wish to arrange the appointments under an Italian Decree but in most instances the work has already been completed.

Mr. Braine stated that the ultimate responsibility was the State's, but that it devolved as a cash and property question on Finance Branch. In the last resort the appointment of Commissario should be made by the Regional Commissioner, and the Regional Labor Officer may recommend the appointment of CLN nominees. Screening would of course follow. It seemed desirable that a directive should be issued.

9. Surplus Workers

Mr. Braine made it clear that it is for the Italians to say:

- (i) what surplus there is;
- (ii) what industries, including agriculture, can absorb any of the surplus

There will be large numbers for whom there is no employment and to whom, in the long view, relief schemes will be of little help. This, however, is Italy's own problem. General Order 43 will provide for regulation of discharge and, if desired, this Order can be amended or modified. The Italian Treasury have agreed that special action will be taken to meet financial claims arising under the Order, from employers. Major Scieluna estimated that, on the basis of a 43-hour week, there are 50,000 surplus workers in Torino.

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.. Socialization

Mr. Braine gave the background of socialization under the Fascist regime. It is doubtful whether the members of workers' management committees are representative or how far they have legal authority under CLN Decree. Labor Officers should supply A.C. Headquarters with full information on the extent of socialization with a detailed description of the position in each firm concerned.

11. State Employment

Mr. Braine explained that as State employees are eventually paid from the Italian Treasury, Finance Branch insist on having primary interest. Wages are low, but proposals for increase are under consideration. The aim is to increase Northern wages to Southern level by September (this increase to include "liberation bonus"). It is important that:

- (a) Employees above the Southern scale should not receive more bonuses;
- (b) Employees on low salaries should receive a real benefit and not merely an advance that they have to hand back.

12. Private Industrial Wages

Mr. Braine described the purpose of General Order 41 - to hold prices so that wages can be pegged. The price aspect is not entirely satisfactory and on the wages side there is provision for keeping in step through negotiating machinery, if prior approval is given by AMG. The ideal is a National Wages Regulation Board and the basis of this lies in RIJAC. The latter may be informed that a specific standard having been set, AMG will more or less automatically approve up to that level. The levels will, of course, vary by Regions.

Labor Officers should give A.C., Headquarters a summary of all wage changes approved.

Labor Officers should also furnish their views on the steps to be taken until September regarding increase of industrial wages and avoidance of block bonuses. Mr. DiFede described the position in Milano where 3 banks have granted increases in pay retrospective to 1st January 1945, on the basis of an old Fascist Decree that was never officially published. Arrears of 69,000,000 lire are payable to employees of the 3 banks. The Camera del Lavoro is agitating for universal adoption of the Decree and agreements are being negotiated providing for huge arrears.

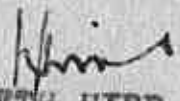
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Capt. Bailey asked for clarification of the Mezzadria system and Mr. Braine agreed that the Ministry of Agriculture should be asked to obtain a decision as to what proportion of the crop is to be shared during the coming year.

13. Armed Forces Wage Scale

Mr. Braine explained that this scale conforms to the "good employer" level and the Army authorities have endeavored to avoid inflation of wage levels in the North. It is hoped that the Wages Control Committee may soon agree that labor can be engaged at any point between the minimum and maximum of the authorized scales, plus such proportion of the cost-of-living bonus as may be necessary to bring wages up to the local scale. Labor Officers agreed that a fast rule of 50% of the 60 lire bonus is insufficient; they also agreed that a local committee might be set up, officially or unofficially, to fix a uniform rate for different employers. Variations within the maximum and minimum of the scale seem appropriate for fixation according to the individual worker.

14. Labor Officers raised the point of Italian Decrees, affecting labor, being implemented without the knowledge of the Labor Offices (e.g., Control of Fascist Estates). They asked that a list of all Decrees affecting labor & precis of them, should be furnished.


KENNETH HIRD
Labor Sub-Commission

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LABOR SUB-COMMISSION
A.C.
Routing Slip

	Initials	Date
Mr. H. H. DRAINE		
Mr. SACHS	<i>tes</i>	
Mr. DI PEDE		
Mr. ARREY		
Mr. SCOTT	<i>RA</i>	<i>5/7</i>
Mr. PROCTOR	<i>SO</i>	<i>10/7</i>
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