

ACC 10000/146/235 LSC /918

INTER-MINISTERIAL COMMITTEE FOR RECONSTRUCTION

June 1945

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HEADQUARTERS ALLIED COMMISSION  
APO 294  
LABOR SUB-COMMISSION

WES/raw

14 June 1948

TEL : Ext. 904  
REF : LSC/318  
SUBJECT: Liaison Office  
TO : Acting Vice President  
Economic Section

1. This is in reply to your memorandum of 11 June, 7.16/EE, regarding weekly meetings with Italian Ministries.

2. I suggest that Deputy Vice President, Finance Sub-Commission, Industry Sub-Commission and Labor Sub-Commission should regularly attend, since all questions will inevitably affect those interests. Other members need attend only when their particular interests are subject of discussion.

3. I think the program prepared by Mr. Caracciolo is too ambitious and would create a bottleneck in correspondence, particularly from the point of view of original translations. Although the translations prepared under his guidance might be in the best possible form, I think it outside his capacity, with the aid of one translator-typist, to handle the traffic involved. Up to the present Sub-Commissions have conducted their own correspondence and made their own translations. I suggest that the procedure should be as follows:

(a) Incoming and outgoing correspondence with the Italian Government should continue to be handled, in the first instance, by the Sub-Commissions concerned.

(b) A copy of the original and of the translation should automatically be supplied to the Liaison Officer, who would thereby receive the correspondence as soon as the officer responsible for dealing with the questions arising. This would give the Liaison Officer the opportunity of scrutinizing the accuracy of the translation and giving immediate advice to the Sub-Commission concerned where a serious error had occurred.

5384

- 2 -

- (c) Liaison Officer should circulate to Vice President, Deputy Vice President and permanent members of the Liaison Committee a daily summary of correspondence containing in the briefest précis form, an indication of the subject and purpose of the letter and indicating the Sub-Commission concerned.
- (d) Liaison Officer to prepare agenda for regular meetings as proposed.
- (e) Liaison Officer to compile minutes and distribute for action or information to all concerned.

4. Proposal that the Liaison Officer should, "Receive and make phone calls with Italian Government, settle appointments, etc.", seems over ambitious as he will probably not be able to deal with the amount of work involved. It is a lengthy and tiresome business to make an appointment with an Italian Minister when one section is trying to do it on one subject. It would, however, be useful for him to be informed of appointments made, or proposed, which he could enter up in daily diary form and circulate for information, so that there could be some unification of approach to Italian Ministers. This would enable Sub-Commissions to join with other Sub-Commission when they wished to make personal contacts.

5. I think above all the Liaison Office should be speedy and active, and should not build up to a ponderous section in which documents and subjects are lost without trace. Subjects handled should, therefore, be kept to a minimum and should be of the most important nature. The object should not be to attract as much work as possible but to insure that highly important subjects are dealt with after proper notice and proper briefing and with concrete suggestions on items replied in order to avoid vague conversations.

*W. H. Braine*

W. H. BRAINE  
Director  
Labor Sub-Commission

5383

ALLIED CONTROL COMMISSION  
INTER OFFICE MEMO

*LS4/918*

From: General McKinley

SUBJECT: Liaison Office

FILE No. 716/ES

TO: Mr. W. H. Braine, Director  
Labor Sub-Commission

11 June 1945

Further to our recent conversation concerning the creation of a Liaison Office to handle our weekly meetings with the ministers, Mr. Caracciolo, who I had planned to make Chief of the Liaison office and official interpreter, has drafted the attached procedure.

Will you let me have your comments, please?

I had planned to ask you to serve as chairman of the weekly supervising group and will welcome your suggestion as to other members.

*McKinley*

E. B. MCKINLEY  
Brigadier General, U.S.A.  
Acting Vice President

*1382*

Tel. 366

HEADQUARTERS ALLIED COMMISSION  
APO 394  
ECONOMIC SECTION

OC/jcs

*25/9/45*

8 June 1945

SUBJECT: Office of Liaison Between Economic Section AC, and the Inter-ministerial Committee for Reconstruction of the Italian Government

TO: Brigadier General E.B. McKinley

The main task of the Liaison Office will be the preparation of the agenda for the weekly meetings with the Interministerial Committee for Reconstruction. For this purpose it is necessary that the Liaison Office should be fully informed of all correspondence between Economic Section and the Italian Government; therefore, the Liaison Officer should:

- 1) Receive all the incoming letters from the Italian Government.
- 2) Translate the said letters into English with an appropriate form, from which should result:
  - a) From which Ministry it is sent
  - b) To whom it is addressed
  - c) Date of expedition and reception
  - d) An internal progressive number for file purposes
  - e) The subject
- 3) Take care of the internal distribution to the competent divisions of Economic Section and Sub-Commissions in a rapid way that will enable the Economic Section divisions or sub-Commissions to take appropriate action in time for the next Interministerial meeting.
- 4) Propose to and obtain from Economic Section divisions and sub-Commissions subjects for discussion to be included in the agenda.
- 5) Preparation of the agenda with attached eventual press releases and memoranda for the Italian Government.

The Liaison Office will furthermore:

- 1) Compile the minutes of the meetings and distribute the copies to all concerned.
- 2) Receive and make phone calls with Italian Government, settle appointments, etc.
- 3) Make internal memos and keep records of all questions that may arise daily.

The following personnel will be necessary:

- 1 Chief of Liaison Office
- 1 Translator-typist
- 1 Secretary-typist

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G. Caracciolo

*Caracciolo*

HEADQUARTERS ALLIED COMMISSION  
APO 334  
LABOR SUB-COMMISSION

*Despatch File*  
*Sfo*

DCS/row

8 June 1945

TEL : EXT. 204  
REF : LSC/9/8+303

Gentlemen:

This will acknowledge receipt of your letter of 31 May concerning the wages of workers for the Allied Forces in Messina, Sicily.

Determinations of this kind are now in the hands of Local Sub-Committees representing employing services of the Allied Forces. The minutes of the meeting of this Sub-Committee report that the indennita di contingenza had not yet been determined. It is expected that the Committee will give consideration to changes in wage rates in private industry.

It may prove helpful if you ask the Camera del Lavoro in Messina to communicate with Captain C. M. Campbell, Royal Navy, or Commander A. A. Chappell, Royal Navy.

Yours very truly,

W. H. BRAINE  
Director  
Labor Sub-Commission

Confederazione Generale Italiana del Lavoro  
Via Boncompagni, 19  
Rome

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918  
LSC/401-1002

MINUTES OF MEETING BETWEEN THE INTERMINISTERIAL COMMITTEE FOR RECONSTRUCTION OF THE ITALIAN GOVERNMENT AND ECONOMIC SECTION AC, HELD AT THE GRAND HOTEL - ROME, ON THE 7th JUNE 1945

Were Present:

- Mr. Antolini.....Vice President, Economic Section
- Brig. McKinley.....Deputy Vice President, Supply Division
- Brig. Anderson.....Deputy Vice President, Production Division
- Mr. Braine.....Director, Labor Sub-Commission
- Mr. Caravaglia.....Staff, Economic Section
- Mr. Caracciolo.....Staff, Economic Section
- M.E. Ruini.....President, Interministerial Committee
- M.E. Grenchi.....Minister of Industry Commerce and Labor
- M.E. Soleni.....Minister of the Treasury
- M.E. Pasenti.....Minister of Finance
- M.E. Arabona.....Minister of Transport
- M.E. Admiral De Courten.....Minister of Marine
- M.E. Bergamini.....High Commissioner for Food
- M.E. Segni.....Undersecretary of State for Agriculture
- Dr. Di Nola.....Economic Section, Ministry of Foreign Affairs
- Dr. Boggi.....Secretary Interministerial Committee
- Prof. Scibante Technician .....Interministerial Committee

The meeting was opened at 1630 hours under the chairmanship of Mr. A.G. Antolini.

M.E. Soleni stated that the French Embassy had informed the Italian Government did not intend recognizing the French currency held by the Italian Treasury and would therefore not accept any payment made with that currency. Minister Soleni pointed out to the French representative that it was somewhat unusual for a government not to recognize a currency that bore their signature, and considered the whole transaction highly incorrect. He furthermore informed AC that he intended depositing the French currency that amounted to nearly 1000 millions with the Allied Financial Agency.

After this statement by the Minister of the Treasury, the Interministerial Committee presented AC with a letter signed by Premier Bonomi, covering the following questions:

I. Premium of Liberation

M.E. Ruini presented a memorandum containing the Italian Government's point of view on the subject of Premium of Liberation for Northern Italy, and that in fact was the text of the press release to be issued.

Mr. Braine inquired if the paragraph regarding state employees meant that the Italian Government meant to pay the premium also to this category of workers.

0373

-2-

M. E. Rinali pointed out the statement only mentioned that the government would take into consideration the possibility, after operation. Therefore the government was by no means bound, and furthermore, nearly all the state employees up North were employed by the Fascist Government and therefore would be operated. He considered that very few would remain in office and then the Government would take a decision. In any case, he stressed the importance of paying these premiums in monthly allotments so as not to unbalance the financial situation. Furthermore, he was worried about the repercussions this measure might have in Southern Italy where workers would also claim Liberation premiums. Was it possible then to announce it not as a decision of the Italian Government but as if coming from ASD?

Mr. Brains stated that the communique would be made as an initiative of private concerns in North Italy that had freely agreed on this premium with their dependent employees. The measure was approved by ASD after having duly consulted with the Italian Government. The text of the press release which emphasized the phrase 'For Northern Italy' was approved by all present and it was agreed that it would be published only in the press of Northern Italy.

## II. Reduction of Labor in North Italy's Plants

Mr. Antolini presented a memo containing AG's point of view on this matter.

Mr. Bergamini stated that in the various factories of North Italy a workers' mess system worked very efficiently. He asked if it would be possible for the workers to continue to participate in these messes until their final transferral for otherwise he claimed they would find themselves in serious difficulties for their food.

Mr. Antolini agreed to this proposal.

M. E. Rinali submitted a memo regarding the price of wheat and bread. He stated that whereas in Southern Italy the price would remain at 450 lire per ql. plus a bonus of 450 lire, in Northern Italy they would establish the price of 450 lire per ql plus a minimum premium of 150 lire that may be augmented according to the expenses of mowing and threshing. As for the price of bread, he proposed to defer the question until the end of July when the harvest in Northern Italy will have been gathered. He then referred to the German captured war material. He stated that Premier Bonomi had written to Admiral Stone asking that all the material not required by the Allied armies should be given to the Italian Government as recognition of the Italian war effort and participation in the liberation of the North. However, Col. Campbell (War Material Disposal and POW) had considered stating that the Italian Government would have precedence over private individuals for the purchase of such materials.

As regards the personnel and equipment of the TOTT organization, he stated that the Italian Government would appreciate having the equipment but not the German directive personnel.

Mr. Antolini asked if the Italian Government had laid down the policy regarding the price at which imported goods would be sold and could AG be informed as soon as possible? He also informed the Italian Government that very large stocks of all kinds of goods that were to have been sent

5318

-3-  
to Germany had been blocked by the Allies at Bolzano. Would the Italian Government send immediately a mission of experts to make an inventory of all the materials and establish to what use they can be put.

H.E. Ruini thanked Mr. Antolini and agreed to send a mission. In the meantime could not the Italian Division 'Fulgore' that was in that locality be used for guarding and collecting the goods? And to whom would this mission refer to when they get to Bolzano?

Brigadier Anderson stated that Col. Mackrey would give them all instructions and means for carrying out their mission.

Mr. Antolini spoke of the movements of goods between Northern and Southern Italy now that the economic boundary had been removed. He considered that apart from those five or six food products (wheat flour etc.) that were already rationed, and certain types of textiles that were still to be controlled. All other goods were to be allowed to move freely, especially as the lack of transport would not allow large stocks to be transferred and would automatically create a priority selection.

H.E. Gronchi stated that large stocks of textiles existed in North Italy that had been blocked by the Fascist Government, that were easily findable, the freeing of which ought to be maintained, and adding to these all the textiles that the German RUK intended removing to Germany and that had been recuperated. They had a sufficient amount of textiles (nearly 50,000,000 mts) that could be issued to the civilian population with a ration system, through controlled channels and at a controlled price. The distribution of these textiles, he considered, would considerably lower existing prices, and would force speculators to put on the market all the goods they had hoarded. As regards cement, North Italy would produce sufficient quantities for it to be sold at a low price on a free market, provided they were supplied with the necessary coal.

Mr. Antolini agreed and approved this scheme, and asked Minister Gronchi how much time would it take to organize the distribution.

H.E. Gronchi replies that he considered 10 or 15 days were necessary.

H.E. Ruini stated that he had information that an international food conference would be held in London, and asked if the Italian Government could send a representative or an observer especially as Italy produced for exportation many products such as pulses, greens, lemons, oranges, nuts and figs etc.

Mr. Antolini replied that a formal request should be made by the Italian Ministry of Foreign Affairs.

H.E. Ruini then expressed the Interministerial Committee's deep regret that Mr. Antolini would be leaving this country and the appreciation and gratefulness of the Italian Government for the work and more than work, the help that Mr. Antolini had given to Italy.

The meeting was closed at 1800 hours.

1377

ECONOMIC SECTION

Date \_\_\_\_\_

Internal

External

Fr.	To	Fr.	To
	Vice President		ECONOMIC SECTION
	Maj. Anderson		AGRICULTURE SUB-COMMISSION
	Mrs. Gen. McKinley		COMMERCE
	Col. Denmore		FINANCE
	Col. Walton		FOOD
	Lt. Col. Thompson		INDUSTRY
	Maj. Doe		LABOR & Welfare
	Maj. Murtagh		PW & U.
Y	Maj. Roody		TRANSPORTATION
	C. A. Corlito		UNITED NATIONS
	Capt. Atkins		PRICES SECTION
	Capt. Williams		REQUISITION BRANCH
	Capt. Highland		EXECUTIVE COMMISSIONS
	Lt. Morgan		
	Lt. Barber		CIVIL AFFAIRS SECTION
	Mr. Sturfer		ESTABLISHMENT SECTION
	Chief Clerk		
	Lt. Arensburg		

For Appropriate Action	Notice & Retention
Remarks/Recommendation	Signature
Dispatch	Investigation & Report
Information	Att. Copy
Circulation & Return	Noting & Return

Remarks:

NOTE:

1. Notations to be made on correspondence - Not on Buck Slip.
2. When correspondence is ready for file - Please write word "FILE" and initials on correspondence - NOT on Buck Slip.

5376

*(Agreed 6<sup>th</sup> June by Ministerial Reconstruction  
no. 180/918)*

HEADQUARTERS ALLIED COMMISSION  
APO 394  
LABOR SUB-COMMISSION

DBB/rav

7 June 1945

EMPLOYMENT OF MANPOWER

1. Allied Military Government has consulted the Italian Government with regard to the regulation of employment of labor in industrial establishments where there is at the moment a surplus of workers. The Italian Government is of the opinion, which Allied Military Government supports, that it is desirable to avoid large scale dismissals of labor because at the moment there is not full employment for all of them; and that until further notification it is necessary to advise employers to refrain from large scale and unregulated discharges. Ordinance No. 3 of the CLSAI, which refers to this issue, is accordingly to be regarded as continuing in force until a later Decree on the subject is issued.

2. It is the desire of the Italian Government, in conjunction with Allied Military Government, to arrange for surplus manpower to be transferred from industrial establishments to other employment in agriculture, public works, etc., and action to this end will be commenced as soon as possible with the collaboration of all interested parties. In the meantime the Italian Government is willing to finance, up to July 31, the Cassa Integrazione Salari to enable it to continue functioning and to assist employers in making payments to surplus workers in accordance with arrangements which have been made or which may be made in the near future.

5375

816 BST  
Hoffman

MINUTES OF THE MEETING OF RISING AS HELD ON  
JUNE 2ND, 1948, AT THE GRANDE HOTEL.

**PRESENT:**

- Mr. Antolini, Acting Vice President, Economic Section,
- Colonel Jenny
- Major Genl. Commerce Sub-Commission
- Colonel Mezzopese, Finance Sub-Commission
- Mr. Braice, Labor Sub-Commission
- Mr. Garavaglio, Economic Section
- H. A. Raini, Minister of Public Works
- A. E. Molari, Minister of the Treasury
- H. E. Pesenti, Minister of Finance
- H. E. Gronchi, Minister of Industry-Commerce and Labor
- H. L. De Courton, Minister of the Navy
- Comm. Di Mela, Chief of Sec. Ministry of Foreign Affairs,
- Mr. Bonzi, Secretary Interministerial Committee
- Comm. Garavalo, General Director Ministry of Industry-Commerce and Labor.

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Meeting is opened at 14:45 hours by Mr. Antolini.

Mr. Antolini: Announces that on Monday, June 4th, he will go to Milan to make an inspection of the movement of goods on which he will report at the full ministerial meeting to be held on Thursday June 9th at 1600 hours. Today he will give only an outline of this matter while he will examine details of same on Thursday.

H. E. Adini:

Advices Mr. Antolini to make a careful inspection of the said movement, as since the abolition of the "sanitary" cordon we have passed from full control to no control, and we must observe the results.

Mr. Antolini:

Goes on to the first point to be discussed; that is the payment to the North of the Liberation Award, asking the Government to declare their point of view on the settlement of same.

H. E. Gronchi:

Gives a brief outline of this movement. During the last months of the German Occupation, he says, the leaders of industry promised to give an award to their workers if, with the help of the latter, they managed to save their factories from destruction. After liberation, there were many discussions between the Milan Chamber of Commerce and the Unione Industriali on this matter and it was decided to pay an award of from 500,000 lire down, according to the status of the worker; then, like an oil mark which grows larger, after the workers in the industrial section had been compensated, the workers in commerce, agriculture, private enterprise and

H.K. Mohl:

Advices Mr. Antolini to make a careful inspection of the said movement, as since the abolition of the "sanitary" curfew we have passed from full control to no control, and we must observe the results.

Mr. Antolini:

Go on to the first point to be discussed; that is the payment to the North of the liberation fund, making the Government to declare their point of view on the settlement of same.

H.K. Gronchi:

Gives a brief outline of this movement. During the last months of the German Occupation, he says, the leaders of industry promised to give an award to their workers if, with the help of the latter, they managed to save their factories from destruction. After liberation, there were many discussions between the Milner Chamber of Commerce and the Unions Industriale on this matter and it was decided to pay an award of from 5000 lire down, according to the status of the worker; then, like an oil mark which grows larger, after the workers in the industrial sector had been compensated, the workers in commerce, agriculture, private enterprises and public institutes wanted to have compensation too.

Mr. Braine:

Proposes that payment of said award be announced by the Italian Government, as an action in which they are helped by ANI by means of a decree which shall authorize said payment.

H.K. Gronchi:

He opposes to this, because this is a matter which falls under the jurisdiction of the Allied Military authorities. This is not in any case a matter for the Government to decide, as it is the result of agreements made by the interested parties.

478

Mr. Braiser: Asks if all the workers are eligible for the liberation award, even those who were displaced and are now coming back. It is necessary to make this clear so as to issue the right awards.

H. S. Solari: If we want to act democratically we cannot "Order". We must let the representatives of the interested parties come to an agreement without our intervention.

H. S. Solari: Some firms, among the most important, have paid this award, others have not because they find themselves in difficulties. If there were a decree, an order to pay said award, that is to say those latter firms would be entitled to ask the help of the State, which must be absolutely out of the question, so as not to make the monetary situation even worse. On the other hand, if some of the workers have received this award it will be very difficult not to give it to the others. He advises therefore that the award be given in the measure which will be established by the agreements arrived at between the workers and the employers, but the amount to be paid in installments covering a period of four or five months.

Mr. Braiser: It will be necessary to make this clear to avoid more confusion. An agreement exists, that is to say, at present limited to the workers in the industrial sector, but which leaves a clear field for other sectors. It is necessary to specify, however, if said agreement includes all workers in general, or only those paid up to the day of April and not to those who were absent after said date, or who had left or been dismissed before that date, and excluding those workers who are to be "expatriated" (paraded).

H. S. Solari: As for all the employees in public administrations who went North, they have all been suspended for "repatriation" and are therefore not eligible for this award. As for those who were employed locally in public in public administrations, they must first be judged for repatriation, and then, if not guilty they will be awarded.

Col. Menopace: Some firms will not be able to pay this award as they have suffered heavy losses and because they are not producing now.

H. S. Solari: In any case I must exclude State intervention. What I should prefer would be an advance on credits to said firms even if not yet ascertained, but with the personal responsibility of the employers. This is to allow them to make payment of compensation to their employees. If or this the permission of the Allies is required.

Mr. Antolini: Sum up - The liberation award will be paid on the basis of what agreements arrived at between the interested parties.

...the covering a period of

Mr. Brasini:

It will be necessary to make this clear to avoid some confusion. In agreement exists, that is to say, at present limited to the surgeons in the industrial sector, but which leaves a clear field for other sectors. It is necessary to specify, however, if said agreement includes all workers in general, or only those paid by the kind of firm and not to those who were absent after said date, or who had left or been dismissed before that date, and excluding those workers who are to be "separated" (paraphrased)

H. K. Soleri:

As for all the employees in public administrations who went North, they have all been suspended for "separation" and are therefore not eligible for this award. As for those who were employed locally in public administrations, they must first be judged for operation, and then, if not guilty they will be awarded.

Col. Menopace:

Some firms will not be able to pay this award as they have suffered heavy losses and because they are not producing now.

H. K. Soleri:

In any case I must exclude State intervention. That I should prefer would be an advance on credits to said firms even if not yet ascertained, but with the personal responsibility of the employers. This is to allow them to make payment of compensation to their employees. / or this the permission of the Allies is required.

Mr. Antolini:

Sum up - The liberation award will be paid on the basis of free agreements arrived at between the interested parties. The field remains clear for further requests from other organizations, such as workers in agricultural and commercial concerns, etc.

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11

Mr. Antolini: Goes on to the second point. The dates of April 1961  
no one can dismiss workers unless obliged to by extreme  
necessity.

H.L. De Courten: Points out that the Venice Arsenal where formerly 800  
workers were employed there are now 2000. As they can-  
not be dismissed on the basis of said decree, it means  
paying 9 million lire every fortnight, for workers engaged  
by the Republic and who are not now working.

Mr. Antolini: Asks the Government to give their opinion on this sub-  
ject after having studied the problem.

H.L. Grossi: Declares that it is impossible to keep all the workers,  
so that it will be necessary to:

1. See if it is possible to send back to agriculture those  
workers who come from the country and who know how to  
do farm work;
2. Notice specialized and skilled workers to give up  
temporarily, their rights as specialized and skilled workers;
3. Reconstitute the "cerca di integrazioni" which has  
no more funds.

Mr. Brucini: Points out that it would be advisable to put the "cerca  
di integrazioni" in second order so as to prevent workers from  
remaining out of work before finding new employment.

H.L. Ruffini: It is not possible to dismiss these workers at present;  
we must leave things as they are for the moment. We must  
constitute in the meanwhile an office which can give or-  
ders in agreement with the Albo and which must study a  
plan of transformation. This office must be composed  
of employees, preferably from the industrial sector, but  
also from public works and from agriculture. The office  
would have to set up co-ordinating organization between  
the Albo, the Italian Government and the National Libera-  
tion Committee of Northern Italy (C.L.N.I.).

Mr. Antolini: Declares that the C.L.N. must only have consultative functions.

H.L. Grossi: Industries can carry on for a further two months; it is  
necessary however to let them know that before the end of  
July this problem will be solved. It would certainly be  
necessary to put the "cerca di integrazioni" in working  
order again, and for this we must calculate how much state  
contributions would amount to in this period.

temporarily, their "carve di integrazioni" which has no new funds.

Points out that it would be advisable to put the "carve di integrazioni" in good order so as to prevent workers from remaining out of work before finding new employment.

It is not possible to discuss these workers at present; we must leave things as they are for the moment. We must be sensitive in the meanwhile in office which can give orders in agreement with the allies and which must study a plan of transformation. This office must be composed of employees, preferably from the industrial sector, but also from public works and from agriculture. The office would have to set up co-ordinating organization between the IRI, the Italian Government and the National Liberation Committee of Northern Italy (G.L.N.I.).

Declares that the G.L.N.I. must only have consultative functions.

Industries can carry on for a further two months; it is necessary however to let them know that before the end of July this problem will be solved. It would certainly be necessary to put the "carve d'integrazioni" in working order again, and for this we must calculate how much State contributions could amount to in this period.

Asks what measures will be taken with regard to the return home of Italian Prisoners of War.

Tells him that a Commission already exists expressly for that purpose. The Ministry of Public Works has drawn up a plan of work dealing with this subject, and that there is other work which can be carried out without delay, as the rebuilding of the banks of the River Po, the value

Mr. Brainerd:

H. E. Rainey:

Mr. Antelini:

H. E. Cronchi:

Mr. Brainerd:

H. E. Rainey:

of 1,000 million lire, and the banks of the Tiber seed work for the value of 400-500 million lire.

III

Mr. Antolini: Asks Minister Soleri about the discussion of the price of wheat in the next harvest.

H.S. Soleri: Replies that the Prices Committee appears to have decided to keep, in Southern Italy, the price of 90 lire per quintal plus the awarding of vouchers for stocking at controlled prices to the farmers in core districts where costs of production of wheat are highest. In the North, on the other hand, the price would be fixed at about 300 lire per quintal. But, the Minister thinks, seeing that in the North reaping takes place only at the end of June and threshing at the end of July, it would be more advisable not to fix the price for another two weeks or so while waiting for the costs of production to adjust themselves, or to establish a basic price of 500-600 lire per quintal, with the proviso that a supplement of 100-200 lire per quintal will be granted to cover the high costs and as a cultivation prize.

As for the price of bread, this could be different in the North and South (14 and 16 lire) or considered as an agreement must be arrived at establishing an average price, always provided, however, that the Treasury does not lose on the transaction. In any case this can be settled later.

Mr. Antolini: Will ask the Minister of Agriculture to voice his opinion on this matter at the next meeting. In the meanwhile he will see for himself in the North the trend of costs in relation to the increased areas which have been granted in the North (for instance the areas which either rice have been granted an increase of 150 lire).

Mr. Antolini: Announces that the Allied Command will appoint commissioners of factories - one for every concern to replace the present commissioners.

R.S. Gronchi: Remarks that/the big concerns (Pirelli, Montecatini, etc.) one commissioner is insufficient; each commissioner should be assisted by two vice-commissioners.

Mr. Grimaldi: Says that the AG will review all appointments which have been made previously.

R.S. Gronchi: Points out that it would be advisable to do this in agreement with the Italian Government, as he can know the real situation better than he. He advises the constituting of a Negotiation Committee in Northern Italy, in which, among the other representatives must be included a member of the

Mr. Antolini: Will ask the Minister of Agriculture to voice his opinion on this matter at the next meeting. In the meanwhile he will see for himself in the North the trend of events in relation to the increased wages which have been granted in the North (for instance the minimums for other rates have been granted an increase of 110 lire).

Mr. Antolini: Announces that the Allied Command will appoint commissioners of factories - one for every industry to replace the present commissioners.

H. S. Gronchi: Remarks that the big concerns (Iri, Montecatini, etc.) are insufficiently staffed; each commissioner should be assisted by two vice-commissioners.

Mr. Frasca: Says that the AGC will review all appointments which have been made previously.

H. S. Gronchi: Points out that it would be advisable to do this in agreement with the Italian Government, as no one can know the real situation better than he. He advises the constituting of a Reconstruction Committee in Northern Italy, in which, among the other representatives must be included a number of the C.I.S.I.

H. S. Maini: Remarks that the "Comitati di gestione" (management committees) was founded by Mussolini.

Mr. Antolini: In the beginning it can be established that <sup>5371</sup>management committees must not only have qualitative functions; later we shall see what is to be done with them.

Mr. DeWine: Asks if the decrees issued by the C.I.B., S.I., are valid.

H.S. Gromchi: Explains that the C.I.B., S.I., acted as proxy for the Italian Government until the jurisdiction of the territory passed to the U.S. These decrees can be changed and annulled by the U.S. in agreement with the Italian Government.

H.S. Gromchi: Decides to invite the President Muzoni to call an urgent Council of the Presidency so as to establish and decide on the above and to let Mr. Intolini know the decision before his departure.

Mr. Intolini: Goes on to deal with the memorandum on the sale prices of base of imported goods.

H.S. Gromchi: Says that they will not adjust themselves to a full market but will tend to influence base prices as much as possible.

Major Genti: Says that he must understand that there will be an increase in all costs, but with varying profit according to items and this is to compensate possible losses in exportation.

H.S. Gromchi: Replies in the affirmative. Mr. Intolini's request the Minister Gromchi agrees to favor an exchange of goods where possible between Mr. Intolini, Major Genti and Mr. Gromchi an exchange of ideas takes place as to the supply of coal needed for the Italian industries, from the Italian coal mines, seeing how near they are. Minister Gromchi says that it is not possible to accept the suggestion of coming to a "gentlemen's agreement" with Yubelawia on this subject, because the Italian Government considers that Italy is still Italian. He therefore excluded this possibility on principle. He adds that the Allied H. can reserve the amount of coal available in the industrial mines and use them as the carbonic mines in Germany, including them in the world plan of distribution.

Major Genti: As for trade with Switzerland, he agrees with the idea of sending an economic mission, and would like to know the names of the members and have their identity cards to send them to Public Safety and to the General Command.

Comm. Gromchi: Asks how long the above formalities will take, to which Major Genti replies that he thinks that it will take little more than a week. Comm. Gromchi goes on to explain to Major Genti that it would be important to know the report of goods available in Germany for making negotiations with Switzerland, so as to know where they stand.

Major Dent: will tend to influence loan prices as much as possible, says that he must understand that there will be an increase in all costs, but with varying profits as owing to them and this is to compensate possible losses in exportation.

R.S. Grouchi: Replies in the affirmative. At Mr. Antolini's request the Minister Grouchi agreed to favor an exchange of goods where possible between Mr. Antolini, Major Dent and Mr. Grouchi an exchange of ideas takes place as to the supply of coal needed for the Italian industries, from the Latvian coal mines, seeing how near they are. Minister Grouchi says that it is not possible to accept the suggestion of sending to a "gentleman's agreement" with Yugoslavia on this subject, because the Italian Government considers that Italy is still Italian. He therefore excludes this possibility on principle. He adds that the Allied H. Com Reserve the amount of coal available in the American mines and use them as the carbolic mines in Berlin, including them in the world plan of distribution.

Major Dent: As for trade with Switzerland, he agrees with the idea of sending an economic mission, and would like to know the names of the members and have their identity cards to send them to Public Safety and to the General Com and.

Coma. Dilola: Asks how long the above formalities will take, to which Major Dent replies that he thinks that it will take little more than a week. Coma. Dilola goes on to explain to Major Dent that it would be important to have the amount of goods available in Switzerland, for making negotiations with Switzerland, so as to know where they stand.

Major Dent: Replies the amount available of some goods can be made known.

Coma. Dilola: Turning to Colonel Jenny, says that he has received the report drawn up by the Colonel with great skill and care and that said report will be very useful. He then says to Major Dent - we have credits in Switzerland. Must be considered, but permission to make use of them is made in a ~~provision~~ <sup>provision</sup> that we act for permission every time.

Mr. Antolini: After speaking with Major Dent, explained that permission must be asked for every specific case.

The meeting adjourned at 1200 hours.

will tend to influence basic prices as much as possible.

Major Gent: Says that he must understand that there will be an increase in all costs, but with varying profit margins in those and this is to compensate possible losses in exportation.

M. S. Groushin: Replies in the affirmative. At Mr. Nicolini's request the Minister Groushin agrees to favor an exchange of goods. There is possible between Mr. Nicolini, Major Gent and Mr. Groushin an exchange of items in case there is to the supply of coal needed for the Italian industries, from the Italian coal mines, seeing how near they are. Minister Groushin says that it is not possible to accept the suggestion of making to a "gentleman's agreement" with Yugoslavia on this subject, because the Italian Government considers that Italy is still Italian. He therefore excluded this possibility on principle. He adds that the Allied H. C. can reserve the amount of coal available in the industrial mines and use them as the carbonia mines in Germany, including them in the world plan of distribution.

Major Gent: As far trade with Switzerland, he agrees with the idea of sending an economic mission, and would like to know the names of the members and have their identity cards to send them to Public Safety and to the General Com and.

Com. DiMola: Asks how long the above formalities will take, to which Major Gent replies that he thinks that it will take little more than a week. Com. DiMola goes on to explain to Major Gent that it would be important to know the amount of goods available in Gen. A. for making negotiations with Switzerland, so as to know where they stand.

Major Gent: Replies the amount available of some goods can be made known.

Com. DiMola: Turning to Colonel Jenny, says that he has received the report drawn up by the Colonel with great skill and care and that said report will be very useful. He then says to Major Gent - we have credits in Switzerland. Must be considered that permission to make use of them is made in a general way for most we ask for permission every time.

Mr. Nicolini: After speaking with Major Gent, explains that permission must be asked for every specific case.

The meeting adjourned at 1900 hours.

0635