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REPORTS - GENERAL

NOV. 1943 . JUNE 1944

RTS - GENERAL

1943 - JUNE 1944

19 June 1944

SUBJECT: Report

TO: Colonel J. R. Smith

1. Sunday was spent dictating correspondence and preparing reports. You will see results about Wednesday.

2. Captain Topliss and Dott. Porzio, after lengthy conferences, are preparing special reports on marine wages and the entire wage structure for the steel industry. Report on the breweries in Naples and Bari was being prepared. All of which will be submitted at next meeting of Labor and Wages Control Committee.

3. Colonel Farren still insisting on Labor Officer for Region 8. I am still saying no to Alexandrini. Urge you to O.K. transfer of Botham from Region 2 to Region 8, to temporarily solve problem.

4. None of Wage Adjustment Agreements from Region 3 were satisfactory. Kix has been dealing with Poletti. We may have trouble. Why Region 3 held the agreements from May 9 until last Wednesday and took no action to obtain supplemental information such as requested in May 13 letter is still not understood by this office. It is fantastic that they should be so disorganized.

5. Under pressure of work am sending considerable stuff to Major Albright, requesting Italian Government to prepare recommendations. Am likewise sending material to Region 3 asking them to investigate.

6. Giannareo reported back for duty today. Santa resigned yesterday at request of mother and fiancée. I am still refusing to mix in Italian domestic affairs.

7. Gentili letter still not finished, will complete Tuesday.

8. Saturday afternoon from two o'clock on I played, but have been on duty since.

9. In Price Fixing Committee, most of afternoon today. I warned entire Committee that if they continued to be held up by Italian gangsters in the price field, that I would find great sympathy with the laboring people if they broke into open rebellion. The olive oil price is ridiculous, but as usual, we were asked to set a price after the fact. Secretly I have a cockeyed notion that we ought to immediately double the value of the lire in terms of American money; cut prices in half as a result and hold wages where they are. I am trying to fight a hard battle on the price front, but will probably get licked as usual.

10. Emergency meeting this morning at A.A.I. Allied Local Resources Board. General Robinson, Chairman. Highlights are as follows:

a. Board goes to Rome Tuesday next.

Report to Colonel Smith, 19 June 1944 (Cont'd)

8. General Robinson instructed Vice Chairman to notify all Sub-Committees to be more charitable to the A.C.C. His attitude toward us was excellent.

9. Robinson raised policy problem concerning reorganization of Local Resources Board. While there should be more local action. I objected on the side to Colonel Lawley, stating that labor policy and control was a National problem and should, under no circumstances, be decentralized. Lawley agreed.

11. Prior to meeting at A.A.I., spent nearly one hour briefing Colonel Lawley on manpower problems and food problems. It is interesting to know that I attended the meeting at Colonel Lawley's request, rather than Colonel Evans request, and that Colonel Lawley asked me to be prepared to speak both on manpower and food if necessary. General Robinson, however, was too concerned about organization and policy to take up specific problems and hence gave perfunctory approval to the minutes of all sub-committees.

12. Hayles still stinks. When do you want us to move?

13. Good luck and how can I get you on the phone?

JAMES O. BARBOCK,  
Major, Spec. Res.,  
A/D/Director,  
Labor Sub-Commission.

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CIRCULATION SLIP  
(Please pass quickly) Date *8 Jan 47*

From: - Information Division, AGC

To: : Seen &  
: Initialed  
: by

: Chief Commissioner  
: Deputy Chief Commissioner  
: V. Pres. Admin. Section  
: V. Pres. Economic Section  
: Executive Commissioner  
: Deputy Executive Commissioner  
: Directors Political Section  
: Security Branch  
: Public Relations Officer  
: Sub Commission  
: *→ Labor*  
: *(Col Smith)*  
: *Region*

SEP:

*→* FOR: - Information and return  
A. appropriate action

REMARKS

*55*  
*3871*  
*JOHN V. HINKEL*  
Major, M. L.

## DAILY LABOR NEWS

(L-471)

Information Division  
N.L.R.B.

Saturday, May 20, 1944

N.L.R.B. HEARING ON EMPLOYER PETITIONS

N.L.R.B. (N.Y. Times, Wash. Post, 5/20), in public hearing on proposed rule which would permit employers involved in disputes before other Federal agencies to file petitions for investigation and certification under certain circumstances, hears spokesmen for organized labor express fear that such rule would result in "industrial conflict, an increase of strikes in war production plants and disruption of peaceful labor-management relationships."

R.S. Smethurst, counsel for the N.A.A., was the sole employer spokesman to testify. He gave support in part to the proposed rule, denying "that employers would file petitions for elections on a wholesale scale to harass employees and their unions." He also argued that "the rule should permit the employer to petition before the case becomes a N.L.R.B. dispute, instead of limiting the petition period to 5 days after certification." \* \* \* The U. S. Chamber of Commerce was invited to testify, but "it was reported that it had not made a decision on its attitude and would file a brief by June 2."

In opening the hearing, Chairman Willis stated that the proposal had been put forth by the Board as a means of speeding wartime settlement of disputes, but that it "would not insure holding an election in every case where the question of representation is raised by an employer." \* \* \* N.L.R.B. General Counsel Rockwell suggested that some of the witnesses "had wrongly assumed that employers are now forbidden to raise questions of representation. He added that the proposed rule was not intended to allow employers to file petitions at any time they wished." \* \* \* Here are some of the statements made by various labor witnesses:

Philip Murray: The Steelworkers' union has about 600 to 700 contracts covering 850,000 employees, with some contracts due to expire within a year and some which could be terminated in 30 days. "In the plants having these contracts there was only one union and this union had not been challenged by the employers, but if the proposed rule were adopted it would 'invite terror, disorder and fights.'"

Earl Rieve: "The proposed rule would compel every union to prepare an organization campaign to prove its majority at the end of every wage contract lest the employer challenge its right to continue to represent his employees."

Maurice Sugar, counsel for the U.A.W.: "The question of representation was not being raised in the automobile industry, where his union has 1100 contracts, but if the rule were in effect 'chaos' would result should employers question the union's right to speak for employees."

Herbert Thatcher, A.F.L. counsel: "The mere filing of an employer petition would create disorder and ill-feeling between men and management regardless of what the Board may do with a petition. Even before the filing of a petition the unions would be burdened with the work of obtaining evidence of their majority since they could not anticipate when an employer would doubt the union's representation rights."

COAL WAGE PACT APPROVED BY N.L.R.B.

N.L.R.B. (N. Y. Times, 5/20), after more than a year of controversy and 4 general coal strikes, approves by a vote of 10 to 2 the agreement submitted to it 5 months ago by the United Mine Workers and bituminous coal operators representing 70% of the country's soft coal tonnage. The industry members split 2 to 2, while

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the 4 public members joined the 4 labor members in voting approval of the agreement, which clears the way for return of the mines to the operators and which is dated for a 2 year period, expiring Apr. 1, 1945.

In an opinion by Chairman Davis, the agreement was approved as within the wage stabilization policy. Approval also carries with it affirmation of the provision for payment of \$40 to each miner in settlement of the union's retroactive portal-to-portal claims from Apr. 1, 1943 to Nov. 3, 1943. The Southern Appalachian Operators Ass'n., which was not a party to the agreement, declared that it would not make the \$40 payment and would continue to fight the case in the courts. That refusal, it was indicated in coal circles, will probably lead to an early strike of miners in the southern properties. Five strikes were called in Alabama mine yesterday over the \$40 payment.

The main question which delayed approval of the agreement by the W.L.B. was the portal-to-portal provision. The problem was whether the assumed 45 minutes of travel time in this agreement should be approved in the light of the more precise determination of 56.52 minutes average travel time made by the presidential committee headed by Morris L. Cooke. The Board ruled that the difference of approximately 12 minutes was "reasonably within the principles of its former decisions and consequently may now be approved for private operation of these mines." \* \* \* Chairman Davis added: "To whatever extent the operators are able to reduce the travel time toward or below the assumed average of 45 minutes, they will get under the portal-to-portal contract a corresponding increase of productive work time. Under these circumstances the W.L.B. is convinced that within the period of time covered by this contract travel time can and will be reduced in the bituminous coal mines, to the mutual benefit of the operators and the mine workers and to the eventual benefit of coal consumers.

#### OTHER LABOR ITEMS

WAR DEP'T. (N. Y. Times, 5/20) announces that it is making a country-wide survey to determine the practicability of substituting two 10-hour work shifts a day in place of the three 8-hour shifts now generally used in war plants. The survey is being undertaken in an attempt to compute the potential manpower savings in lengthening the working day.

W.L.B. (N. Y. Times, 5/19), carrying out its promise made to the Foremen's Association at the time the Association was asked to call off its strike, announces that it will name a panel to hear the foremen's grievances. The panel may consist wholly of "neutrals," representing the public, rather than tri-partite representatives. \* \* \* Adverting to the W.L.B. decisions involving foremen, the W.L.B. announcement stated that the panel will not consider questions involving bargaining rights and discharges.

#### NOTES

Merle D. Vincent, Jr., Field Examiner in the San Francisco office, joins the Merchant Marine Service.

Field Examiner Chester J. Moske transfers from the St. Louis office to the Ft. Worth office.

Miss M. Alice Fountain joins the field examining staff in Boston.

Mrs. Bessie B. Allen joins the field examining staff in the Kansas City office.

Miss Jesse Erickson, attached to the Order Section of the Washington office, joins the Marines.

Sidney Kobre, Field Examiner attached to the Pittsburgh office, has published his Ph.D. dissertation, "The Development of the Colonial Newspaper."

## "DAILY LABOR NEWS"

(L-270)

Information Division  
N.L.R.B.

Monday, May 15, 1944

FOREMEN'S STRIKE CONTINUES

W.L.B. (N.Y. Times, 5/14) fails to end strike of Detroit foremen by telegraphing them assurance that they would not be discriminated against if they returned to work. The Foremen's Association stated that the W.L.B. telegram would not be acted upon until the union's officials hold a meeting on Monday.

The W.L.B. telegram followed communications by the Board addressed to the six Detroit firms involved asking for assurances that the foremen would not be discriminated against upon termination of the strike. Five of the six companies gave such assurance. The sixth, Aeronautical Products Co., was the subject of unfair labor practice charges filed by the Foremen's Association with the N.L.R.B. The charges alleged that 59 foremen had been discharged because they went on strike.

In the meantime, the Sunday New York Times carried an advertisement, covering more than a half page, signed by the Automotive Council for War Production. The advertisement is entitled "War Production Threatened by Drive to Unionize Management." Bold-faced type thus introduced the message of the ad:

"The drive of union leaders to unionize management, beginning with foremen, is a threat to the war production effort.  
 "It is a long step toward putting industrial management in the hands of union leaders.  
 "What kind of collective bargaining is it when union leaders sit on both sides of the table?  
 "It raises an issue which Congress must clarify by amending the necessary laws, including the War Labor Disputes Act.  
 "Unless Congress acts, this crisis will further obstruct an all-out war production effort."

The remainder of the ad carried the text of a letter, along the above lines, which had been sent to all members of Congress. \* \* \* The Automotive Council represents more than 500 companies employing over 1,000,000 workers.

FREE SPEECH AND CONTEMPT CASE

THIRD C.C.A. (N.Y. Times, 5/14) rejects a petition of the N.Y.R.B. that Budd Co. be held in contempt for violation of the court's decree. The court unanimously held that there was nothing in the court's decree -- which ordered reinstatements, disestablishment of a company union and posting of notices -- which prohibited the company from commenting on labor unions. This the company did in an individually addressed letter to the employees at the time it posted the notices.

The court declared: "The Wagner Act does not purport to authorize a restraint upon freedom of speech in any circumstances. \* \* \* Had there been such a provision in the statute it would have been invalid as in contravention of the first amendment. \* \* \*

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"Accordingly, it is our opinion that it was not the intention of Congress to forbid an employer from expressing opinions as to labor unions or to anything else so long as his expressions do not constitute, or contribute to, acts or threats of discrimination, coercion or intimidation in regard to his employees' free and untrammelled exercise of their rights as guaranteed by the Act."

### "REVOLT IN ILLINOIS"

RAY EDMUNDSON (Business Week, 5/13), since 1935 the Lewis-appointed president of U.M.W. Dist. 12, resigns his \$8,000 a year job to become a miner. This move is thus analyzed by the Business Weekly:

"It meant a showdown with John L. Lewis over autonomy \* \* \* whatever else lies behind the rupture in relations between Lewis and the man who for years was regarded as one of his most trusted lieutenants -- even the heir apparent -- is largely conjectural. But schisms in the U.M.W. rarely are hot and dried affairs, and Edmundson's retirement, coupled with his pronounced determination to fight for election to the post he resigned, contains the elements of an internal ruction. \* \* \*

"As a demonstration of their support, 64 of Edmundson's Illinois subordinates handed in their resignations to submit to Lewis, and the district executive board urged Lewis to reconsider Edmundson's resignation. For answer, Lewis called the board to Washington and named Edmundson's job to Hugh White, who had been district vice president. \* \* \* Edmundson says he expects to remain in the background, to continue working in the mines -- waiting until the rank and file can mull over the issues and decide on a course of action. But the retired official's adherents already are stirring up a campaign to reinstate him, this time as an elected president. Leaders of many of the 160 local unions in Illinois have scheduled a meeting in Springfield within the next fortnight to draw up battle plans."

### OTHER LABOR ITEMS

UNITED STEELWORKERS OF AMERICA (N. Y. Times, 5/14, Wash. Star, 5/13) renew their no-strike pledge as Philip Murray tells the delegates: "We want no inoperative act. Be patient with your officers. The task is a big one, the responsibility great. Do not indulge yourselves in any riotous or disorderly conduct while the (W.L.B. wage) case is grinding its way through the mill." Murray further stated that to avoid the delaying tactics on the part of some of the steel corporations he will suggest to the W.L.B. that they fix a time limit in the steel case. \* \* \* Before adjourning, the U.S.A. convention authorized the amalgamation of some 30,000 C.I.O. Aluminum Workers of America with its own approximately 25,000 members. The purpose of this merger: "To organize the unorganized in the aluminum industry."

U. S. EMPLOYMENT SERVICE (N. Y. Times, 5/14) announces that during the months of February and March more than 74,000 veterans of the present war were placed in civilian jobs.

### NOTES

Joseph Kulka transfers from the Washington office to the field examining staff of the St. Louis office.

Marion McGill, librarian of the Washington office, and Clarence D. Gasser, Kansas City regional attorney, resign to take jobs in private industry.

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DAILY LABOR NEWS

(1472)

Information Division  
N.L.R.B.

Tuesday, May 23, 1944

RETREAT FROM WAGNER ACT

HEADQUARTERS  
1010 N. 1st St.

C.I.O. (release)—by unanimous action of its vice presidents, Prof. Murray Sec'y. Carey — adopts a resolution condemning "new policies" of the N.L.R.B. as "provocative steps" which "do not aid but rather retard the war effort."

"As examples," the resolution continued, "we find the Board enunciating in the American News Co. case a policy which is a throwback to the days when labor unions as such were held to be illegal. In this case the Board assumed the right, found nowhere in the legislation, to inquire into the legitimacy of action taken by the union and on the basis of this inquiry to deny the members of the union rights guaranteed to them under the N.L.R.A. The logical conclusion from this policy is that the N.L.R.B. has usurped the authority to inquire into all of the activities of labor unions and if they are not pleased with their they may in their wisdom and judgment deny the members of the union the protection of the N.L.R.A."

"In the situation involving the right of foremen to obtain protection under the N.L.R.A., the Board succeeded in floundering so long as to re-voke the situation which developed in Detroit. As a result of the conflicting decisions of the Board, a kind of Class B citizenship has been given to the foremen in American industry. \* \* \*

"The Board has now proposed a new regulation which actually threatens the existence of labor unions. \* \* \* In the face of labor's no-strike pledge the proposed regulation would invite a wave of petitions by employers intent upon delaying bona fide collective bargaining and thereby unquestionably provoke strife and turmoil with a terrifying impact upon war production."

"It appears that the entire change in the course of conduct and administrative attitude on the part of the N.L.R.B. is due to Board Member Gerard Reilly. \* \* \* We hereby desire to express our condemnation of the policies promoted by Gerard Reilly as a member of the N.L.R.B. in subverting the fundamental principles of the N.L.R.A."

The first editorial reaction to the resolution appeared in the Wash. Eve. Star (5/22), in a lead editorial entitled "N.L.R.B. Under Fire," the text of which follows:

"The attack which Philip Murray and the Executive Board of the C.I.O. have made on the N.L.R.B. does not come as any great surprise."

"From the time of its organization under a law which was frankly weighted on the side of labor, the Board has been openly and often militantly 'pro-labor.' The original members of the Board went so far in their efforts to promote the growth of the C.I.O. that the President \* \* \* was forced by the opposition of the A.F.L. to replace them."

"These changes in personnel have brought to the Board men whose sympathies incline to the labor point of view, but who also have a sense of balance and restraint that was not a characteristic of the original members. Despite the claims of the C.I.O., the present Board is not partial to employers. It seems evident, however, that the members now serving have a keener regard for the public interest. \* \* \*

"For instance, the present Board has refused to extend the benefits of the Wagner Act to employees who strike in an effort to force their employer to grant an illegal wage increase. They have held that foremen, while protected by the Act against discrimination, cannot organize and compel their employers to bargain with them. And now, for the sole purpose of expediting the handling of disputes which hamper the prosecution of the war, the Board is considering

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a change in its rules which would permit employers, during the war, to ask for elections where there is doubt as to whether a particular union represents a majority of employees.

"All of this is very alarming to Mr. Murray and the C.I.O. Executive Board. The N.L.R.B. and particularly Gerard Reilly \* \* \* are accused of evincing a 'sense of irresponsibility and a complete lack of understanding of our war problems.' \* \* \* Actually, the Board is attempting to do nothing more than show a decent regard for the public interest and to facilitate the prosecution of the war. But this will not serve to shield the members from the fury of labor leaders who have become so accustomed to special treatment that they resent the mildest show of independence on the part of the man picked to administer the law which is known as 'labor's Magna Carta.'"

#### DAVIS DEFENDS WARD SEIZURE

N.L.R.B. CHAIRMAN DAVIS (Wash. Post, 5/23), the first witness called by the House Committee investigating the seizure of Montgomery Ward, testifies that if Pres. Roosevelt had failed to back up N.L.R.B. by seizing Ward's plant, the nation's wartime labor policy would have "blown up."

Insisting through 5 hours of testimony and grueling questioning that the seizure order was legal, Davis stressed "the epidemic potentialities" of the pre-seizure strike at Ward's: "No one can sit where I sit and have any doubt that the Ward strike adversely affected the war effort. If anyone wants to risk the war effort by allowing a dispute involving 78,000 people (Ward's total national payroll) to go unattended, then he will have to get someone else for my job."

As to the constant demand made by the Congressmen as to whether Ward's was covered by the terms of the Smith Connally Act -- in its discussion of Government seizure and war contractors -- Davis replied: "Until Congress tells us clearly and explicitly that there are segments of our economy, men and women, trades and skills that are not in the war, we cannot accept any such artificial limitation on our plain wartime duty to endeavor to preserve industrial peace in America."

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## "DAILY LABOR NEWS"

(1-473)

Information Division  
N.L.R.B.

Friday, May 26, 1944

SELECTIVE SERVICE ISSUES RULES ON REINSTATEMENTS

SELECTIVE SERVICE ADMINISTRATION (P.W., 5/26), in the first codification of the reinstatement guarantees of the Selective Service and Training Act, issues a ruling which may lead to "a sharp clash" between Selective Service and organized labor.

This ruling, part of a comprehensive statement on reemployment procedure, makes possible the wholesale discharge of workers, regardless of seniority, to make way for returning veterans. The text of the rule follows: "A returning veteran is entitled to reinstatement in his former position or one of like seniority, status and pay, even though such reinstatement necessitates the discharge of a non-veteran with greater seniority."

None of the other rulings handed down by Selective Service is expected to encounter labor opposition. These include:

Seniority rights accumulate during the veteran's period of active service in the armed forces in the same manner as they would have accumulated had he remained continuously at work in his civilian occupation.

A veteran, in order to claim reinstatement in a position, must be qualified to perform the duties and functions of that position. If unable to qualify for an upgraded job, he is, nevertheless, entitled to a position equal in seniority, status and pay to the one which he left.

A veteran is entitled to his former position or one of like seniority, status and pay, and may refuse another, even though the pay is greater and offers other advantages.

Conscientious objectors have no re-employment rights under the law and the Selective Service system has no responsibility to aid them in regaining former positions or obtaining new positions.

"GOVERNMENT NEVER OPERATED PROPERTIES OF MONTGOMERY WARD"

WAYNE C. TAYLOR (Wash. Post, 5/26), Undersecretary of Commerce representing the Government at the Chicago properties of Montgomery Ward & Co., admits under questioning of the Ramspeck Investigating Committee that the Government never actually operated the Ward properties because of the resistance offered by company officials.

Stating that company officials were "extremely courteous," Taylor testified that they offered "no cooperation." By way of summary, he told the committee, "I never received any information useful in conducting the business." He described the whole affair as "abortive" even though the Dep't. of Commerce went through the motions of maintaining control from Apr. 26 to May 9 in compliance with the Presidential Executive Order.

Among the events cited by Taylor to indicate the extent of the company's resistance were the following:

The company discharged employees during the period of Government operation without approval. The C.I.O. Retail Workers claim that at least 22 union members were fired during the period and have never been reinstated.

Government posters announcing the seizure were defaced with swastika markings. Other Government posters were torn down.

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Dep't. of Commerce never received access to Ward's books, even though they had accountants standing by prepared to set up separate accounts for the period of operation.

Ward executives who were ordered by the Federal District Court to refrain from interfering with Government operation stayed away from the property and forced the Government managers to attempt to contact them through secretaries.

Union dues were not checked off as required by the War Labor Board order because the Government could not get access to payroll records.

#### "WHY UNIONS MUST BE REGULATED"

OSWALD GARRISON VILLARD (Amer. Mercury, June) thus discusses, under the above title, the question of union regulation:

"Whether justly or otherwise, labor is facing a day of reckoning. Nothing that it can do can prevent the coming of that showdown.

"The mounting bitterness against labor, and especially against the labor leaders, has not been due solely to the machinations of employers. Nor is it due to Westbrook Pegler's startling revelations of labor union tyranny, corruption and criminality, and the readiness of prominent labor leaders to endure these conditions without moving emphatically against them. Nor is it due to incipient fascism, nor to resentment at the power and influence of the labor block upon Congress.

"All of these have played their part in forming a hostile public opinion. But far more potent is the growing antagonism to labor and its organizations among great groups in the nation which are less directly involved with labor issues. \* \* \* In the villages and small town there is an amazing bitterness which has impressed me more than any of the other anti-union manifestations. It is to be found in the lower middle class, among shop keepers and small business men, independent mechanics and unorganized workers. \* \* \* This antagonism is more dangerous because it is not limited to any class but permeates whole communities. \* \* \* The worst aspect of it all has been, to my mind, that millions of our soldiers will return from overseas with distorted ideas of what has actually happened in the field of labor during their absence, and without adequate realization of the magnificent work done by the great mass of our workers, or the knowledge that in England, which has a compulsory labor law, there have been as many strikes as in this country. \* \* \*

"The fact is, therefore, that the unions will be extremely lucky if they do not lose many of the gains they have won or received. \* \* \* I believe that the wise leaders \* \* \* should take the lead in bringing about satisfactory laws, as the most effective way of heading off legislation of a character to harm the whole movement and to cause great domestic disunity. Their immediate task is to decide upon the character of the legal regulation. \* \* \* The only legal measures justified at present are these:

- (1) "Punishing the exclusion from membership of any qualified persons on account of race, religion, sex, national origin or political affiliation.
- (2) "Providing for hearing by an administrative agency on suspensions or expulsions, with review by an appellate court.
- (3) "Similarly providing for the review of the application of democratic rights under union constitutions."

#### NOTES

Arthur Leff, legal assistant to Board Member Houston, is appointed to the Trial Examining Staff. He is succeeded by Harry Kuskin of the Review Section.

John W. Irving joins the field examining staff of the Cleveland office.

## "DAILY LABOR NEWS"

(L-474)

Information Division  
N.L.R.B.

Saturday, May 27, 1944

HOUSE COMMITTEE REPORTS CUT N.L.R.B. APPROPRIATIONS FOR 1945

HOUSE APPROPRIATIONS COMMITTEE (text) submits to the House the Federal Security-Labor Appropriations Bill for the fiscal year 1945 providing a total sum of \$3,523,450 for the N.L.R.B. The sum provided by the bill is \$625,500 less than the amount asked by the Board, \$4,149,000. The fund recommended to the House, \$3,523,450, is comparable to the aggregate sum of \$3,492,500 which was appropriated to the Board for the fiscal year 1944. In other words, the House action, although representing a cut in the amount requested by the Board, represents an increase of \$30,950 over the appropriations for the current fiscal year ending June 30, 1944. \* \* \* The next parliamentary step is the submission of the bill for consideration by the House of Representatives. After that, the Senate Committee will conduct hearings.

The current rider to the Appropriations Bill was included in the 1945 bill, with some amendments. Following is the text of the proposed rider, with its amendments underscored:

"No part of the funds appropriated in this title shall be used in any way in connection with a complaint case arising over an agreement or renewal thereof between management and labor which has been in existence for 3 months or longer without complaint being filed by an employee or employees of such plant: Provided, That hereafter, notice of such agreement shall have been posted in the plant affected for said period of 3 months, said notice containing information as to the location at an accessible place of such agreement where said agreement shall be open for inspection by any interested person. Provided further, That these limitations shall not apply to Agreements made with labor organizations formed in violation of Section 146, paragraph 2, Title 29 USC (Sec. 8(2) of N.L.R.A.)."

SENATE COMMITTEE REPORT HITS WARD SEIZURE

SENATE JUDICIARY SUBCOMMITTEE (Text and N. Y. Times, 5/27), with one Senator dissenting, and without conducting any public hearings, issues "a sweeping indictment" of every Governmental agency involved in the Montgomery Ward case. Several hours later Attorney General Biddle, the chief target of the report, issued a statement declaring that the committee conclusions were "absurd."

The committee charged that Biddle's opinion to the President advising him that he had authority to order seizure contained "erroneous, misleading, irrelevant and immaterial statements." The report also took issue with the Attorney General's view that "the aggregate powers" of the President permitted seizure.

The committee report made 3 recommendations: (1) Hearings should be held by the full Judiciary Committee to determine whether or not to amend the Smith-Connally Act so as to provide judicial review and enforcement of N.L.R. orders. (2) Every Governmental agency concerned with labor relations should "meticulously avoid" pro forma findings and should make certain in every case that there is evidence in its records to support every finding, and that each order is based on law. (3) In the future each Executive Order issued by the President should contain specific citations of the sections of the constitution or statutes upon which the President is relying for the issuance of the

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Executive Order. \* \* \* The full Judiciary Committee, upon receipt of the report, invited all interested parties to file briefs, protests or applications for hearings and announced that it would decide June 19 on any further action.

As regards the N.L.R.B., 2 of the committee's conclusions read as follows:

(1) "The N.L.R.B. is properly chargeable with dilatory tactics in a matter of great urgency. The union filed a petition with the Board on Feb. 14, 1944. It was not until May 2, and after the Government had seized the facilities, that the Board rendered its decision ordering an election to be held. By failing to act promptly, the Board aggravated the situation.

(2) "At the present time a certification of a particular bargaining agency is presumed in law to continue valid and binding until a contrary decision is made by the N.L.R.B."

The textual section of the report thus discusses the role of the N.L.R.B. in the Ward case:

"A review of all of the files of the N.L.R.B. shows that generally all of the actions and decisions of the Board were made in a legal and constitutional manner with ample statutory authority. However, attention should be given to the discretion which the N.L.R.B. exercised in making its decision of May 2, 1944, ordering election. \* \* \*

"The record shows that the union wrote the Board a letter on Apr. 17, requesting that no further proceedings be had on the petition until the company declared its willingness to comply with the N.L.R.B.'s orders of Jan. 13 and Apr. 5, 1944. Whether this letter was entertained as a formal petition for postponement is not clearly shown in the record. \* \* \* After the hearings on Apr. 29 and May 1, the Board began to act with great speed, rendering a decision on May 2, which ordered an election 7 days hence. A review of previous Board action shows that usually 30 days is allowed between the date of the order and the date of the election.

"As can be seen from the foregoing, despite the fact that all of the actions taken by the N.L.R.B. were within their apparent statutory authority, nevertheless the dilatory action by the Board in connection with its decision of May 2 is subject to criticism. The nature of the controversy called for immediate action by the N.L.R.B.; the Board was fully cognizant of the urgency of the situation; by its failure to act promptly the Board has left forever unanswered the question of whether prompt action by the Board might have averted the subsequent seizure."

#### OTHER LABOR ITEMS

F.E.P.C. (Wash. Post 5/27) wins first round for survival in its request for a Congressional appropriation. The House Appropriations Committee reported out to the floor and the House approves an allotment of \$500,000 to maintain F.E.P.C.'s 110-man staff. F.E.P.C. had requested \$585,000.

A.F.L. (Chester Wright's Labor Letter, 5/20) states that its membership has reached an all-time high, 6,606,173. In the past eight months it has gained more than 500,000 members.

N.L.R.B. (release) reports that it has "successfully handled" more than 6,750 labor disputes affecting nearly 8,500,000 workers. In 18 instances -- 8 caused by employer defiance and 10 by unions -- cases of non-compliance were referred to the President. Of these 18 cases, seizure was necessary in 7 employer defiance cases and 5 union defiance cases.

*Specs.*  
SUBJECT: Report for month ending 31 May 44.

*Economic Section*  
2 B C R E R.

18 AMG Eighth Army Hq. 432

04/7

8 Jun 44

18 Allied Control Commission (5 copies)  
Executive Commissioner's Hq.

Copies to: Chief of Staff, Main Eighth Army  
DA and GQG Main Eighth Army  
18 AMG Region IV  
18 AMG Region V.

1. This report is designed to give a general picture of the territory during the month. Detailed information on the new territory taken over has been furnished in the Sitreps and Special Reports.

2. During the month considerable new territory was taken over, mainly in FROSINONE Province, but including a small part of AQUILA. Both Provincial AMG teams are functioning; the FROSINONE team is FROSINONE itself (will move to PIUGGI) and the AQUILA team from GERZANO where it will remain until SULZENA is taken.

Since the end of the month CAMPOMANSO Province has been handed over to REGION V.

3. The new territory can be roughly divided into two types:

(i) The immediate vicinity of the original battalioni, i.e. the lower part of the CASSINO plain, in which neither dwellings nor inhabitants (in any number) exist, and

(ii) Territory behind the so-called Hitler Line which is not heavily damaged except in isolated spots.

The policy with regard to (i) has been to "neal" it off and allow no civilians to enter. This policy will be continued by the Provincial Commissioner but some inhabitants are bound to slip in. A special Italian Commissioner is to be appointed as the administration of this area is a matter of long-term policy.

4. POLITICAL. There are no events of political activity of any significance.

In all the newly occupied country our troops have been welcomed with something of the old Sicily valour. There appear in some places to be small bands of so-called partisans not always of the same point of view. For instance, in one town there were three armed partisan groups.

(1) The prince of Piedmont's faction flying the Italian flag with crown.

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2. During the month considerable new territory was taken over, mainly in FROSINONE Province, but including a small part of AQUILA. Both Provincial and town are functioning; the FROSINONE town is functioning itself (will move to PIUGGI) and the AQUILA town from ORZINUOVI where it will remain until GULIANA is taken.  
Since the end of the month CASSINARO Province has been handed over to REGION V.
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  - (i) The immediate vicinity of the original battlefields, i.e. the lower part of the CHIASSO plain, in which neither dwellings nor inhabitants (in any number) exist, and
  - (ii) Territory behind the so-called Hitler Line which is not heavily damaged except in isolated spots.

The policy with regard to (i) has been to "neutralize" it off and allow no civilians to enter. This policy will be continued by the Provincial Commissioner but some inhabitants are bound to slip in. A special Italian Commissioner is to be appointed as the administration of this area is a matter of long-term policy.
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In all the newly occupied country our troops have been welcomed with something of the old Sicily vengeance. There appear in some places to be small bands of so-called partisans not always of the same point of view. For instance, in one town there were three armed partisan groups.

  - (1) The Prince of Piedmont's faction flying the Italian flag with crown.
  - (2) A Democratic partisan faction flying the Italian flag without crown.
  - (3) A Communist partisan force flying the hammer and sickle.

It is doubtful whether the partisan groups so far encountered have performed any function beyond preying on the local populace.
5. LOCAL GOVERNMENT.
  - (i) The new Prefect for CASSINARO arrived during the month and seems satisfactory so far. A Prefect has been suggested for FROSINONE and this was in under consideration.
  - (ii) Under the new directive all sinistrati in newly occupied areas are to be arrested, and this directive is being implemented. Actually, very few sinistrati have been found to date; nearly all have fled, and in most cases taken the occasional funds with them.

# 6. ECONOMY AND PRODUCTION.

The newly captured territory has been systematically looted by the Germans. No food has been found in any of the quarters, and all livestock has been removed.

From plants and fruit bladders, water-wheels and aqueducts, and most of the wells have been destroyed. In the houses all the doors and windows have been removed. The paper, linen and stocks it contains it contains and much. Much (these latter mostly destroyed) will be the subject of detailed reports. As it is, these the new territory is agricultural.

## 7. AGRICULTURE.

In general the prospects of a really good wheat crop are excellent. No trouble will be to prevent the crop in some areas where there are no concentrations of mines.

On the whole the danger to growing crops, even in the GASSING plain is not as great as one would have expected it to be.

It is too early yet to judge of the Italians' reception of the new sowing policy which is being put into operation as far forward and as soon as soon as possible. In an agricultural area it is difficult to judge the reaction to the new grain prices; the farmers are the only people who really know what production costs have been in German occupied territory, and the farmer who will say other than that the price of wheat is too low but not to be born.

## 8. LABOUR.

No particular labour troubles have emerged, and the employment of large numbers of labourers on Corps and Army roads continues to function mostly under Army High Command's officers. The number so employed in May was approximately 12,500.

## 9. LEGISLATION.

A. S. Eighth Army has taken over the setting up of courts for the trial of spies taken in Eighth Army area, and the first cases will be tried early in June.

## 10. SUPPLIES.

Owing to the excellent functioning of our stockpiles, we have been able to transfer all calls for supplies, and have placed behind 5 ton packs in every town and village occupied, usually within 24 hours of capture, and in some cases a great deal less.

In the speed of advance quickens the problems are, of course correspondingly increased. Future policy and working details have been co-ordinated with Regions IV and V. With the fall use of our own of Coy, part of the Region's transport and the usual whole-hearted co-operation of the Army itself, the immediate future does not seem to be concerned. After that and depends on the speed of advance, but so far as can be foreseen the feeding problems (in the early days) of Regions IV and V will be solved.

the trouble will be to harvest the crop in safe areas and to prevent concentrations of refugees. On the whole, the danger to growing crops, even in the CASINO plain is not as great as one would have expected it to be.

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11. REFUGEES  
The refugee problem has been the chief "hurdle" in newly occupied territory, and the plan to the rear has been swollen by the ex-inhabitants of the destroyed towns of the CASINO plain who cannot be "upgraded" in any way. Towns captured since May have contained large quantities of refugees from CASINO area, but there is no doubt that the bulk of these unfortunate people has not yet been encountered so that the task of their problem is still have to be broken.

Our mobile camps have been long-travelled forward and camped effectively with the stream of refugees who have been moved to the rear by flight and transport.

The number of refugees passed back to rear areas during the month was 4,500. The number in June will probably be appreciably more.

12. ARMED SAFETY.

Now our Minieri were found in the early stages of the advance but we are now coming across fairly large numbers, most of whom are "Ghannati". They will all be collected, vetted and eventually sent back to replace our depots when the time and transport permit.

Our own Mobile Carabinieri are doing excellent work, and since they feel that they are part of the liberating force, their morale is high. They are very well received by newly occupied Ghanines, who seem to see in them a symbol of returning law and order.

13. ARMED SAFETY.

No special fee or unusual prevalence of disease except for scabies has been encountered. The almost total lack of equipment (50 or more operations were performed one night by the light of a single hurricane lamp which had been borrowed) handicaps our Italian Military and Red Cross hospitals who have to cope with civilian wounded. The complete absence of ambulances makes it necessary to borrow transportation at the very time when they are most hard pressed.

Group Captain,  
Officer Commanding,  
The Eighth Army.

HEADQUARTERS  
ALLIED CONTROL COMMISSION  
LABOR SUB-COMMISSION  
APO 394

6 June, 1946

MINUTES OF MEETING IN LT. JAMES H. HARRIS'S OFFICE, 14 MAY, 1946

1. Get copy of decrees and/or references in Administrative Orders, Laws, etc., on which all attending allowances and additions to the basic wage are based.
2. Ultimate objective: A uniform wage structure consisting of:
  - a. Basic wage
  - b. Family allowances
  - c. Temporary War Allowance
  - d. Specific provincial variations
3. Immediate objectives: That:
  - a. Uniform methods of calculating and applying the elements in the wage structure within single agencies and between agencies which by law or of custom and usage should have like treatment.
  - b. Completely uniform interpretation of the A.C.C. wage increase orders as applied to all wage elements.
  - c. The immediate appointment (in the Ministry of Labor) of a Civil Service Commission to regulate wages, set up job classifications, conduct examinations, and maintain lists of eligibles for the public service.

J. C. HARRIS  
JAMES C. HARRIS,  
Major, U.S.A.,  
Wages & Hours Section  
Labor Sub-Commission

Copies to:  
Colonel Bain  
Colonel Smith  
Lt. Colonelberger  
Major Albright  
Capt. Dorf  
Capt. Sololum  
Capt. Adams

53

38.6

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SUNDAY'S ACTIVITIES

1. Captain Frazer was asked in and I gave him a copy of the schooner (D.A.D.L.) Bari complaint for check up and report (copy attached). Stated that it was comparable to others in his Region; that the Italian Government was not cooperating.

2. Colonel Tulley of Military Railroad Service phoned in regard to:

a. The request of Colonel Foley, No. 13035/F, dated May 10th referred through the Economic Section on May 23rd, about the vacation pay for Italian Government and State employees, claiming it was urgent; and

b. The matter of Salerno, Sorrento "Bombing Indemnity" that workers requested sometime ago, and that they were now getting impatient.

3. Captain Clark (D.D.L.) File # 283, called in regard to the clerical workers' food question as raised at the Control Committee meeting by Brigadier Rich's letter (in Committee Report).

4. Lt. Col. Lox called in regard to glass factory matter (which he intends sending in) -- would like some immediate A.C.C. action.

5. Called in and discussed with Major Parker of the Food Sub-Commission, all the points in variance raised at the Committee meeting, and he will notify us (after Conference with Colonel Legg).

5 June, 1944

*Alfred L. Dorf*  
ALFRED L. DORF,  
Captain, A.C.C.,  
Labor Sub-Commission

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38.5

|                |         |
|----------------|---------|
| SEEN           | 1 Jul 1 |
| Col Smith      |         |
| Major Roberts  |         |
| Capt. D. R. R. |         |
| Capt. Roberts  |         |

HEADQUARTERS,  
ALLIED CONTROL COMMISSION,  
APO 394

CONFIDENTIAL

REPORT FOR MAY 1944.

1. For the last two months this Report has been a record of steady progress in many spheres, but nevertheless work for many assumed a routine character until such time as the Armies were again able to resume the offensive. Like the Armies we devoted the interim period to planning for a big advance. Fifth and Eighth Army Armies were strengthened, and Region IV, now responsible for LAZIO, UMBRIA and the City of ROME, like Sleeping Beauty, was suddenly brought to life. The day when the Armies started their big attack, so long anticipated, was 11 May, and for the moment AMG teams with the Armies held the limelight.

2. The Armies progressed rapidly, leaving behind a trail of destruction wherever battles were hard fought. Townships like PONTICORVO, CASSINO and PINDIMONTE ceased to exist as dwelling places, whilst others could accommodate only a small percentage of their inhabitants. As long as last September it is recorded that the enemy completely emptied one place, the population fleeing to the neighbouring hills. Considerable movement of the population took place as a result of all this and as examples, FONDI increased from 19,000 people to 30,000, and TERRACINA from 14,000 to 23,000. Many suffered from exposure and lack of food.

The feeding and medical treatment of all these people, together with the evacuation of refugees, fully extended AMG staffs but presented no new problems. By the end of the month 200,000 people were being fed in the Fifth Army area alone. Well earned were the congratulations of General Alexander and his application of the epithet "the Third Army" to A.C.C.

3. Due to the fast rate of advance contact was often lost with forward CAO's, whilst Provincial teams had to be called up urgently to take over. The small port of GAIJA was quickly employed. It was captured on 20 May and although damage to the harbour was considerable a stretch of 'hard' was cleared by the Royal Navy and a U.S. Engineer Unit so that schooners could be brought in. The first one carrying food supplies entered on 26 May and was unloaded into a warehouse which had already been secured. By 28 May all supplies were on a sales basis up to a line TERRACINA - PICO, indicating a very rapid recovery of normal economic life.

It was unfortunate that the misery of the refugees in some areas was increased by the conduct of certain troops under French Command, which moreover caused a greater movement of refugees than would otherwise have been the case. Adverse accounts of behaviour of troops continue from many parts of the country. What, however, account is taken of the great number of troops, the many diverse nationalities and the fact that good behaviour is unrecorded, the situation would

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4. Next to the advance of the Armies harvesting prospects and organisation have received most attention. After long discussions the price of wheat was fixed at 1000 lire per quintal and it was announced in the Press and over the radio on 15 May by both A.C.C. and the Italian Government. Inevitably, there are localities where dissatisfaction is expressed over the price, but in reaching a decision factors of national importance had to be taken into consideration.

The word "Amassi", of evil association, is dropped and in its place comes "Granai del Popolo". Well conceived publicity is successfully establishing this phrase.

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CONFIDENTIAL

With the wholehearted co-operation of AAI and the Italian Army, the labor problem has been largely solved by the transference to the principal grain areas of 25,000 Italian troops for the period of the harvest, mostly from Sardinia.

5. 30 and 31 May were devoted to the third Regional Commissioners' Conference which revealed both progress and harmony. Harvesting received rightly more time and detailed discussion than any other topic, for its importance to the Allied cause and the welfare of the country up to the time the last grain of wheat is stored could not be too much emphasized.

The personnel ceiling of ACC/MAC having been fixed and attained (including allowance for future expansion) it is obvious that no new areas are brought under control established areas must release personnel. Naturally the first to feel this thinning out process are the Regions in Italian Government Territory, who have nevertheless cheerfully faced the prospect during the month of parting with a number of their key men.

The remainder of NAPLES Province was handed over to Region III on 22 May.

A new defascistization law is being prepared to distinguish between the active Fascists and those who have only been tainted. In this connection emphasis has been laid on the difference existing between "defascistization" and "epuration". These terms are often used loosely and imply that they are synonymous which is not the case.

6. A committee under the chairmanship of the Deputy Chief Commissioner was appointed in order to make recommendations to check the present tendency to inflation.

#### POLITICAL.

7. The second meeting of the new Italian Cabinet took place on 4 May. Subjects under discussion were (i) the Grario del Popolo and the price of wheat; (ii) Defascistization; (3) Suppression of the Ministry of Foreign Exchange, its duties being taken over by the Ministry of Finance; (iv) Suppression of the Ministry of Popular Culture, press relations being taken over by the Ministry of the Interior (home and foreign news), the Ministry of Communications (tourism and radio), and the Ministry of Education (cinema and theatre); (v) Economic betterment of State employees.

8. The official price of wheat was issued on 15 May. The Italian Government asked that an A.C.G. announcement should be issued, covering AMG territory, at 2 p.m. followed at 2.30 p.m. by an Italian Government communiqué fixing a similar price "in order to ensure uniformity".

9. The new law dealing with the punishment of Fascist crimes and illegal practices contains a definition of those crimes which enabled Fascists to assume power in 1922 and to eliminate the last traces of democratic rule. Punishment ranges from imprisonment to death penalty. A list of mitigating circumstances

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ranges from imprisonment to death penalty. A list of mitigating circumstances  
is established to alleviate or to suspend sentences including such actions as  
fighting Germans. Provincial Commissions are established in each Province to  
judge all cases. Members of the Commissions will be both judges and laymen  
selected for their known anti-Fascist records and positions. Commissions will  
be appointed by the Prime Minister upon the recommendations of High Commissioner  
and Minister of Justice. The judgments of Provincial Commissions will be  
determined as in Courts of Law with a provisional appeal. The High Commissioner  
may review any sentence of the Provincial Commissions.

10. At a later meeting the Council affirmed a policy of war to the end  
against the Nazis and expressed its hope for a new world of international  
collaboration based on the principles of the Atlantic Charter and repeated its  
conviction that the Italian people had been betrayed and forced into a war against  
their interests and against their will. The Fascist invasions of other nations  
are deplored and, specifically, the Government looks to the early liberation of  
Albania.

CONFIDENTIAL

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FINANCE.

11. The complete report of the Finance Sub-Commission receives the same circulation as this report. It is therefore proposed to present here only the salient points.

12. As the next fiscal year for the Italian Government begins on 1 July it is necessary that a new budget be prepared to control expenditure after that date. The Italian Government is taking steps to prepare such a budget for the territory under its jurisdiction, and at the Government's request the Italian forms were sent to Military Government territory in order that if and when additional territory is turned over to the Italian Government, data will be available to make the necessary changes.

13. In Military Government territory there has been distributed a complete set of forms for the preparation of budgets, the operation of such budgets, the control of expenditures, and for reporting such expenditures. Revenue data are also included in these forms. In designing these forms every attempt was made to adhere as closely as possible to normal Italian accounting and fiscal procedures. Fiscal procedure for the State agencies is quite dissimilar to that for local government bodies, and two sets of forms were necessary. The operation of the new budget procedure should result in a definite measure of expenditure control.

14. Refugees leaving Italy for Palestine have deposited substantial funds with the Internees and Displaced Persons Sub-Commission, which is seeking a means of remitting these funds to Palestine. As there is yet little or no sterling available in the AP accounts, and as OCS has not approved the expenditure of foreign exchange for this purpose, the current procedure results in blocked deposits being held by the Internees and Displaced Persons Sub-Commission, for account of the refugees abroad. The problem has been referred to OCS decision as to policy, with a suggestion that the Jewish relief agencies abroad may desire to obtain lire funds, by purchase of these blocked deposits from the refugees arriving from Italy, if this is not contrary to general policy.

15. The Italian Government decree for the Insurance Advisory Committee has been signed and the opening meeting should take place during the first week in June. Arrangements have been made for the Insurance Department of Finance Sub-Commission to be provided with agenda and minutes of each meeting, and representatives have been invited to attend the first meeting.

16. In response to a request from AFHQ, the Minister of Finance was asked to give assurances as to the implementation of that part of the Armistice terms which provides that the Allied Forces shall be immune from Italian taxation. A satisfactory reply was received from the Minister, stating that no taxes, direct or indirect, will be imposed upon the Allied Forces or organizations serving with the Allied Forces, or upon individual members thereof whether acting in an official or un-official capacity. Specific instructions which have been issued to Italian tax officials by the ministry were cited in support of these assurances.

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- ECONOMICS, RESOURCES and SUPPLY.
17. Food. Grain shipments during May were much more regular than in April. Seven bulk wheat ships of a total tonnage of 56,000 tons and one flour ship tonnage 8,600 tons were unloaded during this period. The last ship was diverted to A'ZIO with a large portion of its flour cargo together with an additional top cargo of miscellaneous subsistence items to establish a stockpile for the feeding of ROME. The manufacture of pasta for feeding of forward areas has begun and arrangements are well advanced for the manufacture of biscuit for emergency feeding of forward areas. Plans for making use of the local harvest and for its movement from areas with a surplus to areas with a deficiency are well advanced.
18. Food processing has received considerable attention. Plans are in hand to deal with potatoes, tomatoes, marinated, jam, macaroni, fish (using the salting and drying processes) and yeast manufacture.

19. Ration Scales. Supplementary Ration for Heavy Workers. The scheme for the issue of additional rations to heavy workers wholly and in part employed by Allied Armed Forces has been adopted to commence 1 June. This issue will be by means of supplementary ration cards, and these have been delivered to Regional Supply Officers for distribution to the employing units and the process is proceeding smoothly.

Industry and Commerce. Much of the activity of the Industry & Commerce Sub-Commission has been in the direction of rehabilitation of factories and increased production in those concerns that are working. Special attention has been given to the following vital products:-

Soap - requirements of British Army, Italian Army, Navy and Air Force, civilians. Substantial quantities of soft soap will be produced by using the potash from almond-cash.

Glycerine and Glycerine dyes for export.

Sulphuric Acid - acid for battery electrolyte has come into production and all British Army requirements will be covered.

Fertilizers - production commencing shortly at seven plants. Sulphur is to be used in place of pyrites.

Carbon disulphide, Cement, Industrial Gases, wire nails and paper.

21. Agreement has been reached with the Italian Government on measures for the future regulation of the manufacture and use of leather. The key to the scheme is control of the production and allocation of tanning extracts, and a survey of these is approaching completion. The project for the repair of salvaged Army boots has been, within its own limitations, very successful, but it is considered that this scheme should be extended even at the cost of manufacture of boots, as the needs of heavy workers for whom this type is suitable are of the most urgent priority. In addition, it is hoped that an early importation of 500,000 pairs of heavy boots will be made, as these, plus local production, would go far towards solving the problem.

22. Export Shipments. Since last reporting the following shipments have been made:-

|               |              |                               |
|---------------|--------------|-------------------------------|
| To U.S.A..... | 100,049 lbs. | Lemon Oil.                    |
| To U.K.....   | 20,265 tons  | Sulphur.                      |
|               | 335 qtls     | Fluorite.                     |
|               | 386 qtls     | Argols.                       |
|               | 17,734 gals  | Lemon Juice.                  |
|               | 243 qtls     | Lemon Oil.                    |
|               | 13 qtls      | Tangerine Oil.                |
|               | 37 qtls      | Sweet Orange Oil.             |
|               | 15 tons      | Bentonite { sample shipment } |
|               | 160 kilos    | Briarwood }                   |

Following vital products:-

Soap - requirements of British Army, Italian Army, Navy and Air Force, civilians. Substantial quantities of soft soap will be produced by using the potash from almond-cash.

Glycerine and Glycerine (yes for export).

Sulphuric Acid - acid for battery electrolyte has come into production and all British Army requirements will be covered.

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| To U.S.A..... | 100,019 lbs. | Lemon Oil.                    |
| To U.K.....   | 20,265 tons  | Sulphur.                      |
|               | 336 qtls     | Pilberts.                     |
|               | 383 qtls     | Argols.                       |
|               | 17,734 gals  | Lemon Juice.                  |
|               | 243 qtls     | Lemon Oil.                    |
|               | 13 qtls      | Tangerine Oil.                |
|               | 37 qtls      | Sweet Orange Oil.             |
|               | 15 tons      | Bentonite { sample shipment } |
|               | 160 kilos    | Briarwood }                   |

23. Soap products have shown the anticipated increases especially in curvas and soaking; large quantities of binder twine for agricultural purposes have been produced. Supplies to the services have been maintained. The industry has been working for three months on the small stock of spare materials which were in hand. Production must diminish unless items which have been requested are supplied. These items should be regarded as military requirements and priority allocated accordingly.

#### AGRICULTURE, FORESTS & FISHERIES.

24. The general impression is that most sections of Liberated Italy will have a bumper crop in the present year. This is true not only of grain but of nearly every other crop which is normally planted. Fruit crops such as cherries and strawberries, plums and similar fruits show excellent output, and the general conditions of all crops at the end of May indicates first that most favourable

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weather conditions have offset many of the hardships resulting from the lack of fertilizers and materials, and second, that Italian farmers in spite of shortage of tools and work animals, and in spite of disruptions due to military activity, have gone ahead and planted the last inches of land and tended and cultivated the crops well.

25. Military installations, such as air fields, ordnance dumps and staging areas, cover a very appreciable portion of the farming land in Southern Italy. While there is considerable damage to growing crops and to agricultural facilities in some areas owing to the military necessity of taking over planted land or buildings, the military is giving splendid co-operation in this particular phase through the Commanding Generals of the Armies who have issued orders instructing that every care be taken in installations and in the requisitioning of facilities, that proper regard be given to areas and facilities which may be utilized for agriculture.

26. Crop reports on the acreage planted and the condition of the crop were collected from all Provinces and the preliminary forecast on 15 May was:-

|                 |   |           |              |
|-----------------|---|-----------|--------------|
| Wheat           | - | 1,624,135 | metric tons. |
| Barley          | - | 153,460   | "            |
| Rye             | - | 9,990     | "            |
| Oats            | - | 271,415   | "            |
| Corn            | - | 151,775   | "            |
| Dry Broad Beans | - | 203,830   | "            |
| Potatoes        | - | 590,990   | "            |

27. The Granai del Popolo. Following close on the re-organization of the Ministry of Agriculture and the announcement of the programme for collecting wheat and barley last month, activity has been intensified through the Sub-Commission and the Ministry of Agriculture to develop the necessary directives which will make possible the implementation of the collection decree, for the general co-ordination and broad supervision of the collection programme. Reports from the field indicate that the Communal and Provincial Committees in most Provinces are functioning and declarations are being completed. Assessment forms are being printed and will be available in time for the harvest and threshing. Special decrees and directives dealing with the collection of other crops are being prepared and worked out in co-operation with the Italian Government. A programme of publicity and propaganda has been worked out by members of the staff, the Italian Government and IWB, utilizing press releases, posters, radio, sound trucks and motion pictures, in order that every citizen of Italy may realize the importance of the attempt this year of Liberated Italy to assuring itself.

28. During the month inspections of important mills in the Provinces of SALERNO, POTENZA and COSENZA were made to ascertain what mills were able to provide bridge and construction timber. Eleven mills were examined and four found having machinery capable of sawing logs, 4 metres or longer in length. Public Works and Utilities Sub-Commission was notified of those considered of special interest to them.

29. Fisheries. The 21 tonnet around the Sicilian Coasts are in full swing and part of the harvest is being shipped to Naples. The remainder is being sold on the local markets as fresh fish and as frozen fish.

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29. Fisheries. The 21 tonnare around the Sicilian Coasts are in full swing and part of the harvest is being shipped to Naples. The remainder is being sold on the local markets as fresh fish food or is being either canned in olive oil or salted. Several shipments of hump cordage were made to Region V during the month. Reports from Basilicata indicate that there is a normal run of tuna fish. The heads of the Fisheries Division of the Agriculture Sub-Commission and of the Ministry of Agriculture made a complete survey on fishermen's needs in Region VII. Hump cordage necessary to make and repair nets has been distributed to every fishing village from SALERNO to REGGIO CALABRIA. As soon as the material is made ready shipments will be made to fishing villages on the IONIAN Coast.

#### PUBLIC WORKS & UTILITIES.

30. Highways and Bridges. At the beginning of the month eight bridges on main highways were under construction, and at the end of the month this number had risen to fifteen. Ten new bridges were under survey and design at the end of the month, or were being let out to contract. At the end of May heavy repairs of a major character were in hand on 158 miles of roads, mostly under contract, whilst normal repairs on 791 miles were similarly in hand, either by

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contract or under strengthened gangs of the "Contondieri" (direct labour). In spite of abnormally heavy traffic throughout the northern Military Government territory, there was a marked improvement in road conditions during May, both as to foundations and surfacing. All roads coming under first priority (military) were in hand, except for certain delays occasioned by local shortages of bitumen, or transport. The total number of quarries operated rose during May from five to eight.

31. Electrical Division. Under the heading of control of electric power supplies, further meetings were held with officials of the Public Works Ministry regarding a more uniform application of the decree on electricity rationing. The rationing has given very marked and on the whole satisfactory results, with a corresponding saving in coal consumption at thermal power stations, and conservation of the water held in storage at various high-level lakes and impounding reservoirs which furnish power to the numerous hydro-electric stations. The transfer of electricity generating plant from PALERMO (Sicily) to MARESE on the mainland was not found possible during the month, but will be completed in June.

#### LABOUR

32. Continued representations were made during the month to the Italian Government for the creation of a civilian mobilization law providing for manpower, and it is being given further consideration. The revised draft of the basic labour law was re-submitted by the Italian Government and is now being considered by A.C.C.

33. The labour situation remained fairly static. The continued threat of strikes persisted and "sit-downs" of short duration were not uncommon. Unrest was more marked than in any previous month and the Labour Sub-Commission is convinced that there is systematic agitation of the workers coming from one or two major sources. The real cause of the unrest is food, not low wages.

34. Drafting of the Social Insurance plan in close collaboration with the Italian Minister is proceeding slowly. The Social Insurance structure, like the wage structure, is most complex and has never been systematically analyzed by the present Italian Government. The lack of knowledge, on the part of the Ministry, of Italian wage and social insurance laws and regulations is placing a tremendous burden upon the military authorities, who are being asked time and again by the Italian authorities to approve some ill-considered and unworkable scheme based upon fancy rather than upon fact. A social insurance programme is being drafted for direct employees of the Armed Forces in conformity with sound labour policy. The extension of social insurance to this large group of workers has been approved in principle by the A.A.I. Local Resources Board.

#### TRANSPORTATION

35. Railways. Whilst military control becomes less rigid in the south, in the north extended territory and preparations for further extension led to an increase in traffic to military railways. Arrangements were made for civilian rails to be conveyed twice weekly on the Naples - Bari military passenger train, and arrangements will shortly be completed to convey civilian mails over other

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36. The Coal Division has been placed under the Transportation Sub-Commission for the purpose of drawing up in conjunction with the Italian Government control organization for handling and distribution of coal.

37. Road transportation problems have been considerably eased by the receipt of a quantity of tyres and tubes for trucks; more have been authorized and when received additional problems will be solved. The total number of trucks available to the end of the month for the transport of civilian supplies was 604. Re-allocations have had to be made to meet anticipated requirements consequent upon military operations.

7

39. The Royal Decree restoring Local Government in Italy is being made applicable to Military Government territory. Pools of Local Government officials of various grades are being constituted as a reserve for use where no suitable persons to replace the relieved officials can be found locally in recovered territory. Teams of officials have been sent forward to re-organise the devastated Provinces and Littoria Provinces.

**TRANSITION**

40. The successive passing of increased responsibility to Italian Courts in proceeding with the object of freeing officers for more forward action.

41. The consolidations of proclamations and orders and the issue of the booklet of "Consolidated Instructions for Allied Military Courts" have proved valuable both as helps and as a simplification.

42. Fascists are being dealt with in two ways, under the Decree of Defascistization of 28 December and under the recent Decree of Examinations. The former is a purely purging decree and provides the machinery for removing Fascists from office. The machinery is not yet properly at work. The latter is a penal decree and provides the machinery for punishing those who have been guilty of "crimes" - this decree has only just been passed. No action under it has yet been possible. The progress of both classes is a matter of special care and interest.

43. In espionage cases seven death sentences were confirmed and one commuted, with death sentence, was quashed.

44. Some improvement has been shown as to the number of cases awaiting trial and in the prison situation but constant watchfulness is necessary if it is hoped to get Italian Courts to deal with cases with reasonable expedition.

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#### PUBLIC SAFETY

45. The plans for moving Carabinieri into new territory as the Allies advance have worked smoothly. It has been reported on all sides that the Carabinieri have proved of the greatest assistance to Allied Forces in dealing with all civilian problems. It is interesting to note that the appearance of Carabinieri with the advancing troops has been enthusiastically welcomed by civilians.

46. Much closer relationship has been established between Provost and Public Safety Officers, with the object of maintaining direct contact between Allied Military Police and the Italian Police. Courses of lectures by Public Safety Officers are being given at Military Police Training Centres. The system of joint patrols by Allied and Italian Police is being extended.

47. The most serious case of counterfeiting yet discovered was at Palermo, where forged L. 1,000 Allied Military notes were being circulated. The printing press, tools and materials have been seized, 39 persons arrested and L. 12,000,000 recovered.

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48. The problem of overcrowding in civil prisons has been energetically tackled and the crisis has passed. All concerned now have a lively appreciation of the problem. The new Director of Prisons at the Ministry of Justice is forming a competent staff and a body of Inspectors.

49. The Military Security Services have reported that the additional restrictions imposed on the movement of civilians, which have thrown a good deal of work on ACC officers in the field, have proved of great value in checking the activities of enemy agents.

PUBLIC HEALTH

50. Smallpox. No further cases have occurred in Taranto, the disease in Naples is of a mild form. At 31 May 161 cases had been reported. There are no deaths.

Veneral. The decline of the V.D. rate continues. 2,000 hospital beds for infected prostitutes have now been provided in Italian Government territory. The Italian Government doctors and officials are co-operating well.

Malaria. ALI has made a considerable amount of Paris Green available for Regions. DDT Powder which proved of such value in Typhus Control is now proving of value in anti-malarial work, mixed with oil it is an effective larvicide, and mixed with kerosene or talc it is an effective destroyer of adult mosquito.

Veterinary. 2,500 swine have been lost in Region V from Swine Fever/Hog Cholera. The production of vaccine for this disease and of other biologicals is proceeding satisfactorily.

EDUCATION

51. Defascistization of Educational personnel is not proceeding in Italian Government territory as rapidly as is desired, but some improvement has been manifest recently. There have been a number of student disturbances mainly of a more or less good humoured nature to obtain the benefit of unsuccessfully passing an examination without undergoing the burden of a test.

52. The text book printing is now complete. If text books are to be ready for next year a million will have to be printed during the next few months. The work is in preparation.

53. The development of various educational channels for infants, for recreation, for youths (including scouts), for adults, for extension classes, for the teaching of arts and crafts and sciences and for technical education are all proceeding.

PROPERTY CONTROL.

54. A decree has been passed revoking measures previously taken against the property of Allied - French Nationals. Local officials have accordingly been instructed by the Ministry of Finance to revoke orders for sequestration and to reassign property to the owner or the Property Control Officer for the owner. Banks which had been acting as managers of sequestered properties will continue

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MONUMENTS & FIRE ARMS

55. M.F.A. officers have been well forward and have entered captured positions with, or shortly after the capturing troops. The MAF is granting every facility for co-operation to avoid inadvertent damage and to enable damage committed to be tabulated.

56. The following lists of protected monuments have been issued to forward troops :

|           |   |                                         |
|-----------|---|-----------------------------------------|
| Section 1 | - | Sardinia and Sicily.                    |
| " 2       | - | Apulia, Calabria, Campania and Lucania. |
| " 3       | - | Abruzzi and Lazio.                      |
| " 4       | - | Le Marche, Toscana and Umbria.          |

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57. A booklet on the preservation of Works of Art with a foreword by the C. in C. Mediterranean Theatre has been distributed to the troops.

#### COMMUNICATIONS

58. Telecommunications. No major changes have taken place in the Telecommunications system. Detailed development has been in steady progress; in particular, the capacity of the telegraph circuits to Naples has been made adequate for the traffic with that city. The telephone circuits available for the Italian Government to Naples are inadequate, and an increase in these facilities has been requested of the military authorities.

59. Posts. Detailed improvements have included the provision of four mail services a week from Naples to Bari (in place of two a week), and an airmail service with Tripoli. The sequence and circumstances in which the resumption of postal finance services, advance postal services for P.O.W. mail, and normal postal services in newly occupied areas has been agreed and instructions issued.

60. Censorship. A policy has been agreed and approved to turn over the operational control of internal mail and telegraph censorship to the Italian Government in Italian administered territory, and simultaneously to permit this control to be exercised by the Italian Supreme Command instead of by local Prefects acting under instructions of the Ministry of the Interior. This has the result of centralising the control, and of ensuring that civil censorship is made primarily an instrument of military security and not a source of political information. Policy control is retained and the normal direct executive control by Allied censors in areas forward of the Italian Government territory is not affected.

#### REFUGEES & DISPLACED PERSONS

61. General. The numbers of refugees this month from Yugo Slavia were small compared with preceding months; 2895 persons were received, of whom some 2488 were women and children.

62. During the month 571 Zionist Jews were embarked for Palestine. This emigration, the first of its kind from Italy since the commencement of the War largely concerned Jewish refugees located in Ferrarenti and Di Bagnoli Camps. Many problems had to be faced in this first emigration to Palestine, and the lessons learnt will be put to good use when a similar movement of Jews has again to be dealt with.

63. With impending operations likely in mid-May it was decided to organise approximately 1/8th of the Sub-Commission to find an Advance HQ and three Forward Groups. The extra work thrown on to individuals has been dealt with with energy and cheerfulness by all concerned. The organisations by which camps are to the maximum extent run by refugees has made it possible to face greatly increased commitments.

64. Medical. Yugo Slav and Italian civilians are being used to replace military personnel in the Medical Branch and several members of the Friends Ambulance Unit

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#### REFUGEES & DISPLACED PERSONS

61. General. The numbers of refugees this month from Yugoslavia were small compared with preceding months; 2395 persons were received, of whom some 2486 were women and children.

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64. Medical. Yugoslav and Italian civilians are being used to replace military personnel in the Medical Branch and several members of the Friends Ambulance Unit are now numbered amongst the staffs. Maglie Hospital still maintains a creditable military standard of efficiency. Both Leuca and Maglie hospitals are working to capacity and their bed-strength is being increased. The first course for training nurses was completed and of the original 30 who desired to be trained, 15 qualified. A second class of thirty has commenced training. There has been a mild epidemic of measles. Several cases of Whooping Cough and a few of Mumps and Scarlet Fever. Pulmonary Tuberculosis has also been shown to be fairly common. Most cases are absorbed into civilian sanatoriums. Red Cross personnel and Friends Ambulance Unit continued to render yeoman service.

65. Records Bureau. Approximately 31,500 persons have now been recorded. 1,050 enquiries have been booked out of which 375 definite answers have been received. Enquiries for Southern Italy are decreasing as certain results have been obtained and it has been stressed for some time now that the postal channels now available should be used. Enquiries are already coming in for areas nearer the old front line and it is estimated many more enquiries will come in shortly. The Foreign Relations Department of the British Red Cross have established a

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system whereby they accept enquiries from the American Red Cross, Allied Red Crosses, numerous Jewish organisations, and so on, which is an invaluable help in work of this character. The past months have proved beyond doubt the importance and immense psychological value of this work of handling enquiries and examinations of displaced persons and this bureau has been able to co-operate with M.E.P.R.A. and other outside organisations fairly effectively.

66. Statistics as at May 31 (unless otherwise stated) :

|                                           |   |         |
|-------------------------------------------|---|---------|
| Refugee population in Camps and Hospitals | - | 4,843   |
| Reception during May (by ship)            | - | 2,895 + |
| Reception by means other than ship        | - | 10      |
| Shipped to Mideast (Jews to Palestine)    | - | 571     |
| Gross total shipped to Mideast to date    | - | 20,391  |

+ of which 911 were women and 1577 were children under 16 years.

REFUGEES (ITALIANS)

67. The Italian military personnel working under the direction of the Refugee Branch for handling refugees from the forward area has been increased steadily and by the end of the month was 111 officers and 1040 other ranks, an accession of strength of 26 officers and 659 other ranks.

68. Movement during the month :

|                            |   |       |
|----------------------------|---|-------|
| From 5 Army (by road)      | - | 4589  |
| From 8 Army (by road/rail) | - | 8020  |
| Total                      |   | 12609 |

To dispersal areas southward :

|                                                      |   |      |
|------------------------------------------------------|---|------|
| To Region I (Sicily)                                 | - | 3971 |
| To Region II (Bari Province)                         | - | 1388 |
| To Region III (Naples, Salerno & Avellino Provinces) | - | 1440 |
| To Region VII (Reggio & Catanzaro Provinces)         | - | 1651 |
| Total                                                |   | 8450 |

In addition 1415 were dispersed to local homes and 878 handed over to the Italian military authorities for possible military services.

69. As the Allies move forward the unrest amongst the refugees in the South increases. Refugees find it hard to live in the dispersal areas and are eager to return to their homes and property, whether it is intact or not.

PUBLIC RELATIONS

70. Early in the month an officer of the Commission's Public Relations

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| To Region I (Sicily)                                 | - | 3971        |
| To Region II (Sard Province)                         | - | 1388        |
| To Region III (Naples, Salerno & Avellino Provinces) | - | 1440        |
| To Region VII (Reggio & Catanzaro Provinces)         | - | 1651        |
| Total                                                |   | <u>8450</u> |

In addition 1415 were dispersed to Local Homes and 878 handed over to the Italian military authorities for possible military service.

69. As the British move forward the unrest amongst the refugees in the South increases. Refugees find it hard to live in the dispersal areas and are eager to return to their homes and property, whether it is intact or not.

### PUBLIC RELATIONS

70. Early in the month an officer of the Commission's Public Relations Branch was attached to each of the Lines operating in the field, and these officers were in close touch in preparation for the active period expected. As a result contact was maintained with events and war correspondents and proper publicity was assured.

71. A number of items dealing with the work of ACC have been released to the press, the photographers attached to the Branch have covered stories of varied interest in the towns recently liberated, refugee camps and the forward areas generally.

72. The routine work was not neglected. Liaison with Sections, Branches, Boards and Regions was maintained, a particular feature being visits to Conferences and meetings held in the Regions. The weekly bulletin is proving increasingly useful and popular, especially in the southern Regions where authentic and up-to-date news percolates only slowly.

*W. J. Stone*  
W. J. Stone  
Christie, 1942, C.I.

HEADQUARTERS,  
ALLIED CONTROL COMMISSION,  
APO 394.

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REPORT FOR APRIL, 1944.

*Table 9c*

| EFN           |      |
|---------------|------|
| Cen. Encl.    | 1876 |
| at Col. Smith |      |
| Memo. 1876    | 1876 |
| Capt. Smith   | 1876 |
| Capt. Smith   | 1876 |
| 1876          | 1876 |

1. The major change in organization has been the division of the stretch of Italian Government territory hitherto administered as Region II into two distinct Regions. Road, rail and telephone communications are poor and confronted with the difficult problems of supply and refugee disposal, Calabria, Apulia, and Lucania had become unwieldy. Region VII was therefore constituted by splitting off Calabria from Region II. The HQ of the new Region was established under Colonel KIRKWOOD at CATANZARO. The staff of the Provinces of Cosenza, Catanzaro continued at their posts.
2. Most of the initial difficulties of the change over from Government to control have now been surmounted. The more frequent visits of HQ officers to the Regions have proved welcome in the Regions and helpful to all parties. At the same time, visits of field officers to Headquarters have become more numerous to the benefit of all concerned.
3. The Regional Commissioners and Sub-Commissions conference occupied three days, 14th, 15th and 16th April. The full discussion of common problems of Regional Commissioners, SCAO's Army AMG and the Directors and members of the Sub-Commissions was the means of arriving at solutions in many cases and lines of future action in others. Particularly was this observed in the consideration given to the problem of the harvest and the effect which it will undoubtedly have on the future of the Italian people. More exact details of the results will appear later in this report.
4. Throughout the whole of liberated Italy there is more political activity, generally of an orderly and quiet kind directed towards organization and definition of objectives. The political inexperience of people, who have been compulsorily inarticulate for so long has had some strange effect. It is hoped that the growth of local administrations now possible under the schemes for re-organising local government from communes to provinces may create a greater sense of civic responsibility and consequently an increase in political sense.
5. In general popular opinion expresses more confidence in the newly constructed Government of Marshal Badoglio. The tendency everywhere is towards moderation, though there are still many signs of apathy. The broken morale of the Italians is by no means restored but a hopeful sign is the reaction given to schemes for municipal and communal cleanliness, anti-malarial measures and measures adopted for the control of diseases that might become epidemic.
6. There are incipient labour troubles in all Regions. Nearly all these are concerned with food; demands for increased wages relate to the cost of living. It is the policy of the Commission to relieve these local troubles by methods that do not involve increases in the wage rates or embarrassing increases in the ration scales.

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  7. With the departure of Lieut. Colonel McCaffrey from Region II for another sphere, Colonel J.T. Zellars took command of the Region.
  8. Two main topics occupy the minds of all officers of the Commission - the probable extension of Military Government activities as a result of military operations and the forthcoming harvest and collection of commodities.
  9. The political crisis which began with the unanimous resolution of the Communist Party on 1st April, and proceeded to the King's request on 17th April

POLITICAL.

-2-

to the Marshal to form a new Government, was finally resolved on 21st April when Badoglio succeeded in forming a Government in which all the six recognised opposition parties were represented. The new Government is as follows:-

|                                                |                    |                |
|------------------------------------------------|--------------------|----------------|
| Prime Minister and Minister of Foreign Affairs | -                  | Badoglio       |
| Ministers without Portfolio:                   |                    |                |
| ACTION PARTY                                   | -                  | Sforza         |
| LIBERAL PARTY                                  | -                  | Croce          |
| COMMUNIST PARTY                                | -                  | Togliatti      |
| SOCIALIST                                      | -                  | Mancini        |
| CHRISTIAN DEMOCRAT                             | -                  | Rodino         |
| Minister of the Interior                       |                    |                |
| Under-Secretaries                              |                    |                |
|                                                | CHRISTIAN DEMOCRAT | - Aldisio      |
|                                                | SOCIALIST          | - Salerno      |
|                                                | ACTION PARTY       | - Carnocciolo  |
| Minister of Finance                            |                    |                |
| Under-Secretary                                |                    |                |
|                                                | NON-PARTY          | - Quintieri    |
|                                                | COMMUNIST          | - Pesenti      |
| Minister of Communications                     |                    |                |
| Under-Secretaries                              |                    |                |
|                                                | LABOUR DEMOCRAT    | - Corbelli     |
|                                                | NON-PARTY          | - di Raimondi  |
|                                                | NON-PARTY          | - Fano         |
| Minister of Public Works                       |                    |                |
| Under-Secretary                                |                    |                |
|                                                | ACTION PARTY       | - Tarchiani    |
|                                                | LABOUR DEMOCRAT    | - Cilento      |
| Minister of Agriculture                        |                    |                |
| Under-Secretary                                |                    |                |
|                                                | COMMUNIST          | - Gullò        |
|                                                | LIBERAL            | - Bergami      |
| Minister of Justice                            |                    |                |
| Under-Secretary                                |                    |                |
|                                                | LIBERAL            | - Arancio Ruiz |
|                                                | LABOUR DEMOCRAT    | - Lombardo     |
| Minister of Education                          |                    |                |
| Under-Secretary                                |                    |                |
|                                                | ACTION PARTY       | - Onofri       |
|                                                | CHRISTIAN DEMOCRAT | - Jervolino    |
| Minister of Industry                           |                    |                |
| Under-Secretary                                |                    |                |
|                                                | SOCIALIST          | - di Napoli    |
|                                                | CHRISTIAN DEMOCRAT | - Sansonetti   |
| Minister of War                                |                    |                |
| Under-Secretary                                |                    |                |
|                                                | NON-PARTY          | - Orlando      |
|                                                | COMMUNIST          | - Palermo      |
| Minister of the Navy                           |                    |                |
| Under-Secretary                                |                    |                |
|                                                | NON-PARTY          | - de Courteen  |
|                                                | SOCIALIST          | - Alborgo      |
| Air Minister                                   |                    |                |
|                                                | NON-PARTY          | - Sandalli     |
| Under-Secretary to the Presidency              |                    |                |
|                                                | LIBERAL            | - Morelli      |

The Party division of the whole Government, including Under-Secretaries,

| CHRISTIAN DEMOCRAT                |                   |                    |                |
|-----------------------------------|-------------------|--------------------|----------------|
| Minister of the Interior          | Under-Secretaries | CHRISTIAN DEMOCRAT | - Aldo         |
|                                   |                   | SOCIALIST          | - Salerno      |
|                                   |                   | ACTION PARTY       | - Caracciolo   |
| Minister of Finance               | Under-Secretary   | NON-PARTY          | - Quintieri    |
|                                   |                   | COMMUNIST          | - Pasenti      |
| Minister of Communications        | Under-Secretaries | LABOUR DEMOCRAT    | - Ceramonte    |
|                                   |                   | NON-PARTY          | - di Raimondi  |
|                                   |                   | NON-PARTY          | - Fano         |
| Minister of Public Works          | Under-Secretary   | ACTION PARTY       | - Turchiani    |
|                                   |                   | LABOUR DEMOCRAT    | - Cilento      |
| Minister of Agriculture           | Under-Secretary   | COMMUNIST          | - Gullio       |
|                                   |                   | LIBERAL            | - Bergami      |
| Minister of Justice               | Under-Secretary   | LIBERAL            | - Arancio Ruiz |
|                                   |                   | LABOUR DEMOCRAT    | - Lombardo     |
| Minister of Education             | Under-Secretary   | ACTION PARTY       | - Orsini       |
|                                   |                   | CHRISTIAN DEMOCRAT | - Jervolino    |
| Minister of Industry              | Under-Secretary   | SOCIALIST          | - di Napoli    |
|                                   |                   | CHRISTIAN DEMOCRAT | - Sansonetti   |
| Minister of War                   | Under-Secretary   | NON-PARTY          | - Orlando      |
|                                   |                   | COMMUNIST          | - Palermo      |
| Minister of the Navy              | Under-Secretary   | NON-PARTY          | - de Courteen  |
|                                   |                   | SOCIALIST          | - Albero       |
| Air Minister                      |                   | NON-PARTY          | - Sandalli     |
| Under-Secretary to the Presidency |                   | LIBERAL            | - Morrelli     |

The Party division of the whole Government, including Under-Secretaries, gives the following picture:

|                              |   |                     |   |   |
|------------------------------|---|---------------------|---|---|
| Left                         | { | Action Party        | - | 4 |
|                              | { | Communists          | - | 4 |
|                              | { | Socialists          | - | 4 |
| Moderate                     | { | Labour Democrats    | - | 3 |
|                              | { | Christian Democrats | - | 4 |
|                              | { | Liberals            | - | 4 |
| Non-Party (including Budget) |   |                     | - | 7 |

10. The first formal meeting of the new Government took place on 27th April. The official declaration of policy made after the meeting may be summarized as follows:-

- (a) The Government is formed from representatives of anti-fascist parties no longer opposed to one another, but united in the effort to solve the vital problems of the moment.
- (b) Other problems, not of immediate urgency, will be set aside, including the institutional one, which can only be decided by a constituent assembly elected by universal suffrage.
- (c) All the parties, according to their beliefs, are prepared for the fundamental reforms necessitated by two world-wars; but such reforms cannot be initiated or completed while Italy is cut in half and still at war.
- (d) The removal of fascist government provides a new spirit, lacking under Fascism, for the prosecution of the war at the side of the Allies, and for the heroic endeavour of patriots of every party now united in the defence of Italy and the conquest of Hitler's Germany.
- (e) The necessity of war involves the severest measures against all traitors and the freedom of Italians from all those who, having served Fascism, still cling to its habits, hopes or aims.
- (f) Such work must not be actuated by a spirit of revenge, but by a determination that Fascism shall never recur. The work has been put in hand and will be carried energetically to a swift conclusion.
- (g) Government action will be based on the urgent necessity of improving conditions of life by increasing industrial and agricultural activity, fighting speculation, ensuring internal exchange of products, obtaining essential supplies from abroad, and hastening the construction of public buildings, roads and bridges. For such tasks the Government counts upon the co-operation of all professional organizations.
- (h) Administration, despite difficulties of archives, reorganization and personnel, must be regularised and it is proposed to re-establish the State Accounting Office and the Accounting Court. It is proposed also, in co-operation with the Committees of Liberation, to establish a small Consultative Body, symbol of Parliament, to which periodic reports of progress will be made.

#### FINANCE.

11. It is still almost impossible to obtain any budget estimates even on a monthly basis from the Italian Government which prepared expenditure estimates only when it felt the need for additional supplies of currency. Such estimates are not expenditure estimates but solely estimates of cash disbursements. The failure of the former Minister of Finance to initiate the preparation of a budget for the remainder of the current year means that Regions I, II, VI and VII are now operating without any form of budgetary control.

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- (d) The renewal of democratic government provides a new spirit, looking under Fascism, for the prosecution of the war at the side of the allies, and for the heroic endeavours of patriotic and every party now united in the defence of Italy and the conquest of Hitler's Germany.
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12. A proposed procedure for exercising control over Government expenditures submitted to the Italian Government during the month, is not being considered. The draft of a war profits tax decrees to include farming profits and a memorandum detailing the long-term changes required in the Italian tax system have been prepared.
13. Since July 1943 the Italian Government and its agencies have disbursed about 26 billion lire of which only 4 billion was offset by gross revenues. In March the excess of Government expenditures over revenue was approximately 3 billion lire. During April the separate pools of currency reserves held at the various branches of the Banca d'Italia were brought under central control. The currency needs of deficit Regions are now met not by the Bank but by transferring currency from Regions with surplus currency.

14. Though there has been an increase in the black market prices of bread, potatoes and meat during the month, the black market price of fish fell from 250 to 125 lire per kilo as a result of the ACC development of fish supplies and the establishment of a fish marketing programme. Olive oil also declined in price due to rations issued at the end of the months of March and April. Supplies of spring vegetables also helped to reduce the cost of living in Naples at the end of the month to a figure lower than at any time since February.

#### ECONOMICS, RESOURCES & SUPPLY

15. Food. Over half a million tons of civilian supplies have now been received, 106,000 tons being handled this month. The proportion of grain to flour is increasing. The scale of distribution of bread and miscellaneous foodstuffs was maintained.

16. Olive oil is now being supplied in sufficient quantities to make a universal ration available. Considerable quantities of unrefined oil exist in Southern Italy and the arrangements in hand for supplies of caustic soda for refining should make it possible to keep up the present ration for several months.

17. The check on ration cards in Naples has been continued and extended to all Regions. The indications are that an appreciable measure of success in the proper distribution of food supplies will be attained.

18. Mining. Shipments of Sardinian coal during April were:-

|                   |   |                     |
|-------------------|---|---------------------|
| To Southern Italy | - | 10,170 metric tons. |
| To Sicily         | - | 14,500 metric tons. |

By the end of the month the 10,000 tons of sulphur asked for by the Ministry of Supply was ready for shipment and loading was in progress.

19. Exports. Shipments:-

|                    |           |   |              |
|--------------------|-----------|---|--------------|
| To United Kingdom: | Hemp      | - | 400 tons     |
|                    | Rope      | - | 9½ tons      |
| To United States:  | Wine      | - | 278 barrels  |
|                    | Lemon Oil | - | 100,000 lbs. |

20. Hemp. Production figures compare favourably with those of the previous month:-

|              |   |                |                         |
|--------------|---|----------------|-------------------------|
| Hemp and tow | - | 1,413 tons     | decrease 52 tons        |
| Canvases     | - | 70,150 metres  | increase 5239 metres    |
| Sacks        | - | 140,225        | increase 37905          |
| Ropes        | - | 3,923 tons     | decrease 452 tons       |
| Binder Twine | - | 1,960 quintals | increase 1880 quintals. |

Considerable quantities of hemp products were supplied to the Services. The present heavy demands for canvases will be more adequately met when the several small factories that have been rehabilitated during the month come into production in May.

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| Cables       | - | 70,150 metres  | increase 5239 metres    |
| Sacks        | - | 140,225        | increase 37905          |
| Ropes        | - | 3,923 tons     | decrease 452 tons       |
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21. The project for the repair of salvaged footwear is now in operation though only on a small scale pending the arrival of grindery and the increased production of leather. Output is now 500 pairs per day. This can be increased to 1000 pairs per day.

#### AGRICULTURE, FORESTS & FISHERIES.

22. Agreement was reached with the new Italian Government for a co-ordinated control of agriculture at all levels, Central to Provincial, Departmental and Ministerial. The necessary decrees for the collection of wheat and barley have been drawn up and details of the organization of the committees that will give effect to the decrees have been published.

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23. Retentions of grain for seed will again be permitted but on a reduced scale. Retentions on a production-worker basis have been drastically cut. Both these measures are designed to obtain as large a collection of these vital commodities as possible.

24. To divorce the old associations of ANASSI and PASOISM from the minds of people and farmers and to focus the attention of the Italian people on the efforts that they must make to satisfy their own needs for food, the term "il granaio del Popolo" (The people's grain) is being used instead of "annata" in all harvest publicity and references to "grain" will be avoided in favour of "contributing" and "collecting".

25. The price to be paid to the farmer for wheat has been the subject of much discussion. Recommendations varied from 640 lire per quintal to 1800 lire per quintal. The price has been fixed at 1000 lire per quintal for hard wheat, and 900 lire per quintal for soft.

26. Forestry. 500 tons of fuelwood have been provided for 5th Army. Other plans for the provision of timber are in hand in consultation with the Italian Royal Forest Corps.

27. Fisheries. Fish production continues to increase. Materials have been furnished to enable new nets to be made and old ones repaired. The industry can now make a useful contribution to the food supply. Fishermen have been moved from areas where night fishing is prohibited to unrestricted areas.

#### LABOUR.

28. Negotiations are started in connection with manpower mobilisation, pensions, establishment of Trade Unions, Labour Offices, and the governance of Labour Relations. It is hoped that the Italian Government will produce legislation covering these subjects.

29. The actual labour situation has been especially tense in Public Utilities. Many disputes proved to be complaints about food rather than wages. Wage studies have been instituted in Public Administrative Services, Printing trades, sulphur mines, leather goods trade, as well as Public Utilities. 97

#### PUBLIC WORKS & UTILITIES.

30. Highways and Bridges. In Southern Italy about 330 miles of military priority highways are being resurfaced, or completely reconstructed. Numerous bridges are being rebuilt, generally involving wholly new designs. The armies are providing 200 trucks, on loan, until the 4000 tons of transport and other heavy engineering equipment arrive from U.S.A. Operations in stone quarries and crushing plants are increasing.

31. Electrical Division. The Italian Decree rationing electricity came into force on 5th April. Public Works officers are enforcing observance in conjunction with various electrical supply companies. This rationing is of vital importance to conserve energy for Rome, and north thereof. Arrangements were completed for the reconstruction of a transmission line from north of the Garigliano River to Rome, involving probable employment of 300 to 400 civilian

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32. Public Works. Very good progress has been made in clearing Messina and Cagliari. Arrangements have been made with Malarial Control Branch for execution of necessary engineering projects, e.g., pumping operations, etc. The eruption of Vesuvius necessitated remedial measures, including retaining walls on the mountain, which are expected to cost 370 million lire.

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TRANSPORTATION.

33. No major difficulties were experienced in the first full month's operation of the Sicilian railways under AOC supervision. Some war-damaged lines have been re-opened, train services have been increased, some damaged locomotives are being repaired, and plans are in preparation for sending scrap to U.S.
34. Approximately 70,000 tons of civilian freight were carried on the mainland railways. 45% of this total was arranged through AOC officers in the field and the rest was accepted through the "bidding" system. Though the basic schedule of civilian freight trains has been reduced at military request, AOC are notified daily of available space for civilian freight on military trains. Movement has improved.
35. 512 military trucks with civilian drivers and 120 Italian Army trucks are now being used for the transport of civilian supplies. (An additional 104 military trucks will be in operation during May).
36. Shipment. A scheme for the closer control of all Italian shipments has been submitted to MEDIO with the request that this be issued as a AMR Directive. Another 225 Italian schooners have been registered making a total of 375 vessels, with a deadweight tonnage of 30,000 tons, the employment of which is directed by MEDIO. Schooners are not now allowed to sail between Sardinia and the Italian mainland and Sicily.

INTERIOR.

37. A Royal Decree reconstituting Local Government has now been published. Its effect is to continue the arrangements in regard to local administration introduced in AMG areas before the restoration. Steps are being taken to secure uniformity by applying when practicable the provisions of the Decree to Military Government territory.

LEGAL.

38. The work of consolidating the original fifteen AMG proclamations into four, with new translations of each, was completed. The mechanization of the implementation of Italian Government decrees in Allied Military Government territory has been in operation since the beginning of the month and is working satisfactorily.
39. Allied Military Courts continue to function satisfactorily. "arrears" are being overcome in the Naples area; there was a reduction in the number of cases compared with the previous month.
40. A handbook "Consolidated Instructions for Allied Military Courts", containing in addition to the Instructions, specimen Legal Forms and Rules for Procedure together with Italian translations of the latter, has been prepared. This translation is for limited distribution amongst Italian authorities and Avvocati appearing in Allied Military Courts.

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41. The figures for April in respect of espionage cases are as follows:- 7 death sentences were confirmed; 7 death sentences were commuted to terms of imprisonment; 6 cases were submitted for confirmation; 2 sentences each of 20 years imprisonment were affirmed on review; 2 accused were acquitted. Proceedings were commenced against a Director and two Managers of the Manifatture Cattedore Meridionali on charges relating to blank market offences. The trial attracted much attention and publicity as the three accused were formerly influential Fascists. All three accused were convicted and each sentenced to 5 years imprisonment.

42. The first trial by an Allied Military Court in Unoccupied Territory took place during the month at Salerno. The two accused were charged in respect of a series of thefts from a British Army Post Office. They were both convicted and sentenced to 10 years imprisonment.

PUBLIC SAFETY.

43. Police. Law and order has been well maintained with the exception of one serious incident between civilian and French troops which occurred in Trapani Province, Sicily. This is the subject of a full inquiry which is now proceeding. The situation is now quiet. The civil police have rendered excellent service in dealing with refugees, clearing military roads and controlling civilian movement.

44. Fire and Civil Defence. The Minister of the Interior has issued instructions for the civil defense organization in Italian Government territory to be absorbed into the fire service. This will mean a large reduction in civil defense personnel.

45. Prisons. The overcrowding of civilian prisons has become more acute. The latest available figures show that throughout the Regions there are prisoners detained in prisons, the normal capacity of which is 19,963 and some prisons are filled to over twice their capacity. There are many contributory factors, the chief being the requisitioning of civilian prisons by Allied Forces (1860 places), the detention of Italian Military prisoners (1784 places) and war damage to jails (1891 places). A committee has been set up with instructions to find a solution to this problem and has already achieved results.

PUBLIC HEALTH.

46. A few cases of smallpox have been reported. Measures have been taken to prevent epidemic.

Venerical Disease. The setting up of hospitals for the treatment of infected women is retarded owing to the difficulty in obtaining beds and bed furniture. Statistics show a diminution in the number of cases amongst troops stationed in Naples.

Typhus. This is now so well under control that no reason remains for reporting the case incidence.

Veterinary. Four diseases have become marked in different parts of Italy, Rabies, Glanders, Epizootic Lymphangitis and Swine Fever. The Italian Minister of the Interior immediately issued instructions concerning the proper counter measures to be adopted in the territory under its control. Similar instructions have been issued for the Military Government area.

EDUCATION.

47. A number of the decrees issued by Allied Military Government providing for the decentralization of the control of schools have been confirmed by the Minister of Education, and will therefore continue to apply in the territory administered by the Italian Government. The defascistisation of schools is not yet completed, though a plan has been evolved which will authorize Superintendents to suspend undesirable officials.

The publication and distribution of the revised elementary school text books was continued. The new books have met with widespread approval and are to be re-printed by the M.E. Command for use in North Africa.

PROPERTY CONTROL.

48. The Minister of Finance prepared a decree revoking the application of the provisions contained in the War Tax to the property of United Nations and French

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#### PROPERTY CONTROL.

48. The Minister of Finance prepared a decree revoking the application of the provisions contained in the War Law to the property of United Nations and French Nationals, and the Minister has sent out an instruction to all Prefects and Intendenti di Finanze detailing the procedure to be followed when the decree is published.

49. In Region I, most of the property of the Italian Government (including that of semi-statal institutions) taken into custody by AMG has been formally handed back. Fascist funds standing in the name of the CP have been or are being transferred to the Commissario Straordinario appointed by the Italian Government.

50. In Region III estates of 80 Allied and French owners and 35 commercial and industrial concerns have been taken into custody.

#### MONUMENTS, FINE ARTS AND ARCHIVES.

51. List of Protected Monuments No.3 (Lazio and Abruzzi-Molise) is in the press. Work on the preparation of the remaining lists continues.

## COMMUNICATIONS.

### Telecommunications.

The extension of the internal telegraph service has been authorized to include Avellino Province and Naples Province up to the R. Volturno. Service with Naples City has been inaugurated; by the end of the month about 850 messages a day have been passing through Naples post office. The internal telegraph service is now restored to about 65% of the services in Italian Government territory which previously had such service, and includes all provincial capitals and large towns.

53. Telephones. The civil telephone service, previously limited to urban calls, has been authorized for calls within provincial boundaries. Within Italian Government territory about 12% of the communes now have telephone communications to their provincial capitals and a further 9% to the local large town not a provincial capital. The repair of the main Salerno - Reggio cable has been completed, making many additional long-distance telephone circuits available to the Italian Government. Direct telephone service for official use is now available from Salerno to all provincial capitals on the mainland in Italian Government territory, and to Palermo, Messina and Catania in Sicily.

Plans have been completed as far as practicable for the restoration of telecommunications in enemy occupied Italy. Available equipment in Southern Italy has been inspected and suitable items earmarked for future use; details of additional equipment needed have been forwarded to AFHQ for supply from US or UK.

54. Posts. Arrangements were completed for restoration within the postal zone of internal service for the following classes of mail:

Registered letters  
Insured letters  
Express letters  
Newspaper post  
Airmail (Italy - Sicily - Sardinia)

Maximum weight allowed was raised from 90 grams to 210 grams per letter.

Foreign Mail. The first inward foreign civil mails arrived during April, and included post-sight letters from the US, USA, North Africa, Egypt, India and Australia. The first New York consignment to reach Naples arrived on 21 April and comprised some 200,000 items.

55. Censorship. The Civil Censorship Group, Italy, formerly operating under IMC, AFHQ, was transferred to ASC towards the end of April. The Headquarters personnel was moved from Palermo to Salerno and the group now forms part of the Sub-Commission, the title of which has been changed to the more inclusive one of the Communications Sub-Commission.

### INTERVIEWERS & DISPLACED PERSONS.

56. General. Refugees this month from Yugoslavia were as in March, composed of children, women encumbered with large families, old men and old women. The orphans' homes at DI LEUCA and DI RACCHI are doing good work and have had a very satisfactory beginning. That at DI LEUCA is now in full running order. The school, gardening and games are organized and a large quantity of toys have been made by the RED CROSS representative at No. 1 Camp. BARI and distributed to the children.

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#### IMPROVES & DISPLACED PERSONS.

56. General. Refugees this month from Yugoslavians were as in March, composed of children, women encumbered with large families, old men and old women. The orphans' homes at DI LEUCA and DI HACMI are doing good work and have had a very satisfactory beginning. That at DI LEUCA is now in full running order. The school, gardening and games are organized and a large quantity of toys have been made by the RED CROSS representative at No. 1 Camp, BARI and distributed to the children. A large number of Jews were moved from BARI to DI LEUCA Camp, only those remaining who had employment at BARI and their close relatives.

57. Medical. A general all round improvement may be recorded for April. One sign of progress was evident when nearly 2,000 refugees were received on one day and were all disinfected, vaccinated and inoculated before passage to Holding Camps. The entire British Staff at DI LEUCA Refugee Hospital was withdrawn on 24 April and the hospital is now staffed by Yugoslavians who are working as well as can be expected, bearing in mind their lack of experience. One case of typhus occurred during the month. Seven members of a Hospital Unit of the Society of Friends are working at two hospitals of this Sub-Commission and giving invaluable service. Red Cross personnel at Hospital and Camps have contributed very largely in assuring the welfare of the inmates.

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Records Bureau. To date 30 April, 24,400 persons have been recorded, of whom 13,950 have been evacuated, 3,000 present whereabouts unknown, the remainder in camps or residents at known addresses (own or employers), 300 in hospital, 42 dead. 34 nationalities are involved. About 600 RED CROSS messages have been sent out, but as the International Red Cross are not established and have made their services available through Italian post offices in Southern Italy, it has been advocated that this service should be used wherever possible. If it is impossible for the individual to use this service, messages can be sent through the Records Bureau.

59. Registration. Work on the selection of Jewish principals to send to PALESTINE within the limits of certificates authorized has been dealt with and it is expected that some 500 immigrants will leave for PALESTINE at the end of May.

60. Statistics. As at 1st May (unless otherwise stated):-

|                                           |   |        |
|-------------------------------------------|---|--------|
| Refugee population in Camps and Hospitals | - | 7453 + |
| Reception during April (by ship)          | - | 7708 = |
| Reception by means other than ship        | - | 12     |
| Shipped to Middle East                    | - | 3571   |

+ includes 676 Partisan trainees  
= of which 2601 were women, 3796 were children under 16 years.

Gross total shipped to Mideast to date - 19820

#### REFUGEES (ITALIAN).

61. The Italian military personnel working under the direction of the Refugee Branch for handling refugees from the forward areas has been increased from 58 to 85 officers and from 361 to 767 Other Ranks.

Movement during the month:-

|                          |   |      |
|--------------------------|---|------|
| From ALGERIA by sea      | - | 8539 |
| From 5 Army by road/rail | - | 1403 |
| From 8 Army by rail      | - | 656  |

To dispersal areas southwards:

|                               |   |      |
|-------------------------------|---|------|
| To Region I (Sicily)          | - | 5496 |
| To Region II (Bari Province)  | - | 628  |
| To Region III (Avellino Prov) | - | 1336 |
| (Naples Province)             | - | 2411 |
| (Salerno Province)            | - | 1469 |

62. Whilst there is some improvement in the settlement of refugees by the Italian authorities there is still not enough. Efforts to stimulate the local authorities continue to be made by AOC assisted by officers of the Red Cross Organisation. Establishment of feeding points en route has greatly ameliorated the rigours of the train journeys.

63. An additional camp was opened at CAPUA and is operating successfully. A camp is in course of construction in the north.

Refugee population in Camps and Hospitals  
 Reception during April (by ship) - 7458 +  
 Reception by means other than ship - 7708 =  
 Shipped to Middle East - 12  
 - 3574

+ includes 676 Partisan trainees  
 = of which 2604 were women, 3796 were children  
 under 16 years.

Gross total shipped to Mideast to date - 19820

#### REFUGEES (ITALIAN).

64. The Italian military personnel working under the direction of the Refugee Branch for handling refugees from the forward areas has been increased from 58 to 85 officers and from 381 to 767 Other Ranks.

Movement during the month:-

From ALZIO by sea - 8539  
 From 5 Army by road/rail - 1403  
 From 6 Army by rail - 656

To dispersal areas southwards:

To Region I (Sicily) - 5496  
 To Region II (Bari Province) - 628  
 To Region III (Avezzano Prov) - 1336  
 {Naples Province} - 2411  
 {Salerno Province} - 1159

62. Whilst there is some improvement in the settlement of refugees by the Italian authorities there is still not enough. Efforts to stimulate the local authorities continue to be made by AGC assisted by officers of the Red Cross Organisation. Establishment of feeding points en route has greatly alleviated the rigours of the train journeys.

63. An additional camp was opened at CAPUA and is operating successfully. A camp is in course of preparation in the POCOLA area and should be ready to receive refugees by mid-May. (This camp is now operating and will be used in connection with handling operations if not required for refugees). Aversa Camp had to be closed for two weeks owing to an outbreak of typhoid fever. It is now in operation again.

#### PUBLIC RELATIONS.

64. The relationship between PRB, HQ and the Regions was more clearly defined and a weekly bulletin was started.

65. Assistance of various kinds was offered to newsmen; press and trends of copy concerning AGC affairs were prepared, press conferences were arranged - notably one for Mr. Murphy and Mr. MacMillan, which was attended by 28 correspondents - and facilities of transport and liaison offered to reporters covering the change in

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Italian Government and Cabinet meetings. PWs also assisted in organizing Italian Ufficio Stampa in Salerno, with a brunch in Naples. Photographs were taken of activities of interest: delivery of bread in Naples, work of Education and Fine Arts Sub-Commissions, and personalities of Italian Government.

66. With PWB arrangements were made for publication of a soldier's guide to Rome; this has been printed with a foreword by General Sir H. Alexander. Work was continued with Central and Local Allied Publications Boards. Pre-censorship has been abolished but a reminder on the procedure for military censorship was sent to Italian Government. A scheme for a new Press decree has been discussed with Chief Legal Officer and is in preparation.

*Noel Mason MacFarlane*

NOEL MASON MACFARLANE,  
Lieutenant General,  
Chief Commissioner.

CONFIDENTIAL

HEADQUARTERS  
ARMED CONTROL COMMISSION

APG 244

1. This report covers the activities of the Allied Control Commission in Regions I, II, III, V, VI and in the 5th and 8th army areas during the month of February 1944, which was the first complete month of the United Headquarters under Lieutenant General Eason Mackerrall. As from 15 February, Pozzani, the only territory which was being administered by Region IV, was placed in Region V.

POLITICAL

2. Upon the return to Naples of the delegates from the Congress of the six parties of National Liberation, which was held in Bari on January 28 and 29, the Executive Group was formed. The Giunta has met several times in Naples, one of its first acts being the dispatch of a communication to the King, which recited the decisions of the Bari Congress and invited him to abdicate forthwith. This communication was made on February 6, but has up to the present elicited no apparent action from the monarch or his Government. Pending further developments in this respect, which are however not anticipated, the Giunta is endeavoring to reach a greater degree of agreement in respect of the points not clarified at Bari. Count Sciarra and Senator Croce, with whom the Giunta's terms of reference require it to maintain close consultation, are likewise attempting to bring about a compromise, which will enable the opposition to present a united program of action to the Badoglio Government and the Allies.

3. Meanwhile, as previously scheduled, the transfer of administration of the southern mainland provinces, Sicily and Sardinia to the Italian Government took place on February 11 and the Badoglio Government with the exception of the Province of Caltanissetta began to operate from its new temporary capital of Caltanissetta. The transfer created very little reaction throughout the territory concerned. Some regret has been expressed that this hasty back of territory seemed to show the intention of the Allies to strengthen the Badoglio Government.

4. At Taranto two manifestations of labor disturbances occurred during the first week in February which resulted in the removal of the project but did not take the form of the threatened strike among the dock workers. Although the alleged cause was the lack of food and dissatisfaction with working conditions, investigation indicates that the underlying reason was political in order to discredit the Government.

X

2. Upon the return to a plan of the delegates from the Congress of the six parties of national liberation, which was held in Bari on January 12 and 13, the Executive Council was formed. The Council has had several times in Naples, one of its first acts being the dispatch of a communication to the King, which recited the decisions of the Bari Congress and invited him to abstain forthwith. This communication was made on February 6, but has up to the present elicited no apparent action from the monarch or his Government. Pending further developments in this respect, which are however not anticipated, the Council is endeavoring to reach a greater degree of agreement in respect of the points now clarified at Bari. Count Storace and Senator Croce, with whom the Council's terms of reference require it to maintain close consultation, are likewise attempting to bring about a compromise, which will enable the opposition to present a united program of action to the Badoglio Government and the allies.

3. Meanwhile, as previously scheduled, the transfer of administration of the southern mainland provinces, Sicily and Sardinia to the Italian Government took place on February 11 and the Badoglio Government with the exception of the Defense Minister began to operate from its new temporary capital of Salerno. The transfer created very little reaction throughout the territory concerned. Some regret has been expressed that this handling back of territory seemed to show the intention of the allies to strengthen the Badoglio Government.

4. At Taranto too manifestations of labor disturbances occurred during the first week in February which resulted in the removal of the prefect but did not take the form of the threatened strike among the dock workers. Although the alleged cause had been lack of food and dissatisfaction with working conditions, investigation indicates that the underlying reason was political in order to discredit the government.

5. On 22 February the British Prime Minister made a statement in the House of Commons that the "policy which His Majesty's Government have agreed to provisionally with the Government of the United States was to win the battle of Rome and take a new view when we are there." This statement was received with satisfaction in Royal and Governmental circles, but was taken by the opposition as a negative reply to their proposals. The party of action and the Socialist and Communist parties in Naples decided to call a ten minute strike for eleven a.m. Saturday, 4th March, as a protest. But in order to emphasize that they did not intend any damage to the Allied war effort they called upon workers to do little or nothing overtime during the lunch hour period on the same day. It was made

blow to the three parties and the union leaders that the Commander-in-Chief would not tolerate any strike under any circumstances in this area. Further announcement was therefore made at the last moment by the three parties and the Confederation of labor cancelling the strike and announcing, in agreement with Allied authorities, that a public meeting should take place on Sunday, 12th March, in Naples and that a petition should be drawn up to demonstrate the extent of popular support of the opposition. No suspension of work in Naples area occurred on 4th March.

6. Two large meetings were held in Palermo on successive Sundays and were attended by some 4000 people on each occasion. The first meeting, which was organized by the free Sicily movement, favored the separation of Sicily from Italy and was openly hostile to the monarchy and the Badoglio Government, while the second, sponsored by the Committee of liberation, emphasized the need for unity as a prerequisite of liberty. Subsequent announcements in the local press by the parties which comprise this committee show, however, that party differences are still intense and self interest stronger than any sentiment for national unity. This self interest is emphasized by the fear among most men of military age that they may be recalled to the army.

7. In Sardinia political activity is increasing. It remains to be seen to what extent the local concentrations until fascists will hold together or how soon there will be a cleavage between parties of the left and center. The feeling for some form of increased autonomy for Sardinia is strong.

8. The Badoglio Government has announced the appointment of Signor Zaniboni as High Commissioner for the purging of Fascism from public life. Zaniboni was elected a Socialist Deputy in 1918, continued in active opposition to Fascism after the advent of Mussolini and was involved in an attempt on his life in 1925. Since that date he has been in prison and only reached the mainland of Italy from the island of Ponza with the arrival of Allied troops. He has expressed his intention of working in the closest possible collaboration with Allied authorities and his determination to carry out his duties with thoroughness and method. On accepting this post, he was expelled from the Socialist Party of Naples which continues to refuse to permit any of its members to collaborate with the Badoglio Government.

#### PUBLIC SAFETY

9. Public Security during the month can be said to have been "normal" in all regions. No case of sabotage or subversive activities were reported but there were several cases of violence, including a few of shooting at British and American soldiers, arrests were made in all cases. In the 5th Army area, Algerian and Moroccan troops have become involved in a considerable number of cases of alleged rape or attempted rape and have used fire-arms to enter houses.

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7. In Sardinia political activity is increasing. It remains to be seen to what extent the local Concentrazione anti-fascists will hold together or how soon there will be a cleavage between parties of the left and center. The feeling for some form of increased autonomy for Sardinia is strong.

8. The Badoglio Government has announced the appointment of Saverio Zucchi as High Commissioner for the purging of Fascism from public life. Zucchi was elected a Socialist Deputy in 1919, continued in active opposition to Fascism after the advent of Mussolini and was involved in an attempt on his life in 1925. Since that date he has been in prison and only reached the mainland of Italy from the island of Ponza with the arrival of Allied troops. He has expressed his intention of working in the closest possible collaboration with allied authorities and his determination to carry out his duties with thoroughness and method. On accepting this post, he was expelled from the Socialist Party of Naples which continues to refuse to permit any of its members to collaborate with the Badoglio Government.

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10. The morale and efficiency of the Carabinieri, Guardia di Finanza and the other police agencies continues on the whole to be good and useful work was accomplished by them in all regions. Examples of their activities are, policing of ports and railways, checking civilian vehicles at road blocks in search of contraband, dealing with the problems of general abscence, and the prompt dispersal of various minor disturbances. All in connection with the desire for more food. A decision by AFM that the Carabinieri and the Guardia di Finanza are to be classified, in so far as rationing, uniforms and equipment are concerned, as parts of the

an armed force, should have a very good effect on morale.

11. Extracts from civilian mails collected by the censors have proved a useful means of assessing public morale in various parts of the country. Allegations of black market activities by named individuals have proved of value.

12. The prison situation remains satisfactory. In Cardinale there is considerable congestion and steps to relieve it are being taken (see paragraph 14 of this report).

13. The publication of General Order No. 28, which relates to the issue of motor vehicles and petroleum permits was delayed pending discussions with the Italian Government in regard to their issuing a similar order in their territory.

#### Allied Courts

14. Allied Courts continued to function satisfactorily during February. Totals of cases disposed of were much the same as the previous month, namely, around 300 for the army areas and around 600 for the other regions. An exception was Region III in which no less than 4207 cases were tried in Allied Courts, of which 3040 resulted in convictions. This large number is due mainly to currency and petty theft cases in the city of Naples. In all regions the large proportion of the cases dealt with were for very minor offences.

15. Among the more important cases tried were those of the leader of a gang of mail robbers in Sicily, 25 men charged with murdering an allied soldier in Calabruzzo and 22 persons in Reggio for taking part in disturbances. The mail robber was sentenced to death for interference with allied mail. Those convicted of assisting the police in Reggio received sentences ranging from three months to ten years. 356 stolen cases were tried in Sicily and in the 5th Army area 2 men were charged with espionage before a General Military Court but was acquitted.

#### Italian Courts

16. During the month 11. 2. Giuseppe is Bartolo, who had been acting for some months as Minister of Justice, was replaced by M. S. Basso Cassi. The Ministry of Justice and at all times cooperative and the translocation of business between it and the Legal Subcommission was smooth and expeditious.

17. The Italian Court of Appeal at Avellino and Benevento have been reorganized. The officers, specialists in Italian law were loaned to Region III to aid the Regional Legal Officer and his Italian Court Officer in bringing about the more efficient functioning of the Italian courts and securing space for the conduct of such courts.

ALLIED COURTS

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15. Among the more important cases tried were those of the leader of a gang of galli mothers in Bari, of a man charged with murdering an allied soldier in Ostia Lido and 73 persons in Naples for taking part in disturbances. The galli mother was sentenced to death for interference with allied mail. Those convicted of disturbing the peace in Naples received sentences ranging from three months to ten years. 336 stolen cases were tried in various provinces. Four cases of wire cutting were dealt with in Sicily and in the 6th Army area. Men were charged with espionage before a General Military Court but were acquitted.

ITALIAN COURTS

16. During the month R. S. Giuseppe de Santis, who had been acting for some months as Minister of Justice, was replaced by R. S. Ettore Casetti. The Ministry of Justice was at all times cooperative and the transaction of business between it and the legal Subcommission was smooth and expeditious.

17. The Italian Corti d'Appello at Avellino and Benevento have been reopened. Two officers, specialists in Italian law, were loaned to Reggio Ill to aid the regional legal officials and the Italian Court Officer in bringing about the more efficient functioning of the Italian Courts and securing space for the conduct of such courts.

18. In Naples 11 the Italian Courts are functioning satisfactorily except in Asinara where little or no progress was being made before February 15th in the trial and punishment of civilian offenders against the Allied Forces, many of whom had committed serious crimes. Constructive steps are being taken to remedy this situation.

19. The crowded state of the jail in Asinara is a disturbing feature of the present situation in Asinara. Of the 500 inmates of Cagliari jail only 2 have received final trial. The situation is

rendered difficult by the dispersion of the judiciary in a number of small villages and the lack of suitable accommodations in Cagliari. At the beginning of March an officer with wide knowledge of Italian law proceeded to Sassari to help clear up the situation with regard to Italian courts in that island.

20. In Region V the Court of Assize opened at Lucera on 10 February and disposed of 5 cases. The tribunal of both Foggia and Lucera have been in constant session throughout the month, and arrangements have been made for the Court of Appeal to open in Lucera on April 1st.

21. In other areas no special problems have arisen during the month and Italian Courts have functioned with reasonable efficiency, if somewhat slowly. The policy of handing over to these Courts all possible cases except where military interests are directly involved is being developed.

#### ECONOMICS, RESOURCES AND SUPPLY

##### Food

22. The food situation improved during the month in all regions. On February 7th the bread ration was increased to 200 grams per capita per day and in some regions a limited amount of pasta was made available. In other areas the 200 grams was distributed in the form of 150 grams of bread and the balance in flour, in order that the people could make pasta. The increased ration of bread, although less than normal, is nevertheless a sufficient subsistence ration and has been generally welcomed. Supplementary meals are available for heavy workers in some industries.

23. The arrival of a considerable quantity of sugar at Reggio made possible a general distribution throughout Region II on the basis of 200 grams per head per month. This distribution, the first for many months, has given great satisfaction. In this region the milk situation, both tinned and fresh, has improved. In most areas soup, peas and beans were received in sufficient quantities to allow of a limited distribution. Dehydrated soup is, however, proving an unsatisfactory issue, since this food is not understood by the people and they do not want to accept it. Instructions as to its use in English and Italian are being prepared for general distribution. Considerable difficulty in distribution was experienced during the month due to heavy snowfalls in the mountain districts, preventing movement of transport. Particularly in Comabbano Province. No command, however, lacked basic rations for more than a day or two even in this province.

24. Supply officers in all regions are trying to keep control of the constant tendency towards further inflation. Unfortunately, they receive very little real help from Italian officials, even in the areas hurried back to the Italians, through promises and fair words are plentiful. Possibly this is due to the natural inertia of most Italian officials, or it may be that

ECONOMICS, RECONSTRUCTION AND DEFENSEFood

22. The food situation improved during the month in all Regions. On February 21, the bread ration was increased to 200 grams per capita per day and in some regions a limited amount of pasta was made available. In other areas the 200 grams was distributed in the form of 150 grams of bread and the balance in flour. In order that the people could make pasta, the increased ration of bread, although less than normal, is nevertheless a sufficient subsistence ration and has been generally welcomed. Supplementary meals are available for heavy workers in some industries.

23. The arrival of a considerable quantity of sugar at Reggio made possible a general distribution throughout Region II on the basis of 150 grams per head per month. This distribution, the first for many months, has given great satisfaction. In this Region the milk situation, which declined and fresh, has improved. In most areas soup, peas and beans were received in sufficient quantities to allow of a limited distribution. Degradated soup is, however, proving unsatisfactory because, since this food is not understood by the people and they do not want to accept it, instructions as to its use in English and Italian are being prepared for general distribution. Considerable difficulty in distribution was experienced during the month due to heavy snowfalls in the mountain districts, preventing movement of transport. Particularly in Comptessa Province. No commune, however, lacked basic rations for more than a day or two even in this province.

24. Supply officers in all Regions are trying to bring control of the constant tendency towards further inflation. Unfortunately, they receive very little real help from Italian officials, even in the areas headed back to the Italians, though promises and radio words are plentiful. Presumably, this is due to the natural inertia of most Italian officials, or it may be that they take a realistic view of the fact that the only "work" a very large proportion of southern Italians have to do is the planning of black market operations, a vocation in which most have had considerable experience in the years since the Italian "self sufficiency drive" was initiated. The black market plays a very important part in the life of Italy, and evidence is constantly accumulating that the Consommi play a very important part in the black market. It is to be hoped that the new Minister of Agriculture can be persuaded to do something about this.

From Gardinia came reports of a notable increase in number of ration card holders. Part of them are due to the fact that farmers, having been allowed to keep a portion of their crop for their own needs and part of this in the black market. Having seen for the next season they are now coming to the end of their store bins and are asking for allied flour. This situation is being fully investigated. The demand is almost entirely with out olive oil.

#### Export Trade

26. Total shipments to U.K. up to end February include:

|                       |                         |             |
|-----------------------|-------------------------|-------------|
| Lemons                | 377,000 boxes approx.   | 13,000 tons |
| Lemon Juice           | 22,000 Imperial Gallons |             |
| Lemon Oil             | 100,000 lbs             |             |
| Bitter Oranges        | 30,000 boxes            |             |
| Sweet Orange Oil      | 1,000 lbs               |             |
| Bitter Orange Oil     | 5,000 lbs               |             |
| Tangerine Oil         | 500 lbs                 |             |
| Bergamot Oil          | 25 tons                 |             |
| Citric Acid           | 300 tons                |             |
| Argols                | 110 tons                |             |
| Filtering             | 500 tons                |             |
| Almonds (oil kernels) | 1,000 tons              |             |
| Mustard Seed          | 40 tons                 |             |
| Sunac                 | 400 tons                |             |
| Pumice Stone          | 110 tons                |             |
| Sulphur               | 40 tons                 |             |

27. Two flintures in Hessele and Comenza started production. Allocations of last season's carcasses were made to them and at the end of the month about a ton of sperm oil was ready for shipment.

#### Mining and Fuel

28. In accordance with instructions from AFHQ, production of coal from the Gardinia mines was limited to 25,000 metric tons for the month of February. These mines are in fact in a position at the present time to produce well over 2,000 metric tons of coal per day, provided adequate timber and other supplies are available. The total number of workers employed at the mines is 5,000.

29. Arrangements have been completed for exporting 2,000 metric tons of iron metal from Gardinia to North Africa and future production is to be stockpiled in Gardinia pending allocation.

30. A comprehensive study has been made of barite deposits and stocks in Gardinia. An existing stockpile of 1000 metric tons with not more than 900 metric tons content is now being at mine near the port of Sant'Antioco. Investigation indicates that production of barite from Gardinia could be made with an average of 1,000 metric tons per month during the first three

Sweet Orange Oil 1,000 lbs  
 Sweet Orange Oil 1,000 lbs  
 Bitter Orange Oil 1,000 lbs  
 Tangerine Oil 1,000 lbs  
 Bergamot Oil 1,000 lbs  
 Citric Acid 1,000 lbs  
 Ascorbic 1,000 lbs  
 Almonds (all kinds) 1,000 lbs  
 Mustard Seed 1,000 lbs  
 Gumac 1,000 lbs  
 Pumice Stone 1,000 lbs  
 Sulphur 1,000 lbs

27. Two cargoes in Regulo and Tassara started production. Allocations of last season's cargoes were made to them and at the end of the month about a ton of alum alk was ready for shipment.

#### Mineral and Fuel

28. In accordance with instructions from AFDC, production of coal from the Gardinia mine was limited to 25,000 metric tons for the month of February. These mines are in fact in a position at the present time to produce well over 2,000 metric tons of coal per day, provided adequate timber and other supplies are available. The total number of workers employed at the mine is 8,854.

29. Arrangements have been completed for exporting 2,000 metric tons of lead metal from Gardinia to North Africa and future production is to be stockpiled in Gardinia pending allocation.

30. A comprehensive study has been made of barite deposits and stocks in Gardinia. An existing stockpile of 1200 metric tons with not less than 95% barium sulphate content is available at mine near the port of Sankhabuloo. Investigation indicates that production of barite from Gardinia could be made with an average of 1,000 metric tons per month during the first three months and an output of over 2,000 tons per month at the end of one year's operation. Most of the heavy equipment required is available in Gardinia.

31. A general inspection of Sicilian sulphur mines has been made, together with an investigation of processing equipment for the preparation of refined ground sulphur. There are facilities in Sicily at the present time for processing 700 metric tons of

flowers of sulphur and 1,500 metric tons of ground sulphur per month. An allotment of 4,000 tons of raw sulphur has been made for dusting purposes, and will be processed in the Sicilian plants. An inspection of sulphur mines on the Italian mainland is in progress. If conditions warrant reopening, supplies will be requisitioned for these mines and production started.

32. Fuel and petroleum products requirements for essential services for the whole of liberated Italy for 13 months were estimated for submission to Washington and London. As from the beginning of the month the entire responsibility for the distribution of petroleum products was handed over to C.I.P. and the Industry and Commerce Subcommission now has the duty of full coordination between ACO (and, through them, the Italian Government) and Headquarters, and (Adm. Sec.), Foreign Section. Arrangements for handling over to the Italian Government the licensing of motor vehicles and the rationing of petroleum products were well advanced and were expected to be successfully concluded early in March.

#### Development of industry

33. The program of surveying and reporting on industries and individual establishments, with a view to their rehabilitation where deemed necessary, was continued and the collection of information on the availability of commodities was extended to cover fresh ground.

34. Industrial surveys were carried out during the month on the Industrie Meridionali Elettro e Derivati, Baglioli; the Ilva Steel Works, Bagnoli; the Ansaldo Works, Bagnoli; and the Sauristola Plant, Pisa. All these had been heavily damaged by enemy demolitions and are incapable of rehabilitation except under a long term policy. Considerable quantities, however, of valuable raw materials, special alloy steels, non-ferrous metals and machine tools escaped destruction and reports have been made on these, with recommendations as to their recovery and utilization.

35. Soap production possibilities were investigated and recommendations on the auxiliary industries of carbon bisulphide for olive oil extraction and glycerine recovery from soap manufacturing plants were made. Investigations have been made for caustic soda for restarting the industry to an extent sufficient to meet minimum essential civilian needs.

36. The Text Industry has commenced production and is already supplying cordage and cloth to various services. Manufactured materials actually delivered up to end of February are:

Rope & Twine ..... 1,000.00 quintals

### Development of Industry

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34. Industrial surveys were carried out during the month on the Industriale Meridionale Estate at Cervinoli, Naples; the Iva Steel Works, Escholi; the Ansaldo Works, Sestoli; and the Saurificio Plant, Sala. All these had been heavily damaged by enemy demolitions and are incapable of rehabilitation except under a long term policy. Considerable quantities, however, of valuable raw materials, special alloy steels, non-ferrous metals and machine tools escaped destruction and reports have been made on these, with recommendations as to their recovery and utilization.

35. Soap production possibilities were investigated and recommendations on the auxiliary industries of carbon bisulphide for olive oil extraction and glycerine recovery from soap manufacturing plants were made. Requisitions have been made for caustic soda for restarting the industry to an extent sufficient to meet minimum essential civilian needs.

36. The paper industry has commenced production and is already supplying cordage and cloth to various services. Manufactured materials actually delivered up to end of February are:

|              |       |                  |
|--------------|-------|------------------|
| Raye & Twine | ..... | 1808.93 quintals |
| Fabrics      | ..... | 100119 metres    |
| Sacks        | ..... | 78000            |

In order to deal with future shipments of hemp, it has been necessary to requisition a warehouse in Naples. Arrangements are in hand for shipping 500 tons to U.K.

37. Deficiencies in obtaining and restoring amongst the civilian population continue acute and arrangements are therefore being made for the repair and dyeing of salvaged American and British uniforms for issue, after treatment, by civilians. Repair facilities are adequate, but dyeing capacity is limited and all dyestuffs will have to be imported.

AGRICULTURE, FORESTRY & FISHING

38. During the month the work was continued of replacing the top-heavy and cumbersome group of corporate organizations in agriculture which grew up under the fascist system, with a simplified organization, running down from the Minister through the Departments, Provinces and the Communes. When this work is completed it will bring all agricultural, forestry and fisheries control under the absolute authority of the Ministry of Agriculture.

39. Estimates were secured of the probable production of all the principal crops this year.

40. One thousand tons of Canadian Spring wheat have been released for planting from supplies brought in for consumption. This seed is being used to plant land which might otherwise be idle.

41. Late in 1943 arrangements were made to ship about 40,000 tons of seed potatoes from southern Italy, Sicily and Sardinia for planting. This seed has arrived in large quantities and during February distribution was made and planting begun.

42. Timber cutting by 5th and 6th Army representatives in Calabria was reviewed. Further delay has so far cut much standing timber in this area; both have confined operations to the sawing of large stocks of logs, produced by the Italians previous to occupation and the work seems to have been carried out according to good forest practice. There is no doubt that the Italians themselves have cut the private lands very heavily.

43. A plan to meet 5th Army's requirements of fuelwood was initiated during the month in cooperation with the Peninsula Base Section Quartermaster Corps. The Army has agreed to refer all proposed contracts for fuelwood to the Allied Control Commission and to bring prices paid by the Army more in line with present market conditions.

44. An area containing suitable timber for fuel was located between Nicosia and Gussano and a contract was signed by FID with a civilian contractor for 3000 tons of wood, at a price of 700 lire per ton delivered to a motor road vehicle by 5th Army trucks.

45. Cutting is now in progress and is being supervised by the local representative of the Royal Forest Corps. 349

46. Considerable progress was made during the month in regard to fishing in the Bay of Nicosia and to the marketing of fish. Still prohibited export

29. Estimates were received of the production of all the principal crops this year.

40. One thousand tons of Canadian spruce chest have been released for planting from supplies brought in for consumption. This seed is being used to plant land which might otherwise be idle.

41. Late in last summer some 100,000 seedlings of spruce, fir and larch were planted in large quantities for planting. This seed was arrived in large quantities and during February distribution was made and planting begun.

42. Timber cutting by 5th and 6th army representatives in Calabria was reviewed. In other army has to far cut much standing timber in this area; both have confined operations to the removal of large stockpiles of logs, produced by the Italian previous to occupation and the work seems to have been carried out according to good forest practices. There is no doubt that the Italians themselves have cut the private lands very heavily.

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44. An area containing suitable timber for fuel was located between Mileano and Cassino and a contract was signed by PBC with a civilian contractor for 3000 tons of wood, at a price of 700 lire per ton. Delivered to a motor road suitable by 5th Army trucks.

45. Cutting is now in progress and is being supervised by the local representative of the Royal Forest Corps.

3194

46. Considerable progress was made during the month in regard to fishing in the bay of Naples and to the marketing of fish in the city. High fishing tax, however, still prohibited export around Sicily and in certain areas around Sardinia. New regulations were drafted during February which aim at restoring night fishing in many areas in southern Italy where it is compatible with security.

#### ROADS, CANALS AND UTILITIES

47. Considerable advance was made in planning the road and bridge program in southern Italy (about 2000 km) and similar work in occupied territory. A revolving fund of six hundred million lire has been agreed upon to be earmarked for military roads and utilities.

45. Various applications were made to increase charges to consumers. Three of these were from larger companies operating near Naples. Applications were also received from Gas Companies and from seven electrical undertakings. These are under examination. On the 11 February 1944 the heads of the principal utility companies met the Director of the Public Works and Utilities Subcommittee for a general discussion on charges and reticulation. At this meeting it was disclosed, somewhat surprisingly, that considerable capital sums are intended in some of these companies by the nationals of Switzerland, Belgium and France. The Naples Gas Company and the Soc. Merid. Elettrica, for example, are controlled from a head office in Geneva; the Vesuviana Water Company has its main office in Liège, Belgium.

46. A special investigation was made of existing conditions at the large Naples Gas Works, which were subject to extensive and most destructive bomb damage. Production has now reached about 35% of normal, giving a supply of gas to many areas of the city and efforts are being made to increase this still further.

47. The repair of transmission lines which will be used to transmit electric power to Rome was undertaken.

48. Good progress continues to be made in Cardinale in the clearance of Casellari City. It is estimated that about 55,000 people now live in the city as compared with a normal population of 110,000 and a population of about 5,000 in mid-December.

#### LABOR

49. In Sicily the General Electric Company's employees at Agrigento and Palermo made demands for increased wages but there was no trouble and no strike.

50. The labor unrest at Taranto is referred to in paragraph four of this report. When the Apulian provinces became part of Region II it was found that no provincial labor offices had been set up in them. This matter is being dealt with. There is practically no unemployment in Region II owing to its largely agricultural character.

51. Provincial labor offices are now functioning in Naples, Avellino and Benevento Provinces and employment exchanges in Region III now number over 100 and have met all the demands of the armed forces during the month. There are about 20,000 male and female workers unemployed in Naples at the present time. In this region some labor unrest and disturbances were experienced but almost entirely to demands for more food and increased wages.

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50. The repair of transmission lines which will be used to transmit electric power to Rome was undertaken.

51. Good progress continues to be made in Sardinia in the clearance of Cagliari City. It is estimated that about 33,000 people now live in the city as compared with a normal population of 110,000 and a population of about 6,000 in mid-December.

#### Labor

52. In Sicily the General Electric Company's employees at Agrigento and Palermo made demands for increased wages but there was no trouble and no strike.

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54. Provincial labor offices are now functioning in Naples, Avellino and Benevento provinces and employment exchanges in Region III now number over 100 and have met all the demands of the armed forces during the month. There are about 20,000 male and female workers unemployed in Naples at the present time. In this region some later unrest and disturbances were experienced due almost entirely to demands for more food and increased wages to buy food in the black market, but in spite of this it may be said that labor has responded in an admirable way to the suggestions, requests and guidance of ASC and to the calls of the armed forces for workers.

#### FINANCE

##### Prices and the Cost of Living

55. In Naples the effect of the increase in the bread ration to 200 grams was to reduce the weekly expenditure necessary for the purchase of 2 kilos of bread nearly 50%. Increases in the prices of other foods have partially offset this gain, but the cost of purchasing the representative food basket for one person has declined to about 833 lire for the week ending

18 February. Comparable figures for other recent dates are as follows:

|                         |   |     |
|-------------------------|---|-----|
| Month of January        | - | 348 |
| Week ending 30 January  | - | 391 |
| Week ending 7 February  | - | 384 |
| Week ending 13 February | - | 319 |
| Week ending 20 February | - | 324 |
| Week ending 27 February | - | 342 |

The price of black market bread in Naples rose sharply during January and the first week of February, reaching 135 lire per kilo. After the increase in the nation the price fell to 120 lire on 15 February and rose again to 130 lire, the current price.

56. An increase of 12% in living quarter rentals and 15% in other rentals has been proposed by the Italian Government. The Finance Subcommittee recommended that the increase should not be granted. While it is true that rents are very low in comparison with other prices, it was believed that the hardship that would be imposed upon hard-pressed urban workers by a rent increase would not justify an increased income to the owners of urban real estate who are for the most part wealthy and who are holding real estate more as a hedge against inflation than as a source of current income.

#### Allied Financial Agency

57. On 7 February 1945 the U.S. Treasury and War Department announced the restoration of facilities for living expenses allowances to Sicily, and the Treasury Department issued General License No. 324 to implement the decision.

58. A procedure in regard to advances to British, American and other Allied Nationals was introduced in a draft Executive Memorandum which, however, has not yet been finally approved. In the meantime the various National Finance Commissioners are making advances in cash where they are satisfied that the applicants are nationals and that the funds are required to cover minimum essential needs.

#### Financial Institutions

59. To implement Administrative Memorandum No. 40, a comprehensive program was developed whereby the Italian Government is to pay for all goods and services furnished to the Allied Forces.

60. The Minister of Finance was informed that AGO was preparing restrictions on real property transactions.

the prices of such commodities in January and the first week of February, reaching 135 lire per kilo. After the increase in the ration the price fell to 180 lire on 18 February and rose again to 130 lire, the current price.

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#### United Financial Agency

57. On 9 February 1944 the U.S. Treasury and War Department announced the restoration of facilities for living expenses reimbursed to Sicily, and the Treasury Department issued General License No. 302 to implement the decision.

58. A procedure in regard to advances to British, American and other Allied nationals was adopted in a draft executive memorandum which, however, has not yet been officially approved. In the meantime the various National Finance Commissions are making advances in cases where they are satisfied that the applicants are nationals and that the funds are required to cover minimum essential needs.

#### Financial Interdictions

59. To implement the administrative Memorandum No. 55, a comprehensive program was developed whereby the Italian Government is to pay for all goods and services furnished to the All <sup>3-9-44</sup>

60. The Minister of Finance was informed that 800 had prepared to terminate restrictions on real property transactions provided details of the number of transactions are presented at regular intervals. The Minister of Finance agreed to add this and a general order will be published in all territory listing the prohibition.

61. A Commission of Insurance Interests is being formed in Naples to act as a representative and representative body with which the Finance Subcommittee can deal and through which instructions can be transmitted to insurance companies.

62. Considerable attention has been devoted to bringing the various offices of insurance companies into control of their organizations in the United States, and it was known that the most important companies had transferred their headquarters to some other country in the event of severe communications with their head offices, and had provided them with funds for the purpose.

63. Employment of large numbers of civilians by allied armed forces, including AGO, has raised certain problems relative to their status under Italian social insurance law. Employers contracting with our armed forces should be subject to the same obligations relative to social insurance of their employees, as are other private employers. The Italian Government has now adopted a plan for covering all necessary social insurance (plus civilian employees of the allied armies, for 20% of payroll) plus a fraction of one per cent for expenses. The application of this plan has not yet with certain objections which are, however, likely to be overcome in the near future.

64. The report on proposed state pension increases, estimated that additional payments of from 1,35,000,000 to 1,25,000,000 will probably be required monthly in the twenty-six provinces completely liberated when the estimate was made. Pressure for a similar adjustment of private pensions must be expected.

Italian Governmental Finance - Expenditures and Revenue

65. At the present time there is little Italian Government budgetary control over expenditures. The Italian budget was made in Rome and included expenditures for all of Italy. To meet this difficulty the Minister of Finance has required that expenditures be signed by the Minister of Finance. This device, however, provides little control, for expenditures may be made in any period in any period may be greater or smaller than the amount of expenditures issued in that period. Indeed, many ministries are still using expenditures issued by the Minister of Finance. Through the use of expenditures of the Government is not able either to control the expenditures of the Ministries or to know what their expenditures are. Finally, no adequate figures of disbursements can be obtained even after the disbursements have been made. Since reports of large amounts of Civil Government disbursements are grouped under the heading "Governmental collective", rather than under the Ministry for whose account the disbursements were made.

66. Figures submitted by the Finance Ministry on cash disbursements by the Civil Ministries in 1944 are very incomplete. They total only 30 million lire for December and 40 million lire for January. The great incompleteness of these data is shown below, where they are compared with the Finance Ministry's estimates of expenditures.

adopted a plan for covering all necessary social expenditures for civilian employees of the armed forces, for 10% of payroll (plus a fraction of the net cost for expenses). The application of this plan has met with certain objections which are, however, likely to be overcome in the near future.

64. The report on proposed mid-term pension increases, submitted that additional payments of from L. 25,000,000 to L. 25,000,000 will probably be required monthly in the twenty-six provinces completely liberated when the estimate was made. Pressure for a similar adjustment of private pensions must be expected.

#### Italian Government Finance - Expenditure and Revenue

65. At the present time there is little Italian Government budgetary control over expenditures. The Italian budget was made in Rome and included expenditures for all of Italy. To meet this difficulty the Minister of Finance has required that major decisions be signed by the Minister of Finance. This advice, however, provides little control, for expenditures have in the period and expenditures in any period may be greater or smaller than the amount of expenditures issued in that period. Indeed, many ministries are still using expenditures issued by the Fascist Government. Through the use of expenditures of the Government is not able either to control the expenditures of the Ministries or to know what their expenditures are. Finally, no accurate figures of disbursements can be obtained even after the disbursements have been made, since reports of larger amounts of civil government disbursements are grouped under the heading "payments collectively", rather than under the Ministry for whose account the disbursements were made.

66. Figures submitted by the Banca d'Italia on cash disbursements by the Civil Ministries in Lucania are very incomplete. They total only 30 million lire for September and 40 million lire for January. The great incompleteness of these data is shown below, where they are compared with the Finance Minister's estimates of expenditures.

Comparison of Estimates for Civil Ministries  
made by Minister of Finance with Disbursements  
Recorded by the Banca d'Italia (Lublin)

(Millions of Lire)

| Ministry               | Dec. 1943<br>Estimated | Dec. 1943<br>Disbursements | Jan. 1944<br>Estimated | Jan. 1944<br>Disbursements |
|------------------------|------------------------|----------------------------|------------------------|----------------------------|
| Finance                | 23.0                   | 24.0                       | 30.0                   | 29.8                       |
| Justice                | 2.5                    | 1.5                        | 3.0                    | 3.4                        |
| Foreign Affairs        | 1.0                    | -                          | 1.0                    | -                          |
| Italian Africa         | -                      | -                          | -                      | -                          |
| Education              | 7.0                    | 2.2                        | 13.0                   | 3.9                        |
| Interior               | 100.0                  | 1.0                        | 55.0                   | 1.4                        |
| Public Works           | 5.0                    | 1.5                        | 8.0                    | 1.5                        |
| Communications         | 168.0                  | -                          | 190.0                  | 1.8                        |
| Agriculture            | 1.0                    | 1.3                        | 3.0                    | 1.4                        |
| Industry &<br>Commerce | 1.0                    | 1.1                        | 1.5                    | 1.1                        |
| Popular Culture        | 1.0                    | -                          | -                      | -                          |
| Foreign Exchange       | -                      | -                          | -                      | -                          |
| Total Civilian         | -                      | -                          | -                      | -                          |
| Industries             | 326.4                  | 29.7                       | 293.5                  | 33.8                       |

In addition to these disbursements, the Italian Government makes large disbursements grouped under the heading "pacementi collettivi". These disbursements totalled 490 million lire in December 1943 and 514 million lire in January 1944. Thus in the total known Ministerial expenditures of 40 million lire would have to be added an unknown part of Governmental expenditures totalling 514 million lire if true monthly cash disbursement figures for January were to be obtained.

67. It is sometimes thought that the Government can control Italian Government expenditures through its ability to provide or refuse a lire to the Government. The experience in February, when no currency advances were made, clearly demonstrates that this is not the case. Specific control cannot be achieved because there is no direct relation between any particular expenditure and the advance of currency to the Government. General control cannot be achieved because total Government expenditures are only one of the factors which affect the cash position of the Banca d'Italia and, therefore, the necessity for making currency advances. With effective control of the money market and with popular confidence in the Government, the return flow of currency to the Banca d'Italia through government revenues, sale of government securities and growth of banks' deposits at the Banca d'Italia should normally be enough to take care of the currency needs of the Government. The provision by the Government to fill the gap in the currency circuit is a different problem from that of effective control. Effective expenditure control must

|                     |       |      |       |      |
|---------------------|-------|------|-------|------|
| Education           | 7.0   | 6.2  | 13.0  | 3.9  |
| Interior            | 100.0 | 1.0  | 35.0  | 1.4  |
| Public Works        | 5.0   | 1.1  | 6.0   | .5   |
| Communications      | 161.0 | -    | 190.0 | .3   |
| Agriculture         | 1.0   | .3   | 3.0   | .4   |
| Industry & Commerce | 1.0   | .1   | .3    | .1   |
| Popular Culture     | 1.0   | -    | -     | -    |
| Personnel Exchange  | -     | -    | -     | -    |
| Total Civilian      | 376.5 | 53.7 | 293.5 | 23.5 |
| Ministries          |       |      |       |      |

In addition to these disbursements, the Italian Government makes large disbursements grouped under the heading "payments in kind" (see page 10). These disbursements totalled 450 million lire in January 1943 and 514 million lire in January 1944. Thus to the total known Ministerial expenditures of 40 million lire would have to be added an unknown part of unidentified expenditures totalling 514 million lire if true monthly cash disbursement figures for January were to be obtained.

67. It is sometimes thought that ACC can control Italian Government expenditures through its ability to provide or refuse a lire to the Government. The experience in February, when no currency advances were made, clearly demonstrates that this is not the case. Specific control cannot be achieved because there is no direct relation between any particular expenditure and the revenue of currency to the Government. General control cannot be achieved because total Government expenditures are only one of the factors which affect the cash position of the banks of the State and, therefore, the necessity for making currency advances. With effective control of the money market and with popular confidence in the Government, the return flow of currency to the banks of Italy through Government revenues, sale of government securities and growth of banks' deposits at the Banco d'Italia should normally be enough to take care of the currency needs of the Government. The provision of ACC of currency to fill the gap in the currency circuit is quite a different problem from that of expenditure control. Effective expenditure control must, therefore, depend upon direct methods.

68. The unreliable state of communications between the provincial capitals in Sicily and the Italian Government in Palermo make it obviously impossible to restore expenditure control to the previous pattern of centralization. The shortage of qualified Italian personnel makes it desirable for ACC officers to continue for the time being some of their functions and to assist such Italian personnel as can be assigned to Sicily. The present political situation in Sicily makes it necessary that any regional expenditure office be established in such a way as to avoid an

appearance of autonomy. With these three points in mind a plan for expenditure control in Sicily was developed and presented to the Italian Government. For that portion of the mainland now under the Italian Government no instructions have been issued, but agreement has been reached that this area will be administered from 1 April under the procedure now in effect for Puglia.

69. A copy of the full report of the Finance Subcommittee is attached as appendix "A".

#### COMMUNICATIONS

70. Authority was obtained for the Italian Government to transmit official messages to Palermo (Sicily), and Cagliari (Sardinia) via the military operated submarine cables from Naples.

71. On 16th February an international letter and postcard service was started, linking up Sicily, Sardinia and the provinces of Italy with all allied countries abroad other than those occupied by the enemy.

72. The registration of schooners within the whole area of occupied Italy, Sicily and Sardinia, as requested by the C.-in-C., Mediterranean, has continued; 56 vessels of some 6,400 deadweight tons having been added to the list.

73. The difficult and complicated questions of crews wages and bonuses as well as insurance of Italian vessels employed inside the Mediterranean area were studied and are in a fair way to solution.

74. During the month a further advance of 5 million lire was made through the Deputy Ministry of War Transport Representative, Mediterranean, to the Comitato Italiano Gestione Navi to enable the Italian Government to meet running expenses such as crew wages, stores, etc., of vessels requisitioned by them and placed at the disposal of the Allied C.-in-C.

75. Some progress was made in the salvage of ships in Sicily. The "Medena" and her cargo of coal has been completely salvaged and salvage of "Glacoma Costa" is well under way and the removal of 5000 tons of coal from her is expected shortly.

76. The successful operation of the Weekly "Bidding" system for the coordination of 200 railway and shipping movements with those of operational forces was continued.

77. All civilian railway traffic was suspended in Western Sicily on 11 February because of a coal shortage precipitated largely by the unexpected use of coal allotted for civilian traffic

OPERATIONS

70. Authority was obtained for the Italian Government to transmit official messages to Palermo (Sicily), and Cagliari (Sardinia) via the military operated submarine cable from Naples.

71. On 16th February an international letter and postcard service was started, linking up Sicily, Sardinia and the provinces of Italy with all Allied countries abroad other than those occupied by the enemy.

72. The registration of schooners within the whole area of occupied Italy, Sicily and Sardinia, as requested by the C.-in-C., Mediterranean, has continued; 26 vessels of some 6,400 deadweight tons having been added to the list.

73. The difficult and complicated questions of crews wages and bonuses as well as insurance of Italian vessels employed inside the Mediterranean area were studied and are in a fair way to solution.

74. During the month a further advance of 5 million lire was made through the Deputy Ministry of War Transport Representative, Mediterranean, to the Comitato Italiano Sostiene Navy to enable the Italian Government to meet running expenses such as crew wages, stores, etc., of vessels requisitioned by them and placed at the disposal of the Allied C.-in-C.

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76. The successful operation of the weekly "blinding" system for the coordination of ACC railway and shipping movements with those of operational forces was continued.

77. All civilian railway traffic was suspended in Western Sicily on 11 February because of a coal shortage precipitated largely by the unexpected use of coal allotted for civilian traffic for movement of military traffic in December, and failure to reassign the civilian allocation as used. Three workers' trains (out of Palermo) were restored to service 21 February and the coal situation was reported eased, at least up to the latter half of March.

78. By the end of the month the regions (except Region I) had not completed their arrangements for the reception of the 600 A.T. trucks which are being made available, though considerable progress was made.

73. As reserves 1001 G.I. Coy (420 trucks organized on an Italian military basis), it was most disappointing to find this Company was not in a fit state to work when due to be shipped over to Region II. The 21st and 22nd W Truck Coys (Italians) (80 trucks) are now being operated by Region III.

#### PUBLIC HEALTH

80. The general health of the population is surprisingly good considering the high cost of living, the shortage of food and the very poor living conditions in some of the badly devastated villages in the forward zone. There have been few epidemics with small numbers of people involved in widely scattered districts.

81. Typhus in Naples no longer represents a serious danger and the situation is well under control. The Italian Director of Public Health has been approached with the request to nominate teams of Italian workers in all provinces. These teams are to be trained in dusting and will constitute flying squads to deal with a typhus emergency in their territories. In this way it is hoped to educate the Italians to a realization of their own responsibility in combating this disease and also in time to relieve the strain put upon allied personnel.

82. Venereal disease still presents a very formidable problem, especially in Naples, and the control of prostitutes under Italian law is a matter of the utmost difficulty. Special hospitals are to be established in all regions for the treatment of women infected with this disease. These hospitals will be staffed by Italian doctors.

83. Large quantities of clothing have been received and distributed in Regions I, II, III, and V in cooperation with the American Red Cross.

#### EDUCATION

84. The second of the new textbooks has been published in Palermo and two others are nearly ready for distribution. The text-book program in Naples has involved a long search for materials, most of which have now been found and work is proceeding rapidly in three printing houses. The book is just going to press; the other nine are in various stages of composition and all are scheduled for publication during March.

85. The courses of study and instructions to teachers prepared in Sicily have been reprinted for all other parts of liberated Italy. In addition, part 2 of the elementary program has been completely rewritten and a new edition published and has been completely rewritten and a new course in pedagogy and

81. Typhus in Naples no longer represents a serious danger and the situation is well under control. The Italian Director of Public Health has been approached with the request to nominate teams of Italian workers in all provinces. These teams are to be trained in hygiene and will substitute dying squads to deal with a typhus emergency in their territories. In this way it is hoped to educate the Italians to a realization of their own responsibilities in combating this disease and also in time to relieve the strain put upon allied personnel.

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85. The contents of study and instructions to teachers prepared in Sicily have been reprinted for all other parts of liberated Italy. In addition, Part 2 of the elementary program has been completely rewritten and a new edition published. A commission in Naples is writing a new course in pedagogy and psychology for the program of the Magistral Superiore which will complete the series.

86. A youth committee has been established in Naples to consider the problems of recreational and constructive activities for youth outside of school hours. This committee is for the most part composed of able, intelligent and interested civilians (mostly teachers, professors, etc.). The church has been invited to appoint representatives to serve on subcommittees. For providing allied help and advice there is an advisory council composed of the Region VII Education Director, the Region VII Welfare Officer

and an unofficial representative of the American Red Cross, who is a specialist in recreation and a representative of the Education Subcommission. A full time civilian Executive Secretary has been employed for the work of the youth committee which is operating entirely in the Naples area as a proving ground.

87. The surrender of Fascist books in all regions is proceeding with the full cooperation of Italian officials. It is also the removal of teachers with a Fascist background. The number removed is now about 200.

88. On the mainland the public schools throughout Campania and 45 private schools have now been opened. About 50% of elementary school class rooms in Naples are still requisitioned for military purposes and 35% of the secondary schools. In normal times there were about 200 schools in Naples Province and at present there are 225 schools in session, many of them in temporary quarters.

89. The rebuilding and repairing of the damage to Universities in Sicily is now in progress. Some of 6 million lire to Messina and 2 million lire to Catania University have been earmarked for urgent repairs. The principal buildings of Naples University and the library of the Royal Society of Naples which was housed in the University were deliberately destroyed by the Germans.

#### PROPERTY CONTROL

90. Following the transfer of territory to the Italian Government on February 11 the Director of Property Control continues to be responsible for the custody of United Nations (including French) property. But all property belonging to the Italian Government or Italian Nationals which has been taken into custody in the area restored, is now handed back to the Italian authorities.

91. Only a few British and American properties now remain to be taken into custody except in the Province of Messina in Region I where about 100 cases have still to be dealt with. For the most part these are small houses or plots of land belonging to persons born in Italy but resident in America.

92. A decree has been issued by the Prefect of Catania in Sicily revoking the decrees of sequestration and expropriation of the Bronte estate and restoring it to its owner, Viscount Briport.

#### MONUMENTS & FINE ARTS

93. A further case of the requisition of a monumental

and private schools have now been opened. About 300 of elementary school class rooms in Naples are still requisitioned for military purposes and 20% of the secondary schools. In normal times there were about 390 schools in Naples Province and at present there are 823 schools in session, many of them in temporary quarters.

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#### MONUMENTS & FINE ARTS

93. A further case of the requisition of a monumental building was reported, this time from Sicily, where the Palazzo Reale at Palermo was requisitioned on 4 February without any advice to the Regional Commissioner. The Palace itself is not in the Zone Handbook lists of monuments, only the Cappella Palatina being mentioned. Protest was made to the military authority but it was without effect. Shortly after the requisition, the quarters occupied by the military were considerably damaged by fire; fortunately the Cappella Palatina was not affected, though at one time the priceless wooden ceiling was in considerable danger. It is estimated that the cost of repair or damage will be over 1 million lire.

94. In the Palazzo Scialuni in Palermo the removal of the "Triumph of Death" fresco is progressing and in the same town it is reported that the temporary quarters of the National Library will open in March.
95. In Naples, repairs to churches and other monuments are proceeding. The damage done to the Palazzo Reale by Allied troops is still subject to investigation at the time of writing this report.
96. Worldwide interest was aroused by the bombing of Monte Cassino and plans are ready for and officers to enter the monastery as soon as it is captured to inspect the damage caused by the bombardment and check up on the available evidence of German occupation. The Corps Area concerned is maintaining close touch with security branches in order to obtain all possible information from individuals who from time to time make their way across from the enemy lines. So far no fully convincing stories have come to light.
- PAGES A PUBLIC RELATIONS
97. In Sicily the daily papers controlled by P.M.B., "Sicilia Libera" and "Corriere di Sicilia" continued to provide a source of news to the Italian population, as did "Risorgimento" in Region III.
98. The growing shortage of newspaper seriously affected the control and publication of newspapers. Paper stocks on the open market in Bari were exhausted, but black market stocks facilitated the issue of many clandestine journals and brochures. To meet this problem the Allied Publications Board drafted two decrees, laying down a procedure with suitable penalties for applications to publish and for the acceleration of all stocks of paper. Authority was also received, permitting the distribution of paper. Author-papers in Foggia Province, thus giving the people there the first opportunity in many months to obtain printed news. For this purpose the "Gazzetta del Mezzogiorno" was permitted to increase its daily circulation from 30,000 to 40,000 copies.
99. At present there are two daily papers in Sardinia, "L'Unione Sarda" published in Cagliari, and "L'Isola" published in Sassari. Both these, at least in theory, express the general view of the concentration anti-fascists. There are in addition three weekly papers:

"L'Isola"  
 "Corriere Sardo"  
 "Sardigna Antifascista"

These weekly papers are all published underground.

### ITALY & PUBLIC RELATIONS

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"Liberta"  
"Dopo Bene"  
"Servizio Cattolico"

These weekly papers are all published under clerical auspices. They contain some news and local reports, but entirely lacking articles of a religious or educational nature. Many of the political parties which comprise the Concentrazione Antifascista would like to publish their own weekly or monthly papers. It has already been pointed out to them that the best method of maintaining the unity of the Concentrazione is to give their united support to one good paper.

100. The establishment of a Public Relations Branch, hitherto somewhat neglected, to cover ACC and ABC activities was discussed and steps were taken to centralize and strengthen its functions. In order to meet criticism effectively and to provide a rapid service of information to the Allied Press, better and swifter transmission of newspapers and press clippings from Washington are urgently needed and were requested, so far without result. The publication of a monthly record of ACC activities was approved.

press releases were issued on the transfer of territory to the Italian Government, the increase in the bread ration, the resumption of foreign mail services, the proposals of the Executive Giunta, the withdrawal of the Giustiniani manifesto, the meeting of the Labor Conference, conditions in Sicily, the issue of revised textbooks to elementary schools and the three-party cancellation of the proposed strike. Interviews were arranged with all the leading press correspondents and contact was established with P.N.C. of all organizations in the area.

#### REFERENCES

101. During the first three months of the campaign in Italy there have been large movements of refugees. On the west they had moved uncontrolled and dispersed themselves. On the east, U.C.A.D., 8th Army, with his limited staff and no refugee specialist officers, had collected and sent them to the rear areas, where they had dispersed independently.

102. From the start of the campaign until 31 January 1944 the movement was:-

|             |        |
|-------------|--------|
| 2 Army side | 30,000 |
| 3 Army side | 1,800  |

Nearly all of these were dispersed in the areas adjacent to Bari, Brindisi and Lecce. During February the movement was:-

|             |        |
|-------------|--------|
| 2 Army side | 800    |
| 3 Army side | 10,500 |

Included in the 3 Army figure are refugees from the beachhead numbering 4,900. The main evacuation started on Feb. 14. All these refugees have been sent back to the provinces of Potenza, Cosenza, Catanzaro and Reggio in Puglia II.

103. Great difficulty has been experienced in the matter of transit camps and the whole of the numbers detailed during February have been passed through 2 small camps. These two centers can accommodate some 750 persons but are devoid of proper cooking and sanitary facilities. In the hot weather the situation would have been impossible, but as it was, the refugees were fed and the children given milk. Doctors were in attendance and the sick sent to hospitals. Security screening was done and the Red Cross distributed clothing to all the needy.

104. Plans are now in hand for proper camps with capacities as follows:

Next:

101. During the first three months of the campaign in Italy there have been large movements of refugees. On the west they had moved uncontrolled and dispersed themselves, on the east, S.C.S.C., 2nd army, with his limited staff and no refugee specialist officers, had collected and sent them to the rear areas, where they had dispersed independently.

102. From the start of the campaign until 31 January 1944 the movement was:-

|             |        |
|-------------|--------|
| 3 army side | 34,600 |
| 3 army side | 1,500  |

Nearly all of these were dispersed in the areas adjacent to Bari, Brindisi and Lecce. During February the movement was:-

|             |        |
|-------------|--------|
| 3 army side | 800    |
| 3 army side | 13,500 |

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104. Plans are now in hand for proper camps with capacities as follows:

West:

|          |   |               |   |                       |
|----------|---|---------------|---|-----------------------|
| Camps    | - | Capacity 4000 | - | Tested and mobile     |
| Averan   | - | Capacity 2000 | - | In existing buildings |
| Refugees | - | Capacity 2000 | - | In existing buildings |

East:

|          |   |               |   |    |
|----------|---|---------------|---|----|
| Refugees | - | Capacity 5000 | - | In |
|----------|---|---------------|---|----|

The camp at Averan is already functioning.

105. Though a lot still remains to be done, the refugee problem was on the way to being solved by the end of the month. The biggest problem now is the dispersal of the refugees in the countryside, mainly in Region II.

106. The civilian population of Assis and Bettano were evacuated by the Germans in September 1943. These civilians were sent inland to the northern wooded Campese region where they have been confined ever since. The Germans left about 350 persons in the two towns and issued them with passes. They are bakers, doctors, electricians, railroad workers, etc. Approximately 15,000 were evacuated to the Campese region and it is estimated that about 3000 additional refugees have filtered in, making a total population of about 18,000 in this area.

107. This rather unusual situation of the two towns being almost entirely evacuated and the population being concentrated and controlled in one area is working well. AGC is carrying out food distribution along the lines established during the last five months. There is no major problem in the Campese area, the people have been thoroughly settled down and become used to their life. The bread ration is being increased to 100 grams a day as evacuation reduces the number of civilians to be fed.

108. The details of the Allied Nationale Camp in Assis are as follows:-

| Nationality          | Living in the Camp |       |          | Living without the Camp |       |          |
|----------------------|--------------------|-------|----------|-------------------------|-------|----------|
|                      | Men                | Women | Children | Men                     | Women | Children |
| Yugoslavs            | 69                 | 9     | 5        | 19                      | 13    | 4        |
| Greeks               | 6                  | -     | -        | -                       | -     | -        |
| Polish               | 3                  | -     | -        | 3                       | 1     | -        |
| Czechoslovaks        | 5                  | -     | -        | -                       | -     | -        |
| Bulgarian (friendly) | 1                  | -     | -        | -                       | -     | -        |
| French               | 2                  | -     | -        | -                       | -     | -        |
| Total                | 95                 | 9     | 5        | 21                      | 15    | 5        |
| Grand Total:-        | 145                |       |          |                         |       |          |

adequate provision in the way of medical attention, food, clothing, shelter and recreational facilities has been made for these people.

*W. J. Mac Donnell*

it is estimated that about 2000 additional refugees have filtered in, raising a total population of about 15,000 in this area.

107. This rather unusual situation of the two camps being almost entirely evacuated and the population being concentrated and controlled in one area is working well. JMO is carrying out food distribution along the lines established during the last five months. There is no major problem in the Campagna area, the people having thoroughly settled down and become used to their life. The bread ration is being increased to 200 grams a day as evacuation reduces the number of civilians to be fed.

108. The details of the alien nationals camp in Sicily are as follows:-

| Nationality          | Living in the Camp |       |          | Living without the Camp |       |          |
|----------------------|--------------------|-------|----------|-------------------------|-------|----------|
|                      | Men                | Women | Children | Men                     | Women | Children |
| Yugoslavs            | 63                 | 3     | 5        | 19                      | 13    | 4        |
| Greeks               | 6                  | -     | -        | -                       | -     | -        |
| Polish               | 3                  | -     | -        | 2                       | 1     | -        |
| Czechoslovaks        | 1                  | -     | -        | -                       | 1     | -        |
| Rumanians (friendly) | 1                  | -     | -        | -                       | -     | -        |
| French               | 2                  | -     | -        | -                       | -     | -        |
| Total                | 72                 | 3     | 5        | 21                      | 15    | 4        |
| Grand Total:-        | 146                |       |          |                         |       |          |

Adequate provision in the way of medical attention, food, clothing, shelter and recreational facilities has been made for these people.

*W. E. Mason*  
 W. E. MASON  
 Lieutenant General  
 Chief Commissioner

ALLIED CONTROL COMMISSION  
LABOR SUB-COMMISSION  
A.P.O. 324

11 March 1944

SUBJECT: SUPPLY OF FOOD TO ITALIAN CIVILIANS  
(MILITARY AND ARMED FORCES OF ITALY)

TO : Lt. Col. J. E. Smith

1. Following your instructions given to me on Thursday, 3 March 1944, I surveyed the following places and report accordingly:

Base 576. Officer in charge was Lt. Giunta, in lieu of Capt. Klein who is in the hospital. The Lt. is aware of the existence of some directive on ration scales, but never saw it, never made any efforts to see it, or had any discussion specifically as to its contents. Naturally, my references to Supply of Food to Italian Civilians, AFM Adv. Am. Echelon, C.M. 47/44, 6 Feb 44, recalled nothing to memory. The same was true of Ration Scales, Hq. ACC Food Sub-Comm. 16 Feb 44.

The food being served comes from a stock-pile purchased sometime in Nov. from the Italian ship *Almucci*, under instructions of Major Frank Toscani who at that time was Economic and Supply Director of Region III. If the supply is substantial or exhausted and food coming from some other source he does not know; the pantry key is in the possession of a cook, civilian, who draws and prepares on the basis of daily strength, supposedly. The ration scale is 250 grams, but he does not direct nor supervise the contents of the menu or its ingredients. No Army rations, he emphasized, is being given the employees. Random questioning of some civilians did not reveal this latter to be otherwise.

Under the present set-up, the cost of the meal is deducted from the pay by the pay-master. He estimates the charge is 40. Originally, he collected from the help and deposited the money in the Banco d'Italia. For further information, he referred me to Capt. Crippa, an accounting officer in ACC. A Capt. Ashley at one time had something to do with the matter of payment.

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All of the employees are being fed the same ration in the same amount, no distinction being made as to heavy or light workers. A squad-leader of 25 men draws the food in bulk from the cook and makes the individual distribution. This is supposed to be SOP but not always adhered to.

Whse 681 - Green Tea and Fried Soup Section.

Questioning of the Foreman, Alfonso Brosco, revealed that the entire crew of 25 working here is being fed G Rations. This is accounted for by the fact that the food is cold when it arrives from Whse 675; besides, it gets there at about 4 or 5 in the afternoon. Some GI biscuits, about 4 or 5 per man are distributed also, these being gotten from broken cases.

Mr. Brosco says this place has been functioning for 2 days only in the issuance of food. Prior to that the food had been merely stored and did not require any men on duty. A soldier on duty, for the first day, had no knowledge of anything.

Flour Section. This department is situated in the same building but accessible thru outside and independent doors. A civilian concern, Mitta Pasquale Landolfi, is in charge. It operates under a contract, and no provision or request has been made for the 10 employees who are being paid by money advanced by this outfit. No knowledge of anything could be obtained here other than the latter.

The people in charge assert the pea section has been functioning since the beginning of February, and their section since December.

Whse 682 - This place is under Lt. Sigel, <sup>3rd</sup> who is acquainted with and observing the directive. He would like to get the other ingredients besides the soup he is serving now.

He received information on luncheon meat, soup and crackers being served at warehouse 683 from his own employees, his sergeant and an Italian policeman who in turn learned it from the employees at 683.

JOHN STAMMART  
1st Lt. SAC  
Labor Sub-Commission

|                |   |
|----------------|---|
| Col. Ben       | 1 |
| Mr. Col. Smith | 1 |
| Mr. Col. Henry | 1 |
| Com. Dep.      | 1 |
| Col. J. G.     | 1 |

# MEMORANDUM ALLIED CONTROL COMMISSION APG 394

REPORT FOR MARCH 1944

1. Certain reorganization and redistribution in the army areas has resulted in corresponding redistribution and changes in the Allied Military Government personnel attached to them. This has been accomplished the more easily because of the static nature of operations along the whole front. At the end of the month all AGC personnel were in position and ready for whatever calls future operations may make upon them.

2. In the areas handed over to the Italian Government, Regional and Provincial Commissioners are taking stock of the situation and feeling their way slowly in the change from Executive to Advisory status. A new relationship needs to be established between the Italian Government, the people and themselves needs to be made adjustment because the people still rely in many cases on the American and British officers who have been in charge of their affairs since the invasion last autumn and in many cases remain the same individuals. The numbers are being very substantially reduced but this adjustment is a delicate one and time must be allowed for the people to long benumbed and numbed by Fascist officialdom to realize that they have in fact regained their freedom. This is made the more difficult because the bulk of officials were and had to be Fascists to earn their daily bread. The appointment of an efficient man nearly always means the appointment of a Fascist in some degree, with resulting criticism from both press and people. Machinery is now set up in agreement with the Italian Government for a systematic servicing and cleaning of the entire Italian administrative machine in all occupied territory, both Italian Government and Allied Military Government Regions.

3. Meanwhile, the administration is suffering from certain inherent disabilities consequent on the character of the Italian people and the nature of our occupation. A Prefect cannot do so much as an alien Governor, yet the natural normal tempo of Italian Government (in peace time) cannot be permitted without serious detriment to the war effort. This is where constant adjustment is necessary and if progress may seem slow it should be remembered that progress on the Italian Government is only applied when absolute military necessity demands.

4. In the AGC territory, Regions IV and V are either not

2. In the areas handed over to the Italian Government, Regional and Provincial Commissioners are taking stock of the situation and feeling their way slowly in the change from Executive to Advisory status. The new relationship between the Italian Government, the people and themselves needs delicate adjustment because the people still rely in many cases on the American and British officers who have been in charge of their affairs since the invasion last autumn and in many cases remain the same individuals. The numbers are being very substantially reduced but this adjustment is a delicate one and it must be allowed for the people so long hounded and motivated by Fascist officials to realize that they have in fact regained their freedom. This is made the more difficult because the bulk of officials were and had to be Fascists to earn their daily bread. The appointment of an efficient and nearly always means the appointment of a Fascist in some degree, with resulting criticism from both press and people. Machinery is now set up in agreement with the Italian Government for a systematic service, and cleansing of the entire Italian administrative machine in all occupied territory, both Italian Government and Allied Military Government Regions.

3. Meanwhile, the administration is suffering from certain inherent difficulties consequent on the character of the Italian people and the nature of our occupation. A defect cannot do so much as an alien Government, yet the natural normal tempo of Italian Government (in peace time) cannot be permitted without serious detriment to the war effort. This is where constant adjustment is necessary and if progress may seem slow it should be remembered that progress on the Italian Government is only applied when absolute military necessity demands.

4. In the ADG territory, Regions IV and V are either not yet occupied or very partially so. Region III is completely occupied, though one of their four provinces, Salerno, which is the seat of the Italian Government, has been handed over to them. In this Region great progress has been made in spite of many difficulties. The general condition of the people continued to improve during March, partly due to increased food and trade, and partly also due to more vigorous administration. All the problems caused by large concentrations of foreign troops and various nationalities were present, and the eruption of Vesuvius created an unparalleled problem quite of its own.

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5. Efforts during March to improve the administration of Italian agencies were concentrated largely on attempts to install initiative into local officials and to get them to accept greater responsibility. Frustration of this objective was encountered in two major aspects: The incompetency of several key officials for whom immediate replacements were not available and the inadequacy of procedure and organization to accomplish a satisfactory job. In spite of this, considerable progress was made in preparing the Italian administrative machine for the assumption of responsibility.

6. In Region III the Regional Commissioner has instituted progressive schemes for the improvement of provincial and communal public assistance and child welfare departments. Soup kitchens feeding 10,000 per day were reopened. A nutritional survey covering 142 boys and 183 girls which was started in February was continued in March.

7. In the same Region a vigorous drive against the black market was undertaken with civilian aid through civilian squads charged with reporting exorbitant prices and trading irregularities. The complete scheme requires to be developed but a good start has been made.

8. Summary and Superior Courts have been set up in sufficient number in Naples City and Province to deal with the large number of cases. These courts sit daily. A General Military Court has been convened in three instances. A total of 400 cases were disposed of during the month.

#### POLITICAL

9. On March 4, 1944, it was locally reported that President Roosevelt had stated at a press conference in Washington that one-third of the Italian fleet which had surrendered to the United Nations would be made available to the Soviet Government. This gave rise to the interpretation in liberated Italy that the United States and Great Britain intended to hand over a number of Italian vessels to the Soviets. The Government and Italian public opinion as a whole were deeply disturbed by the implications of such a proposal and the Government threatened to resign. Further statements by the President and Mr. Churchill eased the situation. It is generally believed that Anglo-American position was reinforced by the strong stand he had taken against a transfer.

10. As a result of the agreement with the Allied authorities concerning the strike on March 4, the Party of Action, Socialist and Communist Parties and the Confederation of Labor

7. In the Rome Region a vigorous drive against the black market was undertaken with civilian and through citizen squads charged with reporting exorbitant prices and trading irregularities. The complete scheme requires to be developed but a good start has been made.

8. Summary and Superior Courts have been set up in sufficient numbers in Naples City and Province to deal with the large number of cases. These courts sit daily. A General Military Court has been convened in three instances. A total of 4808 cases were disposed of during the month.

#### POLITICAL

9. On March 4, 1954, it was locally reported that President Roosevelt had stated at a press conference in Washington that one-third of the Italian fleet which had surrendered to the United Nations would be made available to the Soviet Government. This gave rise to the interpretation in liberated Italy that the United States and Great Britain intended to hand over a number of Italian vessels to the Soviets. The Government and Italian public opinion as a whole were deeply disturbed by the implications of such a proposal. The Government threatened to resign. Further statements by the President and Mr. Churchill cooled the situation. It is generally believed that Badoglio's position was reinforced by the strong stand he had taken against a transfer.

10. As a result of the agreement with the Allied authorities cancelling the strike on March 4, the Party of Action, Socialist and Communist Parties and the Confederation of Labor held a mass meeting in Naples on March 12. The meeting approved a resolution to intensify Italy's war effort, that the National Administration be merged beginning with the supporters of the Monarchy, and that a Democratic Government composed of the political parties be created. It is noteworthy that this was the first proclamation of any of the parties condemning the Monarchy as an institution.

11. The mass meeting was to be followed by the preparation of a petition to demonstrate the extent of popular support of the opposition. It would appear likely that the Communists have now become indifferent and it seems likely that the whole plan will be dropped. This change of attitude of the Communists has no doubt been influenced by the announcement that the Soviet and Italian Governments had agreed to exchange diplomatic representatives.

12. Following conversations between the Soviet representative, M. Bogomolov, and Marshal Badoglio, the Italian Government issued a statement on March 14 that agreement had been reached with the Soviet Government to exchange diplomatic representatives. No prior consultation with the British and American Governments had taken place, and following Anglo-American inquiries at Moscow, it appeared that the intention of the Soviet Government was not to desist from the authority either of the Allied Control Commission or of the Advisory Council for Italy. In fact, the Soviet appointment of the diplomatic representative carries only the rank of Counsellor or Minister and he will be under the orders of the Soviet representative on the Advisory Council for Italy. There is no doubt that the Soviet move has had a marked influence throughout liberated Italy. Some consider that it will strengthen the hand of the Badoglio Government and others believe that it will increase the influence of the Communist Party throughout Italy. There is no question that since the announcement was made, the tone of the Communist press and Communist celebrations has altered. Many rumors are current that this will lead to changes in the Government and possibly even in the King's position in the near future.

13. The leader of the Communist Party in Italy, Mario Tagliacchi, otherwise known as Grechi, arrived in Italy on the 15th of March from Moscow after sixteen years of exile. Immediately following his arrival the leaders of the Communist Party met in Naples and indications are that his leadership will be undisputed.

14. Marshal Badoglio paid a short visit to Sicily at the end of the month to be present for the induction into office of Francesco Musotto, the newly appointed High Commissioner for Sicily. The Marshal made an excellent impression in Sicily where he was given a warm welcome.

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#### FINANCE

15. Joint Directorate:- During March appointment of a Joint Directorate for the Finance Subcommission was announced, consisting of Colonel E. H. Foley, J.R., (a) and Colonel A. B.

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13. The leader of the Communist Party in Italy, Mario Togliatti, otherwise known as Spadoli, arrived in Italy on the 24th of March from Moscow after eighteen years of exile. Immediately following his arrival the leaders of the Communist Party met in Naples and indications are that his leadership will be undisputed.

14. Marshal Badoglio made a short visit to Sicily at the end of the month to be present for the induction into office of Francesco Musetta, the newly appointed High Commissioner for Sicily. The Marshal made an excellent impression in Sicily where he was given a warm welcome.

#### FINANCE

15. Joint Directorate: During March appointment of a Joint Directorate for the Finance Subcommittee was announced, consisting of Colonel E. H. Foley, Jr., (A) and Colonel A. P. Griffiths-Smith, (B).

16. U. S. War Department Finance Mission: In March the Theater was visited by a United States War Department Mission. The Mission was primarily interested in the accounts and records maintained by the Finance Subcommittee and the procedures under which supplies and funds are accounted for. The Mission visited Naples, Salerno, and Palermo, and held discussions with sections of the Finance Subcommittee and other Subcommittees.

17. The Lira Exchange Rate: Since his appointment to the post, the Italian Minister of Finance has maintained that the exchange rate of 100 lire to the dollar and 200 lire to the pound is the principal cause of the inflation in Italy. He argues that the rate has been responsible for two reasons: first, because it has caused Italian sellers to demand higher lire prices and Italian buyers to be willing to pay such prices; and because it has given Allied troops an excessive purchasing power in Italy. On 24 February Marshal Badoglio submitted a statement to AOC requesting that the dollar value of the lira be increased. The request was rejected on the grounds that the Italian Government deficit, and not Allied troop expenditures, has obscured its own failure to prevent its revenues from declining and its expenditures from increasing.

18. Control of Advances and Currency: As from 1 April, advances on the Italian Government account in King's Italy or AOC Regions must be cleared through Finance Subcommittee Headquarters in order to make possible an examination of the cash position of the Government as a whole. Thus the Italian Government deficit will be financed in the normal way through the central bank, the Banca d'Italia.

19. Preparation of a new Italian Government Currency: Samples of the new Italian Government lire currency prepared in the U.S. has been brought to this country. All Fascist symbols has been removed from the design of the new banknotes, a litta and state notes. The King's portrait, which formerly appeared only on the 5 and 10 lire state notes, has been omitted from the new design. The proposed designs were accepted by the Minister of Finance, subject to certain minor technical changes.

20. Remittances from the U.S. and the U.K.: The Banco di Napoli is now prepared to act as agent for effecting personal remittances to Calabria and ten provinces of Southern Italy.

21. Proposals have been made to the Italian Government for the revision of the Italian tax system. A plan by which the turnover tax can be made to reflect more closely actual current turnover, has also been brought to the notice of the Minister.

#### ECONOMICS, FINANCES & SUPPLY

22. Food: The food situation continued to improve with the arrival of supplies other than wheat and flour, such as meat and vegetable stew, dried pulses and dehydrated soup. Plans for handling all food items have been improved.

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#### ECONOMICS, DEMANDS & SUPPLY

22. Food:- The food situation continued to improve with the arrival of supplies other than wheat and flour, such as meat and vegetable stew, dried pulses and dehydrated soup. Plans for handling all food items have been improved.

23. Existing ration scales have been reviewed and a start has been made on a check of ration cards. Prosecution of persons responsible for illegal manipulations of ration cards are being instituted and a real drive on the black market has been started.

24. Mining:- Work in the Sardinian mines proceeded but the absence of explosives and pit props has resulted in decreased production.

25. During the month, supplies were demanded for other productive industries including 6 metal mines, two lead smelters and a sulphuric acid plant.

28. Remm: Production has been increased; the output for March was:

|               |                |
|---------------|----------------|
| Heavy & Tow   | 1,470 tons     |
| Cables        | 64,911 metres  |
| Ropes         | 4,875 quintals |
| Sacks & sacks | 102,320        |
| Rinder twine  | 50 quintals    |

The production of binder twine, for which the demand is increasing, is insufficient.

27. Seventy-eight industrial plants have now been surveyed covering heavy industries, car manufacture, olive oil refining, food processing, industrial bases, leather, footwear, clothing, cloth, sewing threads, silk and woolen. Sewing threads ("windings") in particular will help to meet the clothing deficiency by increasing the possibility of repairs. Importation of Egyptian cotton will be necessary.

28. Requisitioning: As the result of a close examination of the many demands, 1748 separate items representing estimated shipments of 405,000 tons were requisitioned during the month.

23. Exports: Shipments during the month:

|         |                     |           |
|---------|---------------------|-----------|
| To U.K. | Lemons              | 3800 tons |
|         | Oranges             | 550 tons  |
|         | Lemon juice         | 140 tons  |
|         | Orange oil          | 7 tons    |
|         | Lemon oil           | 54 tons   |
|         | Almonds (unshelled) | 2020 tons |
|         | Pistachio           | 50 tons   |
|         | Pilberts            | 73 tons   |
|         | Almonds             | 35 tons   |
|         | Mustard seed        | 57 tons   |
| To U.S. | Cadmium             | 1 ton     |

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#### AGRICULTURE, FORESTRY & FISHERIES

20. Potatoes: Thirty-seven thousand tons of seed potatoes have been received. One thousand tons were diverted to civilian food uses, two thousand tons (approx.) to army rations whilst there has been an estimated loss due to pilferage and deterioration of 10% to 20% of the total. The remainder has been distributed through some plantings were late and so may be subject to weather hazards and consequent loss.

food processing, industrial bases, leather, footwear, footwear, clothing, ("plaidings") in particular will help to meet the clothing deficiency by increasing the possibility of repairs. Importation of Egyptian cotton will be necessary.

28. Requisitions: As the result of a close examination of the many requisitions, 1742 separate items representing estimated shipments of 465,000 long tons, were requisitioned during the month.

29. Exports: Shipments during the month:

|           |                     |           |
|-----------|---------------------|-----------|
| To U.S. - | London              | 3800 tons |
|           | Orange              | 150 tons  |
|           | London Juice        | 140 tons  |
|           | Orange oil          | " tons    |
|           | Lemon oil           | 64 tons   |
|           | Almonds (unshelled) | 2920 tons |
|           | Walnuts             | 10 tons   |
|           | Pilberts            | 70 tons   |
|           | Mustard             | 36 tons   |
|           | Mustard seed        | 47 tons   |
| To U.S. - | Cadiz               | 1 ton     |

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#### AGRICULTURE, FORESTRY & FISHERIES

30. Potatoes: Twenty-seven thousand tons of seed potatoes have been received. One thousand tons were diverted to civilian food uses, two thousand tons (approx.) to army rations whilst there has been an estimated loss due to pilferage and deterioration of 10% to 20% of the total. The remainder has been distributed though some plantings were late and so may be subject to weather hazards and consequent low yield.

31. Seeds: All seed stocks have been listed and it is intended to advise seed farmers in order that they may fit their production programmes into future world needs.

32. Timber and Fuel Wood: Cutting of timber and other heavy timbers continues under difficulties due to lack of suitable mills within haulage distance. Later supplies of fuel have been provided for the army and the work has provided employment for some refugees.

33. Fishing: Night fishing has commenced in southern Italy and on the west and southern third of the east coast of Sardinia. In the Naples Bay area a fish marketing scheme is ready for operation in the first week of April.

24. Beachhead Survey: - A survey of the Agrio Beachhead was made to estimate its potential for the current year. Nearly all the land suitable for seedling was planted before the landing and the growing wheat is in good condition. Little work is being done in the vineyards. There are many small gardens planted and well cared for. Sheep in the area are estimated at about twelve thousand, with about 80% lamb crop anticipated. It has been recommended that they, with 1000 head of cattle should be allowed to benefit from the improving grazing in the area and be used as food for Indian or French troops.

#### LABOUR

25. Representations were made to the Italian Government to ensure the validity in liberated territory of labour pronouncements and acts of the Allied Military Government until such time as substitute Royal decrees could be issued.

26. A threatened strike of electric workers on basic wage adjustments was averted by conference and without the necessity of making adjustments.

27. Wage studies were instituted during the month and draft legislation has been prepared for the establishment of labour offices and the regulations for collective bargaining. An increase in the food ration is, however, the real issue and this aspect has been examined with the other authorities concerned.

#### PUBLIC WORKS AND UTILITIES

28. Highway Reconstruction: - Progress is slow owing to difficulties encountered in persuading the Italian authorities to take over administrative responsibilities which absorb the energies of A.C.C. officers who should be otherwise employed. Nevertheless, progress has been made with the improvement of between 3500 and 4000 km. of highways. Twenty-two contracts totalling nearly 42,000,500 lire have now been let and a further eleven projects are under consideration in the Army zones.

29. Electricity: - Numerous distribution problems have been settled and the rationing scheme, developed during February, was completed during the month.

30. Sunken Ships: - The raising and salvage of sunken ships has been made a responsibility of the Public Works Ministry and work will shortly begin on the raising of two salvage craft in Reggio harbor.

PARAGRAPH

35. Representations were made to the Italian Government to ensure the validity in liberated territory of labour pronouncements and acts of the Allied Military Government until such time as substitute royal decrees could be issued.

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PUBLIC WORKS AND UTILITIES

38. Highway Reconstruction: - Progress is slow owing to difficulties encountered in persuading the Italian authorities to take over administrative responsibilities which absorb the energies of A.C.F. officers who should be otherwise employed. Nevertheless, progress has been made with the improvement of between 3000 and 4000 km. of highways. Twenty-two contracts totalling nearly 45,000,000 lire have now been let and a further eleven projects are under consideration in the Army zones.

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40. Sunked Ships: - The raising and salvage of sunken ships has been since a responsibility of the Public Works Ministry and work will shortly begin on the raising of two salvage craft in Mongio harbor.

COMMUNICATIONS

41. Transportation: - The road haulage transport organization is proceeding with the allocation of trucks and training of personnel. Five hundred and fifty trucks (500 six ton American and 250 four ton British) are available for Italian haulage companies. The 1001 General Transport Coy (Italian), controlled by a British cadre, is now operating in forward areas.

42. Civil movement by railway is still restricted due to the priority requirements of the Army but essential civil freight traffic is being conveyed on military trains. Suburban workers trains are inactive. From 18 March the supervision of the Sicilian railways became the responsibility of the Commission.

43. Telecommunications: - The internal telegraph service has been restored between all parts of Italian Government controlled territory and the islands, except Sardinia. Except for official calls, no remuneration has yet been granted for civil telephone services outside urban areas.

44. Mails: - The internal and foreign mail service has been extended to include parts of Region III south of the rear army boundaries. Special services have been arranged for the Vatican and International Red Cross.

LEGAL

45. Frequent consultations with the Italian Government are necessary on the various problems on property control that have now arisen.

46. Italian Section: - Trials in Italian courts of Italians for offences against Allied interests, particularly in Catanzaro and the Apulia Provinces have been speeded up whilst there has been a marked improvement throughout Region III.

47. A gradual transfer of cases from Allied Military Courts to Italian Courts, with evacuation of premises occupied by Allied Courts, has been arranged.

48. Allied Courts: - In Region II trials by Allied Courts of cases pending prior to the transfer have ended. In Region III, by attachment of spare legal officers from other Regions, continuation has been greatly relieved.

49. One feature is the exceptional number of spy cases; the Court has been in practically constant session. Fifteen were sentenced to death during the month and other sentences up to twenty years imprisonment have been imposed. 389

INTERNAL

50. A Royal Decree is in preparation dealing with the reconstitution of local government. A course of lectures and practical work on all aspects of Italian local government was held during the month for provincial officers. Further courses will be held at 1st weeks.

PUBLIC SAFETY

51. Police: - The Carabinieri, Carabinieri Guardia di Finanza

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INTERIOR

50. A Royal Decree is in preparation dealing with the reconstitution of local government. A course of lectures and practical work on all aspects of Italian local government was held during the month for provincial officers. Further courses will be held at intervals.

PUBLIC SAFETY

51. Police: The Carabinieri Regia and Guardia di Finanza are regaining their confidence and becoming more efficient bodies.

52. Fire and Civil Defence: In Region III a reduction of Civil Defence paid personnel has been effected and there is more supervision of volunteers. Schemes are in preparation for the interchange of officers of fire brigades and the pooling and distribution of equipment and supplies.

53. Motor Vehicle Circulation: Plans for registration and licensing of vehicles, the issue of circulation permits and the authorization of petrol and oil supplies have been completed. They are being put into operation in both Italian Government and Military Government territory.

54. Prisons:-- Prisons in Regions II and VI are overcrowded. Those in Region III are full. These conditions are attributable to:-

- (a) Destruction of houses caused to prisons by military operations.
- (b) The use of prison accommodation by allied forces.
- (c) The increased number of arrests.
- (d) Delay in bringing prisoners to trial.
- (e) Confinement of Italian Military prisoners in civil prisons.

Orders have been issued for a general survey of prisons with particular reference to accommodation, rehabilitation, sanitation and hygiene and in the provision of work for prisoners. The supply of soap and disinfectants is unsatisfactory.

#### PUBLIC HEALTH

55. The general health of the population continues good. Due to the activities of the Typhus Control Service the incidence of typhus is so reduced that it need no longer be considered a menace. The work of the service is now to be handled by the Rockefeller Foundation and the Italian Civilian Medical and Lay Group.

56. Additional campaigns are:

- (a) Disposal of refuse.
- (b) Anti-Malaria.
- (c) Venereal disease and prostitution.
- (d) Veterinary measures and the control of rabies.

Progress is being made in (a) in all large towns and communes, particularly in areas occupied or frequented by allied troops. The Malaria Control Section has been set up to direct and advise all areas. Hospital beds are being provided for venereal infected prostitutes and there is an improvement in the V.D. incidence. More stringent police control has been called for from the Italian Government and a proposal made for the creation of a V.D. Division within the Italian Public Health Organization. Veterinary surveys have been made for the increased production of biological preparations. Anti-rabies laws are fairly well enforced, but improvements are necessary.

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37. Medical Supplies:- Continue to arrive satisfactorily. Warehousing of stocks of American Red Cross clothing has been undertaken by medical supply section now that distribution has been properly organized.

38. Welfare:- The formulation of a unified Italian welfare program for all territory under the control of the Italian Government has been under discussion.

### EDUCATION

62. Schools:- Opening of schools has continued in regions and hasi though many difficulties over accommodations have been encountered. Private teachers, teachers' homes, variations and unused tramway cars have been used as class rooms.

63. Textbooks:- Of the new text books being prepared for the elementary schools the are ready for distribution and the others will be available shortly. Distribution includes sale by bookshells in each provincial center. Each text book has a preface giving suggestions to teachers and pupils for the modernization of the school program. In Region I, and Calabria four of the books have already been published.

64. Copy books:- Waste paper from the text books has been salvaged for the preparation of 250,000 copy books which will be sold to pupils through the provincial centers at a nominal cost. Other writing paper will be distributed gratis.

65. Defamiliarization of teachers and school officials:- Proceeding and dissemination have been recommended to the Minister. A plan for observing all teachers and officials is being prepared.

66. Youth Committees:- Youth Committees established in Naples have considered the following:

- (a) For University students, establishing a political forum, a students press and printing house.
- (b) For "Scuola media Superiore" the establishment of clubs in the secondary schools (the first has already been started) and the publication of a newspaper.
- (c) For "Scuola Elementare" a detailed plan for furnishing meals to school children. The plan will be operated in conjunction with the Public Health and welfare organizations.

### DOCUMENTS, FINANCES & ARCHIVES

67. Protection of documents:- Action taken on the recommendations of the "Collegio" report includes:

- (a) Preparation of lists of protected documents of Italy.
- (b) Preparation of a pamphlet for the army marshals of Carabinieri.

been delivered for the preparation of 100,000 copy books which will be sold to pupils through the provosts at a nominal cost. Other writing paper will be distributed gratis.

cc. Defensitization of teachers and school officials in propagating and disseminating have been recommended to the Minister. A plan for disseminating all teachers and officials is being prepared.

cc. Youth Committee:- Youth Committee established in Naples have considered the following:

- (a) For University students, establishing a political forum, a students mess and printing house.
- (b) For "elementary superior" the establishment of clubs in the secondary schools (the first has already been started) and the publication of a newspaper.
- (c) For "elementary superior" a detailed plan for furnishing meals to school children. The plan will be operated in conjunction with the Public Health and Welfare organizations.

#### MONUMENTS. FINE ARTS & ANTIQUITIES

cc. Protection of Monuments:- action taken on the recommendations of the "Comitato" report includes:

- (a) Preparation of lists of protected monuments of Italy.
- (b) Preparation of a pamphlet for the army bureaus of Current Affairs (AUCAs).
- (c) Evacuation of troops from buildings ranked as monuments.
- (d) Establishment of guards at places where evacuation is not possible.
- (e) Issue of air photographs showing the location of monuments of historical, cultural and religious importance in Italy to formations of AUCAs, on request of the Commander.

63. Publications and publicity regarding movements, fine arts and archives have been discussed with public relations branch; the intention being to educate the armed forces and the public on the importance of the preservation of documents.

#### PROPERTY CONTROL

66. Measures have been concerted with the Italian Government on the legislative and administrative details required to regularize the position of the Controller of Property in the liberated territory. By agreement, the Italian Government will:

- (a) Pass a decree in general terms suspending the application to United Nations and French property of the relevant provisions of the War Law of 1938.
- (b) Instruct Prefects in liberated territories to issue individual decrees revoking the expropriation of Allied and French properties and ordering the reconversion of properties to the owner or his representative. Financial arrangements were agreed in principle; the details to be worked out between the responsible authorities.

67. In Region III, of the total of 336 real properties on which sequestration could have been effected under Italian law it has been found that in 27 cases sequestration was not carried out. Caselli has been taken of 61 properties (including 17 at Capri). In 90 cases the securities or proceeds of sale have been transferred to Rome in North Italy. The total of business concerns being investigated is now 46, of which half have been taken into custody.

#### DISPLACED PERSONS

68. The bulk of the refugees handled are Fascists and of these, approximately 20% are Yugoslav Partisans and 4% royalists. The type of refugee has changed considerably during the last month. Those now coming are mainly old men and old women, women with large families and orphans. Practically no men fit for fighting are being received, and the overall proportion of those requiring medical care has increased. One orphan's home has been established and another is planned.

69. The medical situation has been eased by the assignment of six Italian Army medical officers to various camps and hospitals. Medical stores have been received from Central Medical Supply. Clothing is in short supply and thread and needles for Singer sewing machines are urgently needed. (See also para 27).

70. Records Bureau:- The records bureau though not a Red

(a) Pass a decree in the name of the Italian Government applying to United Nations and French property of the relevant provisions of the War Law of 1938.

(2) Instruct Prefects in restored territories to issue individual decrees revoking the requisitioning of Allied and French properties and ordering the reassignment of properties to the owner or his representative. Financial arrangements were agreed in principle. The details to be worked out between the responsible authorities.

67. In Region III, of the 1,141 of 334 real properties on which requisitioning could have been effected under Italian law it has been found that in 87 cases requisitioning was not carried out. Casati has been taken of 51 properties (including 17 at Capri). In 33 cases the requisitioning or proceeds of sale have been transferred to Rome in North Italy. The total of business concerns being investigated is now 10, of which half have been taken into custody.

#### DISPATCH PLANS

68. The bulk of the references handled are Yugoslavs and of these, approximately 90% are Yugoslav partisans and 4% Royalists. The type of refugee has changed considerably during the last month. Those now coming are mainly old men and old women, women with large families and orphans. Practically no men fit for fighting are being received, and the overall proportion of those requiring medical care has increased. One orphan's home has been established and another is planned.

69. The medical situation has been eased by the assignment of six Italian Army Medical Officers to various camps and hospitals. Medical stores have been received from Central Medical Supply. Clothing is in short supply and thread and needles for Singer sewing machines are urgently needed. (See also para 27).

70. Medical Bureau:- The records bureau though not a Red Cross responsibility has been set up by an officer of the British Red Cross, loaned for the purpose. Twelve thousand one hundred and thirty displaced persons have been recorded to date. Twenty-nine nationalities are represented; Yugoslavs accounting for 9,500. The total figures does not yet include 11,281 Yugoslavs and Jews shipped to Trieste East. There is also a service of inquiries.

71. Statistics:- (xvi) as at 31st March unless otherwise stated)

Refugee population in camps & hospitals  
 Reception during March, arriving by ship  
 Detained for other areas  
 Accepted by means other than ship  
 Number of wounded & sick in shipments  
 Shipped to Miele Harb

For these 2422 were under 18 years  
 of age and 1416 were women.

#### REFUGEES (Italians)

72. This branch now controls the activities of 65 Italian officers and 351 Italian C.O.s who are performing the majority of the tasks of handling the refugees from the forward areas.

73. Movement during the month has been as follows:-

|                            |      |
|----------------------------|------|
| From Lazio by sea          | 5538 |
| From S. Italy by boat/rail | 5782 |
| From S. Italy by rail      | 1165 |

To dispersed areas southwards:

|                          |      |
|--------------------------|------|
| To Province of Potenza   | 1059 |
| To Province of Cosenza   | 3284 |
| To Province of Catanzaro | 4332 |
| To Province of Reggio    | 3753 |

Region II is temporarily saturated and plans are being made for subsequent dispersals in Region I and III. It is expected that 20,000 can be absorbed in Region I (Sicily).

74. The work of settling refugees into new areas is made more difficult by the indifference on the part of the Italian Government and public opinion. The Italian authorities have been slow to provide and are slowly being made to alter their attitude. Assistance is being given to the formation of reception, feeding and welfare committees.

#### PUBLIC RELATIONS

75. Correspondents are displaying greater interest in the work of the Commission. The Chief Commissioner held his second press conference on March 19 and requests for interviews.

Refugees (Italians)

72. This branch now controls the activities of 55 Italian prisoners and 351 Italian CAs who are performing the majority of the tasks of handling the refugees from the forward areas.

73. Movement during the month has been as follows:-

|                          |      |
|--------------------------|------|
| From Lazio by bus        | 3239 |
| From 8 Army by road/rail | 3752 |
| From 8 Army by rail      | 1165 |

To dispersal areas southwards.

|                          |      |
|--------------------------|------|
| To Province of Potenza   | 1029 |
| To Province of Cosenza   | 3284 |
| To Province of Catanzaro | 4322 |
| To Province of Reggio    | 3753 |

Region IV is temporarily saturated and plans are being made for subsequent dispersals in Regions I and III. It is expected that 20,000 can be absorbed in Region I (Sicily).

74. The work of settling refugees into new areas is made more difficult by the indifference on the part of the Italian Government and people towards their Italian compatriots. The authorities have succeeded in so far as to provide and are slowly being made to alter their attitude. Assistance is being given to the formation of reception, feeding and welfare committees.

PUBLIC RELATIONS

75. Correspondents are displaying greater interest in the work of the Commission. The Chief Commissioner held his second press conference on March 10 and requests for interviews and information have grown.

76. The eruption of Vesuvius called for special activity in the collection and release of accurate news. The material and photographs gathered are being worked into the record of the Commission's activities.

77. In the future there will be more effective reporting of all major Court proceedings, particularly in connection with the black market and sabotage cases. This should add to the effectiveness, as deterrents, of the sentences imposed.

78. Relations with the press generally are close and cordial. The associations and publications with which the branch has had contact during the month number 46, including American, British, Canadian, New Zealand, French and the newspapers published in Italy for allied troops. There was continual contact with the P.W.I. and the furnishing of news for broadcasting and for the licensed local publications in Italian, "Resortimento" - Naples and "Gazzetta Libera", etc.

NOEL MASON MACFARLANE  
Lieutenant General  
Chief Commissioner

FATIMA 1867

FATIMA

10 MARCH 1944

RESTRICTED

EX 21 -- BARCOCK

ROUTING

IIS

HAVE NOT RECEIVED REPORT OF LABOR ACTIVITIES YOUR REGION FOR MONTH OF FEBRUARY FY

WASH TO IIS FOR AGO REGION ONE FOR REPORT FROM BARCOCK FOR BARCOCK SIGNERMACFARLANE PAGE FORWARD IMMEDIATELY

3777

L. T. MONTAGUE, JR.,  
2nd Lt., AGO,  
Adjutant

45

NOTE FOR THE FILE AND ALSO AS PART OF THE MONTHLY REPORT ON EVENTS

SUBJECT: Visit to 5th Army Headquarters, Casserta

Visit made by COLONEL BAIN, LT. COL. SMITH, CAPT. MORSE and CAPT. DAVEY to 5th Army Headquarters, Casserta. Had long conference with LT. COLONEL BOSTOCK (B), who is A.D.L. for the British 5th Army. Also spoke to one of his assistants, MAJOR J. V. HIND, who is D.A.D.L. at Sparonise. Subsequently, in company with COLONEL BOSTOCK, a conference was held in the office of LT. COLONEL D'ORSA, Deputy G-4, American 5th Army (Assistant to GENERAL TATE), and his newly appointed Labor Officer, CAPT. FOSTER. As a result of this conference, it was arranged that the facilities of the British A.D.L. would be utilized by the American side and this way obviate the necessity of setting up a separate Labor Office for the American 5th Army, as had been contemplated. It was pointed out and agreed that generally in any situation the A.M.G. Labor Officer would be the clearing house (presumably using the local collocamento) for all services needing civilian labor; if the A.M.G. Officer was unable to produce or if there was no such officer assigned to any area, or if there is no Collocamento that can be effectively utilized, the American and British Army representatives would get together and set up an office for their mutual use.

25 February, 1944

JUNIUS R. SMITH,  
Lt. Col., Q.M.G.,  
D/Director, Labor Sub-Commission

43

3746

HEADQUARTERS  
ALLIED CONTROL COMMISSION  
LABOR SUB-COMMISSION  
APO 394

091.432

10 February, 1944

Colonel Samuel Glabaugh,  
Chief Economic Section,  
Civil Affairs Division, General Staff,  
War Department, Pentagon Building,  
Washington, D.C.

Dear Colonel:

1. Inclosed please find memorandum written at the request of another theater, epitomizing the most salient developments in the handling of the Italian Labor Problem by the Labor Sub-Commission.

2. The inquiry prompting preparation of this memorandum, stressed the importance of utilizing the Italian experience as a base for planning elsewhere. I believe the inclosures will be of interest to your department.

With kindest personal regards,

JRS/tbw

JUNIUS R. SMITH,  
Lt. Col., G.M.C.,  
D/Director, Labor Sub-Commission.

Incl:

1. Memo 091.432, 9 Feb to Brig Leah and Exs. A - F

3775 ✓

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HEADQUARTERS  
ALLIED CONTROL COMMISSION  
LABOR SUB-COMMISSION  
APO 394

9 February, 1944

091.432

MEMORANDUM:

TO : Brigadier Lusk

SUBJECT: Labor Guides Based Upon Experience of A.M.G. in Sicily and Italy.

1. The following general guides are based upon experience in the field thus far in Sicily and Italy. They represent major principles which could be elaborated considerably, and are not presented as being complete. (For preliminary history of Labor in Sicily under A.M.G., see Ex. A.) Limited time and absence of information regarding the type of Allied Military Government or liaison contemplated for other operations, prohibits a more detailed and precise submission. If desired, a complete and exhaustive report to date can be prepared and transmitted.

2. General Guides

a. WAGES, HOURS AND CONDITIONS OF EMPLOYMENT. All tactical units must be furnished with a tentative wage scale and instructions concerning hours and conditions of employment which must be applied uniformly to all civilians employed by the Armed Forces. The scale should be tentative, and carefully adjusted to the normal civilian scale, and subject to early and equitable revision in the field after consultation with Advance Main Headquarters so that proper coordination can be effected. (Uniform Wage Scale for Italy attached -- Ex. B.)

b. Careful consideration must be given to COST OF LIVING and the economy in which employment is being offered so as to avoid economic dislocation, and control the forces of inflation insofar as possible. In the latter connection, firm controls, actually and severely exercised, must be set up to combat the black market in commodities. Soldier spending must be limited, and strictest supervision given to retail merchant prices.

c. CIVILIAN WAGES (as distinguished from wages paid to persons employed by Armed Forces) and COMMODITY PRICES to be based upon occupation, and then adjusted in relation to each other as economic circumstances warrant. Wages or prices must not be acted upon separately, and must also be considered in relation to the Armed Forces Wage Scale. (Temporary Wage Adjustment for Sicily, which has been extended to Italy, attached -- Ex. C.)

d. ISSUE OF FOOD TO PERSONS EMPLOYED BY ARMED FORCES should not be undertaken until necessary, must be uniform, paid for by the individual worker, and where possible, eaten on the job. Function of supply should be to balance subsistence rations to entire civilian personnel. Over and above this, extra rations should be issued in cases of operational necessity and essential war work. Stress uniformity in type of ration issued,

amount, and charge to individual worker. (Minutes of a Food-Pages Conference attached -- Ex. D.)

e. CENTRAL LABOR OFFICES should be established by Labor Officers in their respective Areas, and all labor for Armed Services supplied therefrom. If able-bodied persons refuse employment, they should be denied relief and rationing benefits.

f. CONTINUE SOCIAL SECURITY FUNCTIONS. Take immediate steps to eliminate objectionable political features.

g. ESTABLISH PRINCIPLE OF FREE LABOR MOVEMENT, and collective bargaining. (General Order No. 17 -- Ex. E.)

h. ELIMINATION OR REVISION OF TOTALITARIAN SYSTEMS will be essential. (Example, General Order No. 8 (Sicily), since extended to Italy, attached -- Ex. F.)

i. MUST BE CENTRAL COORDINATION of work of all bases, districts, and other unit Labor Offices (Army and Navy), so that uniformity in labor relations is achieved and maintained. This principle is essential to any successful operation. If the plan is one of Military Government, coordination and control should be by the Labor Division, otherwise by a Staff Labor Officer attached to the Advance Main Headquarters.

3. The foregoing contemplates action by Labor Officers assigned to said base or district units. The place of a Labor Division is not, as has too frequently been the view taken, of a secondary function (until trouble arises), and of merely supplying "hands" to the Services. Provision must be made for the functioning of specialists in the field, e.g., of social security, labor disputes, trade unions and associations, working hours and conditions, etc. These specialists will be under the supervision of a Chief Labor Officer, or if Military Government is planned, under the jurisdiction of the Labor Division.

4. The Labor Table of Organization must be adequate, and care taken to provide appropriate rank for officers and EM/OR's who have measured up to the standards of the organization, and served those standards and their duties well. Failure to recognize this principle has its obvious organizational consequences.

DAM/taw

3573  
J. T. R. BAIN,  
Colonel,  
Director, Labor Sub-Commission.

Labor

rs/pw/tpd

9 February 1964

1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 26

UNITED STATES Monthly Reports.

TO : Heads of Sub-Commissions in Economic Section.

1. Reports on the activities of Sub-Commissions should be in this office by 1600 hours on 10 February according to provision of paragraph 3 letter BC. AMG, dated 1 January 1944, reference AMG/519.1 subject: "Reports".

2. These reports must be submitted through channels so as to reach Col. Spofford's office by the 12th of the month.

of the month.

*Ref Murchland, Capt; Inf.*  
*for* D. B. ADAMS  
Colonel. C. E.  
Chief Staff Officer

D. B. ADAMS  
Colonel, G. I.  
Chief Staff Officer

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HEADQUARTERS  
ALLIED CONTROL COMMISSION  
LABOR SUB-COMMISSION  
APC 394

9 February, 1944

SUBJECT: Monthly Report

TO : Colonel J. T. R. Bain, Director, Labor Sub-Commission

1. Attached is a draft of a monthly report for the Labor Sub-Commission.

a. It is believed it should be circulated to the whole staff for suggestions, additions, and revisions.

b. Special attention should be given to the form of presentation.

c. The problem of good reporting could well be the subject of a short session with the whole staff in Hq. Labor Sub-Commission together with an effort to bolster-up reporting from all Regions to this Sub-Commission.

2. Subject to staff revisions, and such revisions as changes in work require, it is proposed that our reporting follow the outline below:

a. Staff Changes

b. Labor Resource and Manpower Activities

- (1) Registration
- (2) Classification
- (3) Placement and Transfer
- (4) Statistical Reporting
  - (a) Supply
  - (a) Demand
- (5) Job Analysis.

c. Labor Relations, Laws and Labor Disputes.

d. Benefits and Training

e. Wages and Hours, Working Conditions.

f. Field Supervision and Control.

g. Relations with Italian Government.

h. Miscellaneous Activities

3. The official report must be forwarded by 1300 hrs. 10 February, 1944.

JAMES O. BARCOCK,  
Major, U.S.A.,  
Labor Sub-Commission

(39)

MINUTES OF MEETING CONDUCTED BY LT. COL. J. R. SMITH,  
D/DIRECTOR, LABOR SUB-COMMISSION, A.C.C. HQ. (NAFLES)  
AT 1000 HOURS, 3 FEBRUARY, 1944, ROOM 43, PROTECTOR BUILDING.

1. Conference called by Lt. Col. J. R. Smith, D/Director, Labor Sub-Commission, A.C.C. HQ., to discuss A.F.H. 4, signed dated 31 January, 1944, reference 3109401, PATINA (Action), and coordinate plans and action of representatives of Allied Armed Forces in evolving formula for uniform noon-day and midnight meal for civilians employed at hard labor.
2. Conference attended by: Lt. Col. Smith, Chairman of Meeting; Colonel Lawley, Chairman, Wage Control Committee, A.F.H. 4; Adv. Adm. Zeh; Lt. Col. A. Lyde, Labor, A.F.H. 4; Adv. Adm. Zeh; Lt. Col. I. Lax, Labor, P.E.S.; Lt. Col. Brown, Q.M., P.E.S.; Capt. A. J. Platt, S.T. Branch, A.F.H. 4; Adv. Adm. Zeh; Capt. David A. Morse, Labor Sub-Commission, A.C.C. HQ.; Lt. P. R. Grindle, Pay Section, R.H.V. 2; Lt. J. Vissani, Supply, Military Railroad Service, NATUSA; Lt. Col. T. Lane, Labor Officer, Region III, A.C.C.; (Lt. 5th Army invited, but unable to attend).
3. After considerable discussion, it was unanimously agreed that:
  - a. Fresh meat could not be served to workers as suggested in the signal because not locally available.
  - b. P.E.S., District, and Royal Navy will arrange appropriate facilities to bake bread so that it will be available for distribution to workers and eaten on the job. Program to be worked out in detail with local subordinate employing units.
  - c. Detailed issues of food items will be made from Army and Navy stocks through regular channels. Provision of flour will be A.C.C. responsibility under Control arrangements. Consolidated monthly total of flour expended will be presented by Bean Section, Army, or District Commanders to Hq. A.C.C. which will arrange immediate replacement. (Lt. Col. Legge, Chief, Food Sub-Commission, informed Lt. Col. Smith by phone that he would attempt to supply sugar, salt, and yeast for services to make bread, but could not promise same.)
  - d. Dried beans and peas may be issued and supplied, if available, in lieu of fresh vegetables, if latter unavailable in sufficient quantities.
  - e. All branches will serve same type of meal with workers getting same quantities. This will eliminate labor competition and conflict between different employing units. Military Railroad Service will not issue rice as originally contemplated since not available for workers elsewhere.
  - f. Bread ration for the meal will be 1/3 pound per individual per day. Bread to be baked in 7 pound army loaf form and cut into 1/3 pound rations. Workers will pay for the food at prices indicated in A.F.H. 4. Price will be 1.26 lire per 1/3 pound of bread (equivalent to 1/4 pound flour). Charge will be 6 lire for bread and vegetables, with continuance of 1 lire charge for currently issued bowl of soup.
  - g. Meal to be supplied mid-shift and will go into effect at 8 a.m.

3. After considerable discussion, it was unanimously agreed that:
  - a. Fresh meat could not be served to workers as suggested in the signed because not locally available.
  - b. P.S.S. District, and Royal Navy will arrange appropriate facilities to bake bread so that it will be available for distribution to workers and water on the job. Program to be worked out in detail with local subordinate employing units.
  - c. Detailed issuance of food items will be made from Army and Navy stocks through regular channels. Provision of flour will be A.C.C. responsibility under Control arrangements. Consolidated monthly total of flour expended will be presented by Base Section, Area, or District Commanders to R. A.C.C. which will arrange immediate replacement. (Lt. Col. Legge, Chief, Food Sub-Commission, informed Lt. Col. Smith by phone that he would attempt to supply sugar, salt, and yeast for services to make bread, but could not promise same.)
  - d. Dried beans and peas may be issued and supplied, if available, in lieu of fresh vegetables, if latter unavailable in sufficient quantities.
  - e. All branches will serve same type of meal with workers getting same quantities. This will eliminate labor competition and conflict between different employing units. Military Railroad Service will not issue rice as originally contemplated since not available for workers elsewhere.
  - f. Bread ration for the meal will be 1/3 pound per individual per day. Bread to be baked in 3 pound army loaf form and cut into 1/3 pound rations. Workers will pay for the food at prices indicated in A.C.C. Price will be 1.26 lire per 1/3 pound of bread (equivalent to 1/4 pound flour). Charge will be 6 lire for bread and vegetables, with continuance of 1 lire charge for currently issued bowl of soup.
  - g. Meal to be supplied mid-shift and will go into effect at 8 a.m. shift Thursday, 10 February, 1944. This arrangement does not include Army combat troops.
  - h. Only those workers performing hard labor for Military purposes are entitled to foregoing concessions. This is interpreted to include employees of contractors directly employed by Armed Forces.
  - i. Labor Sub-Commission will not as central coordinating agency to aid in resolving differences of opinion which may arise among various employing units regarding food for workers and related matters.

LAW/tbw

DISTRIBUTION: (OVER)

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JANUS R. SMITH,  
Lt. Col., A.C.C.,  
D/Director, Labor Sub-Commission

DISTRIBUTION:

|                                                    |   |      |
|----------------------------------------------------|---|------|
| A.F.H.Q., Adv. Adm. Ech. (Control Regs. Committee) | 2 |      |
| A.F.H.Q., Adv. Adm. Ech. (Letter - Lt. Col. Lyde)  | 2 |      |
| ZNS (Labor - Lt. Col. Lee)                         | 2 |      |
| NAVH (Commander Watkins)                           | 2 |      |
| MS (Lt. Viscusi)                                   | 2 |      |
| 5th Army, 4th and Labor                            | 2 |      |
| 6th Army, 4th and Labor                            | 2 |      |
| ECAC's - All Regions (Attn: Labor Officers)        | 2 | each |
| Food Sub-Commission                                | 2 |      |
| Monetary Section                                   | 2 |      |
| Col. Spofford                                      | 2 |      |

HEADQUARTERS  
ALLIED CONTROL COMMISSION  
LABOR SUB-COMMISSION  
APO 394

091.432

3 February, 1944

SUBJECT: Report Requested at Conference of Economic Directorate,  
2 February, 1944.

TO : Economic Section.

The following is submitted in accordance with request of the Economic Section and covers points relevant to the work of this Sub-Commission:

1. Personnel and Functions:

- a. Colonel J. T. S. Bain, Director (Naples - Salerno)
- b. Lt. Col. J. R. Smith, D/Director (Naples)
- c. Major J. C. Babcock (Naples), Benefits and Training
- d. Capt. E. A. Morse (Naples), A/S/Director.
- e. Capt. E. Seielund (Palermo), Region I
- f. Capt. R. M. Albright (Salerno), Liaison with Italian Gov't.
- g. Capt. Jeff A. Robertson (Hq. Naples), TD per VOSO Region III Labor Office.
- h. Capt. Robert Frazer (Matera), Region II Labor Officer.
- i. 1st Lt. J. Moffitt (Palermo), Region I Labor Office.

1. There is additional personnel in Regions III, IV and V over whom we are now to assume jurisdiction.

2. Sub-Sections:

- a. Labor Resources
- b. Labor Relations
- c. Benefits and Training
- d. Wages and Hours
- e. Field Operations
- f. Liaison, Italian Government

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3. Representatives on Committees or Boards:

a. Capt. David A. Moree, member Wage Control Committee, Local Italian Resources Board, A.F.H.Q., Advance Administrative Echelon. Also until recently on staff of 15 A.G., S.S.C., and Central Economic Committee.

4. Brief Outline of Work Performed to Date:

a. Dissolution of Fascist Corporative Syndical system. Substitution of civilian Regional and Provincial Labor Offices which have jurisdiction over Employment Exchanges, labor disputes, employment studies, wages, etc. (General Order No. 3 (Sicily) -- now extended to whole of Occupied Italy.)

b. Pronouncement of free labor movement which permits voluntary and democratic organization of workers for purposes of collective bargaining. (General Order No. 17 (Regions I and II) -- to be extended to balance of Mainland immediately.)

c. Initiation of Temporary Wage Adjustment to meet part of the legal increase in cost of living. (General Order No. 14 (Sicily) -- extended to all of Mainland by various Regional Orders.)

d. Creation and operation of Labor Exchanges for supply of labor to Armed Forces.

e. Preparation and issuance of Uniform Wage Scale governing civilians employed by Allied Armed Forces in Region I. Participated as member in preparation of Uniform Wage Scale for Italy, recently approved by A.F.H.Q., Advance Administrative Echelon, and issued by it as an official instruction.

f. Prepared report on history of labor in Sicily under A.M.G. from date of invasion until 26 October, 1943. Preparing similar report for Mainland.

g. General conference held 10 January, 1944, of Labor Officers of Regions I, II, III and IV, attended by Minister of Industry, Commerce and Labor for Italian Government, to determine procedure for uniform operation of Labor Program, discuss mutual problems, and receive recommendations for necessary action.

h. Completed cost of living study for Sicily.

i. Conference conducted by Lt. Col. J. R. Smith of Labor and Supply Officers of P.S.S., A.F.H.Q., Adv. Adm. Ech., Royal Navy, Chairman of Wage Control Committee (A.F.H.Q., Adv. Adm. Ech.), and Military Railroad Service to evolve uniform coordinated plan to carry out order of A.F.H.Q., 31 January, 1944, providing daily meal for heavy civilian workers employed by Armed Forces.

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### 5. Work Now Underway -- Plans for Future Accomplishment.

a. Revision of General Order No. 8 (Sicily) and Rules and Regulations issued pursuant thereto, and similar Orders and Rules and Regulations on Mainland, so that Provincial Offices of Labor may be placed under direct control and administration of the Regional Labor Offices, and hence subject to one jurisdiction which will eventually be the Italian Ministry of Labor when the "turn-over" takes place.

b. Preparation of Uniform Wage and Salary Scale for personnel of Regional and Provincial Labor Offices.

c. Action on Temporary Pension Adjustment. Recommendations have been submitted and are now the subject of discussion. Final action not yet taken.

d. Study of Social Insurance and Social Security. Committee has been appointed by Labor Sub-Commission, with Capt. R. M. Albright, Chairman, to study and report on the problem. It is being coordinated with Public Welfare. Proposal to determine policy, program, and procedure which will permit Labor Sub-Commission to assume jurisdiction in proper sphere and aid Italian Ministry of Labor in its future administration of the problem, has been cleared with Brigadier Parkinson of Public Health Sub-Commission.

e. Preparation and analysis of employment and unemployment statistics to assure availability of labor for military or civilian purposes when and where required.

f. Liaison with Italian Government so that the program of this Sub-Commission and its Orders and Rules and Regulations will become part of the basic Italian Government structure and policy when it assumes governmental jurisdiction. The program has not yet been put into effect in Apulia due to reluctance of the Italian Government to take a square stand on the question of freedom of labor and industry organization. This matter is critical and must not be overlooked else the work accomplished by the Sub-Commission to date will be over-ruled and confusion and conflict in the labor market ensue.

g. Introduction of a uniform and workable Employment Exchange program. The old system was concededly bureaucratic, inefficient and unworkable. This matter is being carefully studied. Effective action will be taken shortly.

### 6. Recommendation for Action:

a. When territory is turned over to Italian Government for administration, it should be clearly understood that the Labor Program thus far adopted by A.C.C. should be assumed as such by the Italian Government subject to such changes as may be desired by the Italian Government, and approved by the A.C.C. upon recommendation of the Labor Sub-Commission.

h. Emphasize the fact that representatives of the Labor Sub-Commission, A.C.C., will remain in territory turned over to the Italian Government until such time as it becomes apparent that the terms of an agreed Labor Program are actually and fully carried out.

g. \*

DAM/tbw

JUNIUS R. SMITH,  
Lt. Col., Q.M.G.,  
D/Director, Labor Sub-Commission.

\* g. An amendment to the "Mobilization of Labor Law" (R.D. 31, Ottobre, 1942 N. 1611 e N. 1612), has been drafted, and is being referred to the Italian Undersecretary for Industry, Commerce and Labor prior to its submission to A.C.C. Legal Sub-Commission. This is proposed for promulgation throughout all Occupied Italy, and carries out the recommendation of the Labor and Wages Control Committee of the Allied Forces Local Resources Board (Sicily) passed 15 January, 1944, and designed "to ensure the selective priority of labor for the needs of the Allied Forces". Such action will guarantee first availability of our present and eventual labor requirements during and after withdrawal of Allied Armed Forces from any area.

3706

HEADQUARTERS  
ALLIED CONTROL COMMISSION  
LABOR SUB-COMMISSION  
APO 394

3 February 1944

091-A32

SUBJECT: Monthly Reports

TO : R.C.A.O.'s (Att: Chief Labor Officers)

1. Effective immediately monthly labor reports will be submitted not to reach this Sub-Commission later than the fifth day thereof.

2. Reports will cover the following items, but other items may be included if considered pertinent:

a. Status of Regional Labor Office, Provincial Labor Offices, and Ispettorato del Lavoro; also Employment Exchanges.

(1) Submit copy of monthly report of Director, Regional Labor Office.

b. Labor unrest and disturbance. Details.

c. Trade union organization. (First report will contain names. Succeeding reports will list new organizations not previously listed. Same for 2 (d).)

d. Trade Association organization.

e. Chambers of Commerce. Existence. Details of jurisdiction and functions.

f. Evidence of political activity in Trade Unions, Associations, Chambers of Commerce, and Government Labor Offices.

g. Economic situation.

(1) Black market.

(2) Food.

(3) Prices.

(4) Adequacy of wage levels; compliance with Wage Order.

(5) Employment -- extent.

(6) Unemployment -- extent.

(7) Relief -- extent.

h. Operation of Social Security machinery. Under whose immediate jurisdiction.

i. General comment.

j. Recommendations.

JUNIUS R. SMITH,  
Lt. Col., Q.M.C.,  
D/Director, Labor Sub-Commission.

*Resto. for Gen. McFarland*  
*Laurel*

Feb. 2/44

Naples.

REPORT TO BE PRESENTED BY SUB-COMMISSIONS TO THE ECONOMIC SECTION:

- 1) List of personnel by full name and brief note as to each person's functions and city, town or region of work.
- 2) List of subsections, if any, and their functions.
- 3) List of representatives on committees or boards.
- 4) A brief outline of the work performed by the sub-commissions to date. -- List the subjects of prepared reports and those under preparation.
- 5) A statement as to work which is now underway -- the plans of the sub-commissions for future accomplishments -- program for import requisitions and timetables for the same -- plans for rehabilitation by periods and priority.
- 6) An indication of the program for regional coordination of activities now that this location represents the Economic Section HQ for southern Italy and the islands.
- 7) A statement of cases in which further cooperation is to be obtained from the army i.e., moving billeted troops from factories and returning requisitioned material etc.
- 8) General recommendations for action.

3 V.P.

- meet 4 times a week.  
 one ready general note - important developments  
 + initiative

- Mary - Economic

- Donaghy -

- Lush (administrative and - proper)

3786

- orders to field clear here. (give a P.O.) - + instruction to field  
 - one on one signature.

for well have full jurisdiction over our own men

MATERA, Jan. 29

To: Col. J. T. R. Bain,  
Labor Subcommission,  
Room 43, provincial building,  
Naples

Subject: Weekly report - Region Two

1. Letter from Labor Subcommission dated 22 January relative to *Ispektorato del Lavoro* has been received. I am having Italian translation prepared and of the Administrative Instruction transferring this organization to the jurisdiction of the Regional Labor Office. Both English and Italian copies of the Administrative Instruction will be distributed promptly.
2. Letter from Labor Subcommission dated 20 January relative to General Order No. 17 has been received. The fifty English copies have already been distributed and I am having a sufficient number of the English and Italian translations printed in the form of a notice for posting and these will be distributed in the next day or two.
3. Letters of 22 January and 23 January in reply to mine of 17 and 18 January have been received and the information therein is appreciated.
4. As advised in my weekly report dated 22 January, the Regional Director, Avv. Gruni is now away on an official trip throughout Calabria. I expect him back tonight with a report of conditions in Calabria. I also hope he has been able to straighten out a few minor difficulties in Calabria.
5. I visited the Provincial Office in Potenza for two days this week and was not at all satisfied with conditions there. The Director, Avv. De Pilpo had been ill at his home for some days and I found that the office had been turned over to a man seventy-four years who had been designated "Vice-Director." He was not at all satisfactory from several standpoints other than his age. Avv. De Pilpo was able to return to the office the second day I was there and his physician assures him he will be able to carry on his work at the office now. I spent several hours explaining to Avv. De Pilpo matters with reference to office organization and procedure. I also left with him a prepared table of organization and salaries.  
One of the greatest difficulties I found was that the labor office had been put in three small rooms very inadequately equipped. Before the occupation the syndicates occupied nearly one hundred rooms in Potenza and for some reason they had been allotted only three for present activities. I contacted the AMG officials and explained the situation and got the assurance that ten rooms would be provided at once for the Labor Office and that they would be in a central location. There is enough furniture available from syndicates property and this will be used.  
I plan to take Avv. Gruni, the Regional Director, to Potenza for a couple of days next week as I want him to talk with Avv. De Pilpo and also interview the personnel. I shall get him to Salerno also just as soon as possible.
6. In several provinces matters have arisen where parties have attempted to sue employers for back wages and for other reasons. The Regional Legal Officer is very anxious to know what provision, if any, is being made for cases of this nature to be tried in court. The former Regional Legal Officer had ordered that no labor cases be tried in courts. The present Regional Legal Officer feels, and I agree, that there are going to arise certain matters which cannot be settled by our present mediation

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7. In accordance with your instructions, I plan to be in Naples for the conference on February 6. If the plane has been changed since our last conference please advise me.

Spoke with Capt. Albright by phone 4 Feb. 44. by il officer  
Region 2 has raised question with him & he is considering matter with Caluso & will return Feb 6.

ROBERT FRAZER, Captain,  
Regional Labor Officer,  
Region Two.

3/2/44 (35)

HEADQUARTERS  
ALLIED MILITARY GOVERNMENT  
LABOR SUB-COMMISSION  
APO 394

24 January 1944

SUBJECT: Labor Survey, Region II  
TO : Labor Sub-Commission  
FROM : Capt. Jeff A. Robertson

1. In accordance with appropriate orders, on 18 December 1943, I proceeded to Region II for the purpose of assisting the Regional Labor Officer in any and all matters affecting that office. It was at once apparent that the establishment of Provincial Labor Offices as provided for in Regional Order No. 5 should be accorded priority.
2. Two days were spent in conference with the Regional Labor Officer, Capt. Fraser, and in interviewing Avv. Bruni, Director of Labor for Matera Province, who had just been appointed, and who was busily engaged in organizing his staff, and establishing the office.
3. On or about 20 December 1943, Lt. Col. McGafferty, R.C.A.C., ordered that no transport with driver should be taken from Regional Headquarters unless return be made on or before 24 December 1943. This order made impossible the proposed trip to Cosenza, Catanzaro and Reggio for the purpose of establishing Labor Offices until after Christmas.
4. Being unable to spend the intervening time in Matera to advantage, I proceeded alone to Cosenza, with the understanding that Capt. Fraser would join me there on 27 December 1943.
5. Upon my arrival, I reported to Lt. Col. Nichols, C.A.C., and informed him of my mission. It should be here stated that the Colonel was most cooperative, his desire to be helpful limited only by the fact that he had assumed his duties at that point only 5 days previous.
6. Contact was then made with the Prefetto, and he was likewise informed of my mission. He was thoroughly conversant with Regional Order No. 5, and immediately proposed the name of one candidate. I informed him that he should submit for consideration at least three. He hesitated, but after much insistence, he agreed to have at least three candidates prepare employment questionnaire and to have them available for personal interview upon Capt. Fraser's arrival, 27 December 1943.

In the interim, investigation was made of the one candidate proposed, and of Labor matters generally.

7. In the course of that investigation other matters believed to be of interest to the Allied authorities came to my attention, and are hereinafter recorded.

8. The Prefetto, Pietro Mancini, a lawyer by profession, who was arrested and confined at least three times by the Fascists, apparently enjoys the confidence and affection of the great majority of the citizens. It is an open secret that Badoglio offered him the Cabinet position as Minister of Labor, which he declined. Later he was offered the position of Minister of Justice, which was likewise declined. The latter was verified by the Prefetto himself. It is also alleged, and not denied, that ambassadors of Count Sforza make regular pilgrimages to seek his advice. He is, in my opinion, a wise and crafty statesman of the well known type who seeks to avoid a positive stand on any question, and one who will not write when he can speak, and not speak when he can not.

He maintains an apartment in the city separate and apart from the Prefettura, and also owns a large villa and extensive chestnut properties in the Province.

9. The activities of one Miro Wodiska should also be noted. He was not a citizen of Cosenza, but upon his release from prison, where he was incarcerated for 17 years on account of his anti-Fascist activities, he came to Cosenza where his wife and family had resided for some four years. He appears to be of Russian extraction, has boundless energy, but may be described as "a bit crazy". Upon his arrival, he appointed himself as the savior of those who were told, and appropriated the offices of several dissolved syndicates, from all of which, except one, he was ejected by the Legal Officer. However, he began to register workers and to organize them, and no doubt contributed no little bit toward the restoration of order. He has made public speeches, and private utterances to the effect that the people of Cosenza are fortunate indeed in having Wodiska to guide them. He could, in my opinion, easily become, if he is not now, the well known labor racketeer or even worse, and therefore the source of much agitation and unrest. It is suggested that his activities be scrutinized for a time.

10. North of Cosenza, some 35 kilo at Varais, is located an internment camp with some 1600 internees. It is alleged to be the haven of many black market operators. While there is no doubt some such operations carried on from there, it is my opinion that the local operators spread such rumors to divert attention from themselves. A vigorous prosecution campaign is now in progress in an effort to eliminate such illicit traffic. Bread on the black market fluctuates around L. 30. American cigarettes at L. 80.

11. There is considerable activity in political organization, with some 4 or 5 parties struggling for control. The Communists are particularly active. Names and portraits of well known communist leaders are posted at several points throughout the city. While searching for adequate space for the labor office, I entered the headquarters of the Party. There was much activity, and names and portraits adorned the walls.

The evening prior to my departure I observed on the main street a large well filled hall, with a sign on the door "Proletariat di il mondo unite". Inside were many, eating and drinking. Inquiry, within the limited time, failed to disclose the leaders or who was furnishing funds for such entertainment. It was stated that the food and wine was sold cheaply, hence the crowd.

12. Several prominent citizens volunteered statements to the effect that they prefer government by the Allies to Badoglio and were outspoken in their criticism of the King, expressing the opinion that the King had broken faith with the people in his dealings with Mussolini.

13. On Monday, 27 December, 1943, Capt. Frazer arrived, and we proceeded to the office of the Prefetto, where the candidate for Director of Labor that he proposed was interviewed. The Prefetto notwithstanding his promise declined to suggest other candidates. The following day I selected two additional candidates, and they were interviewed at length. It was finally determined that the Prefetto's candidate, one Francesco Montera, was ~~after~~ all the logical one, and he was appointed. Capt. Frazer explained in detail his duties, authority, and responsibility. The Director is a lawyer, who bears an excellent reputation in the community. He is 47 years of age, was artillery officer of World War I, and fought for 3 years with the British Army at The Piave. He denies ever having been a member of the Fascist Party, and a ~~placard~~ of the local records of the Questura reveals that he was never enrolled, but that on the contrary, was under observation at all times. Montera, the Director, was instructed, among other things, to locate suitable office space and warned against the influence of Nino Wodizka, referred to in paragraph 9 hereof, and admonished to obtain space separate and apart from him. More will be said concerning office space later in this report. A copy of his employment application questionnaire is attached hereto, and made a part hereof.

14. Capt. Frazer and I then proceeded to Catanzaro. Upon arrival we reported to Major J. E. Holmstrom, C.A.O., Catanzaro. Notwithstanding Capt. Frazer's letter of 7 December 1943, copy of which is attached, no effort had been made toward the selection of likely candidates for Director of Labor. We then contacted the Prefetto, who was about to depart from the city on other business.

15. We then interviewed and nominated as Director of Labor for Catanzaro one Edoardo Polacco. He is 46 years of age, a Christian Jew, at one time was enrolled in the Fascist Party and held office as Head of the Confederazione Lavoratori Agricoli. He was, however, never active as a Party member, and was later actually persecuted by the former Fascist Party. A copy of his employment questionnaire is likewise attached.

16. It was then apparent that I could not continue to Reggio and return to Headquarters within the time limit, so I returned in a borrowed car to Matera via Cosenza, Capt. Frazer proceeding to Reggio to select and nominate a Director of Labor for that Province.

17. Upon my arrival at Cosenza, I learned, notwithstanding our suggestions, that the Director of Labor, Francesco Montera had selected office space on the same floor level, but in an adjoining building with a common stairway with Nino Wodizka, subject to paragraph 9 above. I objected thereto, and sought and obtained from Col. Nichols, C.A.O., authority to select other office space. Space that I consider adequate was found at the former location of the dissolved Confederazione Fascista Degli Industriali, Piazza Della Vittoria. It is adequately furnished, and the owner Palazzo Bosco is anxious to have the Labor Office established there.

18. Some confusion with respect to this office space might arise, however, by reason of the fact that the Prefetto had prior to the order of Col. McCafferty of 15 December, 1943, copy of which is attached, appointing the Branch of the Bank of Naples liquidator of dissolved organizations, appointed receivers or liquidators who had entered upon the performance of their duty and had liquidated in part. Then, too, there is some effort to reorganize the Confederazione Fascista Degli Industriali along the lines of a Chamber of Commerce. Notwithstanding the above, I deemed it right, proper, and necessary to order the Director of Labor to take over the office, to clean and rearrange furniture and equipment and to enter upon the performance of his official duties therein, with the thought that when and if the above named syndicate be reorganized, they might locate other office space. If it becomes necessary later to surrender their furniture and equipment to them, this should cause no difficulty. I also visited Capt. Fletcher, the Finance Officer, who agreed to earmark the necessary funds for the operation of the office.

19. I then proceeded to Matera in a borrowed car, where it was returned to its owner, and made application to the Transportation Officer, Region II, for transportation to Headquarters. It was furnished the third day thereafter, and I returned to my station.

20. Also attached to this report is a copy of the employment questionnaire of Franco Padovani, who was nominated by Capt. Frazer as Labor Director for Reggio Province. I have had no contact with subject.

JAR/tdw

*Jeff A. Robertson*  
JEFF A. ROBERTSON.  
Capt., S.R.,  
Labor Sub-Commission.

37.9

CONFIDENTIAL (Criley)

Draft Report on work with Labor Division, Region III

File

**Introduction.** The following is a rough report on my activities in the past month with the Labor Division, Region III. This work centers upon the problems flowing from the arrears insurance of Regional Orders Numbers 1 and 3 (counterparts to Sicilian General Orders 8 and 14) and necessarily covers the work of the entire Division in these fields, of which my work was a part.

**LIQUIDATION OF FASCIST SYNDICATES.** In the liquidation of the Fascist syndicates and the safeguarding of the syndical properties an attempt was made to profit from the Sicilian experience in trying to introduce a more orderly and organized procedure, the more important because the organizations in Naples were more numerous and of larger size. A conference of the heads of the various syndical organizations was called, at which the following procedures were established:

1. Instructions as to form in which payrolls and inventories of properties should be submitted.
2. Setting of termination date at which all employees would be discharged.
3. Designation of responsible heads to be held liable for all properties until duly transferred to Property Custodian; allowance was made for maintenance of one or two employees where needed to keep properties and records in good order until transfer.
4. Establishment of a Liquidation Section of the Regional Labor Office to which all special problems of liquidation should be referred such as "liquidation pay", special claims, etc.

A policy question arose in regard to the payment of the "15th month" pay to the discharged workers. Investigation of the Labor Division showed this to be an integral part of the annual salary having an insurance character, and covered specifically in collective labor contracts, which by AEC rulings continue to be effective. Since the Regional Finance office had refused to pay this in the case of the dissolved syndicates, a memorandum has been forwarded to them with these facts, and a final decision is now pending. (Decision reached 1/22/44 & pay 17th. month.)

Other special problems arose in the liquidation of two of the Corporative organizations--the Consiglio dei Corporazioni (Consiglio dell'Economia) and the Unione degli Agricoltori (Agricultural Employers' Syndicate). In the former case, the Consiglio was performing certain functions of distribution of commodities for the Economic and Supply Division. Legally, the Consiglio was liquidated, to thereby terminate its labor functions, but the office was in

318

fact permitted to continue, while being re-organized along lines of the pre-Fascist Chamber of Commerce, from which it was created. The Unione degli Agricoltori was similarly engaged in distribution of seeds and fertilizers for the Division of Agriculture, and the section of that organization engaged in those functions was transferred intact to the Ispettorato dell'Agricoltura (a state agency).

ORGANIZATION OF THE ITALIAN LABOR OFFICES. In view of the somewhat complex political situation in Naples, the choice of suitable personnel for leadership in the Regional and Provincial Labor Offices offered a problem requiring the greatest care. Discussions were held ~~with~~ the Committee of Liberation, prominent government and political figures, for advice in selection. Avv. Leonello Rubino, a lawyer familiar with labor questions and prominent in the Christian Democratic Party was appointed General Secretary and acting head pending the selection of a Director for the Regional Office, and Bruno Pierleoni, pre-Fascist trade unionist, and member of the "Justice and Liberty" group was appointed acting Director of the Provincial Office. A director will soon be appointed in the Province of Avellino and preparatory work has been done in finding a suitable person for Benevento Province.

Since the appointment of responsible personnel in Naples Offices the organization is not in considerable part set up, and is already actively functioning in handling an increasing share of the labor problems in the Area, thereby relieving the Labor Division of considerable pressure. In general, the plan of organization follows precedents established in Sicily as regards the departments to be established. The Ispettorato del Lavoro has been moved to the same location as the Regional Labor Office, but the order placing it under the jurisdiction of the Regional Director of Labor has not yet been issued.

Also, there remain multiple technical problems of office organization, salary of personnel, points of procedure, etc. Toward the solution of these, it is now opportune to proceed with plans for the holding of a ~~xxxxxx~~ conference of all major Labor Office officials in liberated territory. All regions would benefit greatly from the holding of this conference, and the subsequent exchange of ideas and experience.

35-7  
~~XXXXX~~ LABOR ORGANIZATION. Organization of trade unions in the Naples Area had already begun previous to the issuance of Regional Order No. 1. However, since its issuance, it has proceeded very rapidly. In reviewing the trade union situation, it is important to note the ideological trends behind the organization of labor.

- 3 -

The main problem facing the Italian workers has been to choose the direction in which his organization would develop, once granted the freedom of choice: toward a single trade union in each shop and a single trade union federation, having a non-political character; or toward "multiple unions", that is, unions more or less affiliated to the political parties existing side by side in each shop, with two or more labor confederations. Of the political parties composing the Committee of Liberation the left wing--Communists, Socialists, and Social Democrats--advocated the policy of the single non-political trade union on the US or British model; the Liberal Party and Party of Action have inclined toward multiple unionism; the Christian Democrats have been undecided.

Increasingly the trend toward ~~unification~~ the single union is prevailing, and recent indications are that the Christian Democrats are reaching an agreement with the Communists and Socialists to jointly join and support a single Confederation of labor. Of the trade unions <sup>centers</sup> so far organized, the Confederazione Generale del Lavoro has been the most active, and has apparently nearly reached dominance in the trade union field. Several weeks ago, a Central Labor Council for Naples was established in a conference at which some 50 trade unions were represented, having a combined membership of an estimated 40-50 thousand members. The Confederazione Generale del Lavoro has requested the Allied authorities for permission to hold a general conference in Bari in the middle of February, to unite the various central labor councils and individual unions in liberated territory into a single national Confederation.

The Christian Democratic Unione dei Lavoratori, which has been apparently such slower to get under way, will probably merge with the Confederazione del Lavoro, if the above mentioned agreement is carried out.

In addition to the two confederations, there are two large and very important independent unions--the Sinagato Ferroviari (railroad workers' union) and the Conse di Mare (Maritime Union) which includes all maritime workers from sea-captains to cabin boys.

Close contact has been constantly maintained with all important elements in the ~~intergovernmental~~ trade union field by the Labor Division; as a result of this, excellent cooperation to AMI has been given by the labor leadership, and to the best of my knowledge no ~~strikes~~ <sup>significant</sup> or other labor disturbances have occurred in Naples.

#### PROBLEMS FACING LABOR.

Employer-employee relations: With the formation of unions capable of representing the employees in collective bargaining, the first attempts to reach new contract agreements are now being made. The foremost case at the present moment is the Cattolara Maridi sale

The Cottoniere Meridionale operated some dozen large cotton plants in the provinces of Naples, Salerno, and Benevento, employing at one time upward of 7000 employees. Many of these plants were partially or totally wrecked by war damage. However, existing units can still operate a complete cycle of manufacture of cotton, and the raw cotton materials are in abundance in Southern Italy and Sicily. The plants can produce either military cotton, or cotton for civilian use, or be used as a base for processing civilian demand for clothing. The board of Directors consisted originally consisted of some 15 members, of whom 12 are now in Rome and three in liberated territory; all have a prominent Fascist record and several are among Italy's most prominent Fascists. The labor policy of the company has been apparently one of desert, delay and provocation, aimed at presenting themselves in the best possible light to the Allied authorities, and their organization to work in the worst possible light. The production policy, and ~~xxxxxxxx~~ small number of workers not to work would seem to indicate an extreme dislike for the question of putting the plant capacity to work in liberated territory. Agreements signed one day in the presence of the Director of the Labor Office were contradicted the next day. Important policy questions arising from this situation are: (a) to what extent is AMI interested in war-time civilian production, requiring an official management if necessary? (b) what policy is to be assumed toward producers industrialists, who by their economic position assume as much importance as ~~the~~ government officials, if they are proved to be notorious Fascists? ~~xxxxxxxx~~ **A** An answer to these two problems will have to be made if smooth labor relations are to be insured.

Economic Problems. The continued shortage of food staples, and the almost monopoly position of the "Black Mark" as the sole distribution agency of all but the small quantity of rationed food-stuffs is a constantly aggravating factor in the labor situation. Even with the recent lifting of wage freezing levels, the economic situation of the workers is critical, and it is a virtual impossibility to provide even the coarsest and cheapest food in sufficient quantity at present wage levels. In consequence, there is a rising demand on the part of ~~xxxx~~ labor groups to be allowed to undertake cooperative food distribution for their own members of unrationed items of food. This would require on the part of AMG permits to purchase surplus foods from the agricultural provinces, and ~~xxxx~~ sale of motor fuels to these consumer cooperative groups. At the present time, the leaders of the Naples Central Labor Council are working on a pro-<sup>3715</sup> form a cooperative center which could service all of the various cooperative centers, and simplify the necessary regulation and controls, as well as economize available transportation.

- 3 -

If realized, these cooperatives could quickly provide food for several tens of thousands of workers' families at cost; it would lower the cost of living to a small portion of what is now costs at the mercy of the Black Market; and would generally have the effect of ~~greatly~~ lowering Black Market prices by lessening the pressure on prices, and providing low competitive prices. It would help AMS overcome two bottlenecks—transportation, and distribution to consumers at legal prices.

It is to be hoped that the necessary decision will be made by AMS to permit this plan to be tried out, shortly.

*and a great shortage in some areas of common labor*

Army Employment of Civilian Labor. In general, civilian labor has responded well to Army needs. Through the central employment office, and numerous branches in the smaller commands, labor amounting to some 10 to 30,000 workers have been supplied. Aside from a few highly skilled trades such as construction workers, specialist mechanics, etc., there has been no labor shortage. A growing morale problem has been encountered, however, through the growing discrepancy of a rapidly ascending spiral of food prices, and a stationary wage. Thus the Army wage scale, with war considerably higher than the civilian scale in Sicily, is already lagged behind the civilian scale here, and the comparative value of the Army pay is still lower because no deductions are made for social security by the employer except for coverage for workers' accident compensation. In the near future, a new and higher Army scale will be made effective, but it has taken so long to pass through official channels that it will be almost out of date before it is put into effect.

Considering the extreme economic difficulties faced by the Naples workers, their record of cooperation must on the whole be considered excellent, and should be still better with slightly higher pay and an increased basic ration.

In the future, in forward areas, care should be taken to estimate the rise in cost of living before automatically adjusting the existing Army wage scale. Unnecessary friction and loss of labor efficiency as well as moral prestige can easily result from the application on the part of Army authorities of a false sense of economy.

Government employees. The situation as regards the government services showed considerable improvement with the wage increase order, which was more generous in their case than in the case of civilian employees.

3754

- 5 -

However, the objective of the salary increase is in part being defeated by the policy of the Finance Division in requiring a monthly deduction of 12.5% to repay the advance in pay granted by the Italian government in the period prior to Allied Occupation. Noting that the percentage increase in pay was far inferior to the increased cost of living, any reduction of that increase again threatens to bring about a crisis. It is to be further noted that the Finance ruling to make deductions to repay the funds advanced was made apparently without consultation with the Labor Division, despite the fact that it was in actuality a measure of setting wage levels.

Added to the above is the insecurity felt in regard to the continued payment of the indennità di bombardamento, which in some cases represents nearly 50% of the total pay, the situation is still not ~~xxxxxx~~ too good.

An additional political factor complicates the situation of the governmental employees--the failure up to the present to implement the directive to remove all squadristi, maracha or Roma, and other leading fascists from government administration. Several weeks have passed since the publication of this policy in the press, and as yet no tangible action has resulted, except in a few agencies, such as those with which the Labor Division was directly concerned--Provvidenza Sociale, Infortunati, etc.

Recommendations:  
In my opinion therefore, the following steps need to be taken immediately:- to suspend all special deductions on government payrolls for repayment of advances made by past Italian governments, to provisionally continue the payment of the bonbardamento regardless of whether or not the enemy drop bombs in all areas in which it was paid, to carry through a basic revision of the structure of governmental salaries (as proposed in Sicily), and finally, to put into effect the machinery for expulsion of leading fascists from government office--especially the higher administrative posts.

Steps are now in progress within Region III to solve these problems, but some may require action at a higher level for solution, and some apply in other regions and should achieve a uniform solution through the intervention of the Labor Sub-Commission.

*Richard L. Crolley*

Richard L. Crolley  
1st Lt USMC

January 22, 1943 <sup>3</sup> ✓

COPY

COPY

Matera, Jan. 22, 1944

SUBJECT: Weekly Report

TO : Col. J. T. R. Bain, Labor Sub-Commission

1. Supplementing my letter of Jan. 18 - Avv. Alessandro Bruni has resigned as Provincial Director of Labor for Matera Province and has been officially appointed by the RCAC to be Director of Labor for Region II. Avv. Bruni did an outstanding job as Provincial Director and I am sure he is going to make an excellent Regional Director.

2. Avv. Luigi Rothano of Matera has been appointed to succeed Avv. Bruni as Provincial Director. He is 47; highly recommended by the local citizens as a man of character and ability; is energetic and has had experience in the labor field and in labor litigation. He was a member of the Fascist Party but held no office, took no part in party activity and was not in sympathy with it.

3. I have obtained transportation for Avv. Bruni and have planned an itinerary for him for next week. He will go into Calabria to straighten out some matters there and also to meet the Provincial Labor officials and their staffs. I shall also go next week to Potenza and perhaps Salerno again to help out with some matters there.

4. The plans for assigning a labor officer to each Province did not work out. The Labor Department has been assigned one officer, an American Major Fisher, to work with me and also a Major Cummings (British) has been assigned the duty of handling labor matters in his spare time, but he is a Finance Officer and it was made clear that his duties as such must come first. He is at Salerno.

5. I urgently need some information about civilian wages in private industry. I have been trying to prevent any increase above the permissible 70%, but the private employers are refusing to grant even the 70% increase and there is much dissatisfaction. I hope a new wage scale for civilian labor can soon be obtained.

6. I hope that the proposed plan of having a meeting of all the Provincial Directors can be carried out soon as I am sure this will be most helpful.

/s/ Robert Frazer  
ROBERT FRAZER,  
Captain  
Regional Labor Officer, Region II

(31)

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*File*

HEADQUARTERS  
ALLIED MILITARY GOVERNMENT  
LARGE AREA-ADMINISTRATIVE  
APO 394

TO: Col. J.F.R. Bain

21 January 1944

Dear Colonel:

1. I feel sheepish about not having reported to you before now, but have been plagued continuously by a heavy cold, which I can't seem to get rid of. At the same time I am rewriting the minutes of the meeting personally and with the greatest care. There have already been a number of important requests for this "document" — and we have every intention of making it a basic document in ~~the~~ <sup>new</sup> sense of the word. I hope to have the draft in your hands within a few days. Am inclosing three sets of the document implementing the decree from Algiers with respect to collective bargaining. We will engineer the same document for Regions III and IV through Brigadier Lush's Office. I have also instructed Capt. Albright to secure immediate implementation of the decree in the Apulia Provinces, and was assured by Corbino's assistant who was here yesterday, that there would be no delay.

2. You will have within a few days the changes in General Order No. 8 and amended Rules and Regulations. It is my thought that we will push these things through singly as the opportunity offers, rather than wait for the whole program to be formulated.

3. Meeting of the Sub-Committee on Social Insurance was held Thursday, 20 January, in this office. Capt. Albright came up from Salerno and brought with him Dr. Mario Balbante, Assistant to Corbino, and Dr. Louis Mauro, who is Balbante's Assistant. Prior to the meeting I had a most satisfactory conference with Brigadier Parkinson, who is in complete accord, as you might expect, with our views as to division of authority. We had already appointed a Capt. Earnest, a Charlottesville classmate of mine, as new head of Public Welfare Section, vice Major Witte (who gave us very little cooperation in this field while he was operating in Region I). Earnest stated their position very succinctly and correctly by saying any part of the Social Insurance Program which was met by payment out of worker's wages was a matter for supervision for Labor Department; anything pertaining to sickness or relief, carried by public funds, was a matter for Public Health. With such a ~~clear~~ statement coming voluntarily from the Public Health Sub-Commission, our path is clearly indicated. In attendance at the meeting were also Major Fisher, Lt. Solenberger, and Capt. Earnest, with Capt. Robertson as Secretary. Report will follow.

4. I have had at least four conversations with Lord Stansgate, all on call from him, in the course of which I have had the opportunity to state our position, our problems and our recommendations very fully. In the first meeting, he stated he had every reason to know Jack Bain as the man who helped electioneer for him when running for Parliament.

5. Mr. Grady has made tangible progress in strengthening A.C.C. authority over that of the Central Economic Committee. He has also eliminated the Economic Directorate and Administrative Directorate as such, so that Sub-Commissions now report directly to Mr. Grady as Deputy Vice-President of the Economic and Administrative Directorate, and to Lord Stanagate as the Vice-President of that Region.

6. The question of personnel is a headache. We are losing Morris, Griley and Leggal, these three being assigned to England; although in the case of Morris, have arranged for a stay until 1 March. The crowd coming to Region II has apparently not yet arrived, but as soon as the list is submitted, I propose to go to Salerno for personal interviews. It appears to me, therefore, that Scialuma and Moffitt should be sent here at once, and Redcock assigned, on loan, to run Region I Labor Office. As a minimum we need at least 8 additional officers, and if competent ones are unavailable, we must make a fight to bring the proper ones in from the United Kingdom or the United States, where we know they are available. The time is too short to train new men. It has now been determined that the Heads of the Sub-Commissions need not necessarily be billeted in Salerno as long as there is one permanent man there (which in our case is Capt. Albright), but that such Heads shall be in Salerno regularly at least several times a week. Mr. Grady is responsible for this more intelligent decision, which must come as a terrible blow to the high ranking planners who seem to believe that divided authority and offices accomplishes the best results!

7. I had a long conversation with Mr. Simpson who is Mr. Grady's aide and former Vice-President, New York City Bank, and who is reviewing financial matters for Mr. Grady. He was interested in the entire story of our fight with the Finance people, and I am sure that we will get better cooperation from now on. My thought was to pave the way for complete agreement on the pension proposal.

With kindest personal regards,

*Bob Smith*

3750

HEADQUARTERS  
ALLIED MILITARY GOVERNMENT  
ECONOMIC DISTRICT  
APO 512

ED/SM/pjm

ED/17

3 January 1944

SUBJECT: Monthly Report

TO : Heads of all Sub-Commissions

1. The December monthly reports of sub-commissions for the D.C.C.A.O. are due 5 Jan. 44.

2. It is essential that the reports be rendered promptly. It is requested, therefore, that sub-commissions send their reports to this office by 1800 hours 4 Jan. 44 for forwarding to the D.C.C.A.O.

3. Please render report in triplicate

J. Bruce Thompson

J. BRUCE THOMPSON  
Major, USA II

Copy to:

Agriculture  
Finance  
Fuel  
Industry & Commerce  
Labour ✓  
Public Works & Utilities  
Electric Power Mission  
Mining

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HEADQUARTERS  
ARMED AND AIR FORCE COMMISSIONS  
WASHINGTON, D. C.  
APO 512

AD/AF/AF

AM/6

3 January 1944

SUBJECT: Reports from Regions

TO: All sub-commissions

1. Please forward to this office by 1800 hrs. 4 Jan. 44 a list of all reports that are requested by your sub-commission from Regions. Only reports that are submitted periodically, in the nature of a regular return, will be included.

J. Bruce Thompson  
J. Bruce Thompson  
Major, USAF

Copies to: Agriculture  
Finance  
Industry & Commerce  
Labor  
Public Works & Utilities (for Mining)  
Public Works & Utilities  
Electric Power Division

Thompson  
No reports  
requested

1/6/44

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(26)

COPY

COPY

31 December 1943

SUBJECT: Location of Labor Office, Cosenza

TO : Capt. Robert Frazer

1. Upon my return to Cosenza I learned that our Director of Labor had selected office space on the same floor level although in a separate building, but with a common stairway, with Sig. Nino Modizka. This being contrary to your suggestion, and in my opinion not in the best interests of the service, objection was made thereto, and I accordingly sought and obtained from Colonel Nichols authority to locate other office space.

2. Space that I consider adequate was found at the former location of the dissolved Confederazione Fascista Degli Industriali, Piazza Della Vittoria. It is adequately furnished. The owner, Palazzo Bosco, is anxious to have the Labor Office established there.

3. There is some confusion in that the Prefeto had prior to the order of 15 December, 1943, appointed a receiver to liquidate the assets. As you know, the Bank di Napoli is now the duly appointed receiver for such institutions.

4. Capt. Fletcher, Finance Officer, stated in substance that Col. McFadden, Regional Finance Officer, who is today in Reggio, but who is expected to return on or about 2 January, 1944, was of the opinion that the above named Confederazione should or might be reorganized, and that we should await his return.

5. In view of all the circumstance, I instructed the Director of Labor Mancini to move in, take over, clean up and get the Labor Office in operation. If the Confederazione is reorganized, they might obtain other quarters without going into all the details I informed Col. Nichols of the above.

6. Capt. Fletcher agreed to earmark funds for the office in accordance with your approved estimate.

7. Suggest that you see him if time permits.

/s/ Jeff A. Robertson  
Capt., S.R.,  
Labor Sub-Commission.

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HEADQUARTERS  
ALLIED MILITARY GOVERNMENT  
APO 394Labar 43✓  
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29 December 1943

SUBJECT: Reports of Activities

TO : All Heads of Subcommissions

1. Monthly reports of the activities of each Subcommission must be submitted to the D.C.C.A.G. on or before the fifth day of the month following that for which the report is made.
2. The November reports due December 5 have in some instances not yet been received. It is requested that they be forwarded at the earliest possible moment.
3. The reports for December will be due January 5, 1944.

  
CHARLES E. SPOFFORD  
Col. U.S.A.  
D.C.C.A.G.

(23)

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*Personal to Col. Bain*  
*Palermo*  
*Roma 21- via dei*  
*File*

Office Address: Rooms 43 & 44, Provincia Building, Naples  
 Telephone VAPOR (Dial - 10050 Extension 21)

Dear Colonel:-

Arrived in Naples Sunday noon, December 26 in a heavy rainstorm. Plenty of snow on the mountains and temperature is about 35 degrees colder than Palermo. Result is the acquisition of a heavy cold.

Our office space is desirable enough as to location, but too small. Have already spoken to Colonel Albright who promised adequate space within a week in Post Office building across the street where renovations are being completed.

As to billets, accommodations are really scarce. Full Colonels are assigned to villas somewhere. Being only a Lt. Colonel, I am billeted in a fairly comfortable room, which is freezing cold, without sheets and few blankets, in a fumigated commercial/shorehouse hotel (with the advantage of neither) only a 2-minute's walk from the office, but having, strangely enough, a rather decent mess.

I immediately arranged to rent a very nice 4-room apartment for the two of us in a residential section 2 miles out. But a complication has arisen which delays taking action, viz:

A notice was issued Monday detailing the heads of all Sub-Commissions to offices and billets in Salerno where, it is assumed, all the top opposite numbers will operate from. This means, of course, that you will probably work and live in Salerno whereas I, if such is the case, should stay on here. The decision, of course, is yours, and the move is scheduled for January 9th. I will make inquiry as to the kind of billets that will be made available in Salerno.

May I ask that you check on two personal items for me? I could not attend to them myself on leaving because all offices were still closed at 8:50. One, please advise Post Office to forward all my mail and packages. Two, have someone sign out for me in the "sign out" registry downstairs.

I hope that Babcock has prepared and submitted to you for forwarding an Amendment to General Order No. 8 restating the powers of the Regional Labor Office, and also an order relative to pensions. I am having Morse draft up an amendment to General Order No. 8 also, so as to get his views in legal form. We are anxiously awaiting the receipt of both statements for immediate submission to Colonel Jefford.

I have already attended 3 conferences on the matter of Price Control, and today starts a 3-day session on the same subject, to be attended for the first 2 days by representatives of Regions I & II and ourselves. On the third day all hands will attend together with representatives of the 15th Army Group A.M.G.

As might be expected, the Labor Sub-Commission is the most active one

- 2 -

here, and both Morse and Griley are working on a number of important items of which I will acquaint you later. The whole situation here is a complete conglomerate mass which only an insane genius could possibly devise. You will have to see it to believe it.

I am trying to arrange to give this letter by hand to someone going back by plane, and in reply, I would suggest you ~~use~~ <sup>attempt</sup> to use the same method for expedition.

With kindest personal regards from the whole bunch and wishing you a Happy New Year,

*Wm*

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HEADQUARTERS  
ARMED MILITARY GOVERNMENT  
NOTES

26 December 1943

SUBJECT: Labor

TO : Deputy Chief Civil Affairs Officer

1. The following is brief summary of labor situation in Regions II, III and IV to date.

2. Army Wage Scale on Mainland.

a. Uniform wage scale governing civilians employed by Allied Armed Forces in Italy has been prepared by Wage Sub-Committee of Wage Control Sub-Committee of Italian Resources Board. Scale submitted to board for approval. It is to be transmitted to A.F.M.C. for final approval and issuance as directive.

3. Wage Scale of Government Employees and Private Employers.

a. Regional Order No. 6 (Temporary Wage Adjustment) issued by R.C.A.C., Region II on 7 December 43 pursuant to verbal order of Brigadier General McSherry. The order followed Sicily General Order No. 14 in detail.

b. Regional Order No. 2 (Temporary Wage Adjustment) signed by R.C.A.C., Region III on 10 December 43 pursuant to verbal order of Major General Kennell. The order followed Sicily General Order No. 14 in detail.

c. No wage order has yet been issued by R.C.A.C., Region IV. The problem is being studied by Labor Officer Region IV who is to submit recommendations to R.C.A.C. R.C.A.C. has verbal instructions from General Kennell to submit recommendation to 15 Army Group before action taken.

d. Wage Order issued by Italian Government, Brindisi on \_\_\_\_ December 43. This order also follows Sicily Order No. 14.

e. Result of foregoing is uniformity among Regions I, II, III and the Italian Government in Wage Formula used and percentage increases allowed. However, it should be noted that in Region I and Italian Government area increase for government employees was retroactive to 1 November 43, while in Regions II and III retroactive to 1 December 43. Further it has been reported that some number of indemnities were not included in global measure by Italian Government since some had been previously abolished.

4. Cooperative-Cynical System.

a. Regional Order No. 5 issued by R.C.A.C., Region II on 7 December 43 pursuant to verbal order of Brigadier General McSherry. The order followed Sicily General Order No. 8 in detail.

b. Regional Order No. 1 signed by R.C.A.C., Region III on 10 December 43 pursuant to written directive to R.C.A.C. from Major General Kennell signed on 7 December 43. The order followed Sicily General Order No. 8 in detail.

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2. An Administrative Instruction was issued in Regions II and III, identical with the Administrative Instruction previously issued in Sicily continuing collective labor contracts which were in existence on 3 September 43.

3. Region IV is about to issue a similar order and instruction pursuant to written directive from Major General Kennell.

4. No action has yet been taken by Italian Government in its area though it reported to Major General Kennell on 6 December 43 through A.C.C. (Briandisi) liaison officer that it had no objection to issuance of order on mainland similar to General Order No. 5 (Sicily) as long as uniformity was achieved. (It has been recently reported that Italian Government has tentatively agreed to adopt the order.)

5. Result of foregoing is uniformity among all Regions and on mainland in labor action taken and contemplated.

5. Conclusion.

a. The Wage Order has been well received by the public at large and by spokesmen for labor. While it is considered too conservative by many in light of cost of living situation, there is seeming agreement on the proposition that further consideration of wage increases should be held in abeyance pending opportunity of authorities, with cooperation of public, to maintain price levels, suppress the black market, and procure additional supplies. Organized labor has established a committee which is drafting a program on this question to be submitted to A.M.C. for consideration.

b. The abolition of the Fascist syndical system has met with the full support of the Committee of Liberation, spokesmen for labor, and a broad section of business. Certain industrial groups, as for example, the building and construction trades, are already well advanced in their plans for organization of voluntary trade associations and a free chamber of commerce patterned after the pre-Fascist chamber. Upon receipt of word that the Syndicate Order had been signed, spokesmen for labor sent a joint message to the workers of America, Great Britain, and Russia through Colonel Hase thanking the Allies for their liberation and new freedom and in return pledging every cooperation here behind the lines.

c. There is public satisfaction with the wholesale elimination of Fascist personnel and with what is termed the "Fascist struggle hold" on the people of Italy, and with the declaration that the Government Labor Offices created under the order are to be Italian offices staffed with Italians and part of their system of government with responsibility for administration placed squarely on their shoulders. Also to our emphasis that the labor program as such -- in both the government and private spheres -- was to be implemented and evolved by the Italian people themselves along lines that met their needs, views, and aspirations, subject, however, to A.M.C. supervision. In each quarter response to assumption of responsibility by interested Italian groups has been good. They are apparently anxious to show that they can create a workable democratic mechanism within the new framework supplied but realistically assert that for the time being and while they are in transition the full support, advice and supervision of A.M.C. is essential.

DAM/che

DAVID A. MORSE,  
Capt., A.C., 3752  
Labor Sub-Commission.

subject: weekly report

Region II  
Dec. 20, 1943

To Col. J. T. R. Bain,  
HQ 2675 REGT AGO  
APO 512 CAFE PM - NYC

1. This report is two days late due to the fact that I have been in Salerno and Potenza and returned only last night.

2. I am glad to report that provincial labor directors have been appointed for Salerno and Potenza provinces. I interviewed a number of candidates suggested by the prefettes in each province and we have selected two appointees whom I consider well qualified from every angle and well equipped for the jobs.

3. In Potenza Sr. Matteo Renato Pistone has been named. He is thirty-three, active, energetic and conscientious. He is politically acceptable; has never been a fascist and is highly recommended by prominent people in the province. He is a journalist of distinction, having lived for twelve years in Paris and having done excellent work in this field while there. He has written and published several books and he is a doctor of philosophy. He was not interested in the salary but expressed an earnest desire to help the Allied cause. He is also a lawyer.

4. In Salerno Avv. Raffaele Petti has been appointed. He is sixty years old but active and alert. He bears an excellent reputation in the province and has had a long and distinguished record as a lawyer. He has handled many labor cases and has represented both labor and industry. He has a pleasant personality and a strong character. He has always been anti-fascist. The salary was unimportant to him also.

5. In both provinces the labor offices are now being organized, personnel employed, syndicate records obtained, and offices are being opened. I am glad to report that Matera province is also in good shape. Sr. Gruni is proving to be an excellent organizer and administrator and I have confidence in his ability.

6. I plan to leave within the next few days to establish offices in the other three provinces in this region and hope to have this accomplished soon.

*Robert Frazer*  
ROBERT FRAZER, Captain,  
Regional Labor Officer, Region II

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MEMORANDUM ABOUT THE ECONOMIC RECONSTRUCTION IN NAPLES

This memorandum deals with the question of wages and cost of living, the syndical reorganization, the reopening of industrial plants and the defreezing of funds.

A) Wages and the Cost of Living.

1) Wages. As regards the measure of increase of wages already established by the Allies, which measure is, by all concerned, recognized as insufficient in the present conditions, it may be useful to point to the following considerations:

- (a) The wages now increased to a maximum of 70%, proved inadequate already in normal times; so the war expropriation has been calculated on a lower basis than what could have been assumed as a peace "standard".
- (b) An increase appropriated to the conditions of Sicily, Apulia, etc., does result inferior in purchasing power in the city of Naples. This is, in fact, duly admitted by the Allied provision, which, by englobing in the wage to be increased other indemnities, increases the Naples wage 22% more than those of other places. It is anyhow felt that this expropriation is still inadequate, the differences in prices being much greater between Naples and other regions (a striking example: olive oil, in Naples at 200 £ per litre, in Apulia at 20 £ per litre).
- (c) The Allied authorities are concerned with reason about the danger of inflating the money-market and seem to think that a bigger increase of wages will result in such an inflation. This consequence may be questioned. Workers, even if they received wages four times as big, wouldn't spend more than what they are now spending. Two examples can be provided to this effect: the budget of a family of five amounts at present to about 9,000 £ monthly; in the most favorable case, a worker's income would be around 2,000 £ per month. The daily expenditure of a worker who was receiving 50 £ a day has been checked to amount to 150 £. In both the case the gap between what is earned and what is spent, daily or monthly, is filled either by recurring to loans, or by debts towards sellers, or by selling less necessary, although sometimes quite necessary, implements or belongings, as for instance shoes. Wages three or four times as big as the present ones wouldn't mean an excess in the spending power of the workers, but simply that they could meet their unavoidable needs with what they earn.
- (d) Anyhow, it is not suggested there should be an immediate readaptation of the increase of wages. The Allied statement, that a parallel action should be taken to decrease the cost of living is fully appreciated. As a transitory measure, the adoption of a "mobile scale" is suggested which would leave wages in principle as they are, and would take the form of an indemnity for the exceptional cost of living. This indemnity would be adapted on the basis of the real expenses met for some of the most necessary victuals, as for example bread and meat (calculated on an average, freed by a combination of official and black market prices), and would follow all its variations, being automatically reduced to naught with the disappearance of the black market.

2) Black Market.

- (a) The first measure to consider for the elimination of the black market is the affluence of goods. These may be provided from other liberated regions of Italy, the possibility of their affluence lying in the solution of the problem of internal transports; or also they must be imported from abroad. The difficulty of sea transports for the Allies is clearly recognized. Some help in this question, limited to Mediterranean communications, may be given by Italian cargo ships ready at hand, especially in the Apulian ports.
- (b) The black market has spread parallel to the extension of official compulsory prices for all sorts of goods. By restoring gradually a free market it will disappear. This can't be done for all products at once; the performance of the principle of compulsory storage (ammassi) should be maintained for some products of first necessity (as corn and oil), at least until the liberation of the whole of Italy, to supply readily the yet unknown requests of the now occupied zone.
- (c) The question of mass-storage (ammassi) is complicated by that of the erection of an improvised bureaucracy, often chosen on party lines, not always well experienced, sometimes corrupted; the personnel in charge must be reduced and purged by drastic eliminations. A right of inspection on the working of the ammassi should be given to workers.
- (d) It is recommended to encourage initiatives of selling cooperative unions and of cooperative unions is the workshops when the care of distributing among the workers products furnished by the Allies should be entrusted.
- (e) All the field of intermediary commerce of supplied goods should be kept under the watch of a special municipal police (polizia anormale), carefully chosen and instructed, with the advice of the workers' unions.
- (f) All infractions in these matters should be met with clear and severe sanctions, but also, and principally, by restoring an atmosphere of confidence and by spreading the persuasion that an undue accumulation of goods is, in the long run, bad business.

3) Syndical Organization.

- (a) The starting point of the syndical reorganization is the disappearance of all the Fascist Syndical structure.
- (b) The first step would be the constitution, in every plant, of internal committees of workers, freely elected, with the representation of the various tendencies that may appear among the workers. All measures should be taken to facilitate this constitution in the quickest possible time.
- (c) On this basis, syndicates will appear spontaneously, through the grouping of workers according to their category. The Unions thus formed will deal with all questions of a general character concerning a single category of workers. The syndicate will be born through a

process of free and individual adhesion, which seems to guarantee better a full and conscious participation of the worker to its life.

- (d) The various syndicates, when duly organized, will group themselves into Confederations or General Syndicates.
  - (e) The single Syndicates and the Confederations shall be recognized by the Labor offices now in formation, provided they attain a certain membership, to be established. Some special steps are recommended for the reorganization of Syndicates:
  - (a) The reopening of industrial plants (see below) so as to make possible the constitution of the greatest number of Internal Committees.
  - (b) The physical meeting of workers according to their category, so as to facilitate the constitution of Syndicates; to this end the use of premises belonging now to Fascist Syndical Institutions, to be devolved to the representatives of the Confederations now in the process of reconstitution (as the Confederazione Generale del Lavoro and the Christian, or white, Confederation), is needed. The use should be only temporary; it would become permanent when the Confederations are regularly constituted anew, by the actual adhesion of Syndicates. The Confederations, in their turn, should allow the use of premises to the different Syndicates.
- Another connection problem is that of the property of the suppressed Fascist syndical organization. That property should be merged in a Unified Fund for workers' insurances. The administration of this unified fund should be kept by a Committee appointed by the workers' unions, under some special regulation.

### c) Reopening of Industrial Plants.

- (a) First of all, in all industrial plants not actually efficient, part of the workers should be refused, to proceed to a recognition and inventory of stocks and machinery and to the eventual reparations and readoptions. A technical committee of workers should be formed, to advise in this operation. A program should be set up for merging or regrouping industries of the same kind wherever this should appear necessary or profitable.
- In all resumption of workers an order of priority should be followed according to seniority, but with special regard also to the assumption of skilled workers, who mustn't fall for long out of work and so lose their skill. Workers who have been sent out of work for political reasons (as the railwaymen in 1925) must be reintegrated in their seniority rights.
- For the reopening of industrial plants, it is necessary that those occupied by Allied Forces should be gradually, but rapidly, evacuated.
- (b) The elected internal committees must participate, in every plant, to setting up of the working program in collaboration with the directive body and with the employers.
  - (c) The principle of the workers' participation to profits must be settled for all plants. Regulations about this settlement will follow in due course.

- (d) In the case of plants which can't be put in working order for the absence or the carelessness of the owners, a Committee of Operation must be formed, composed of representative members of the Internal Committee of the plant and of the new Labor Office. The formation of an Industrial Cooperative Union which will substitute the absentee owner should be favored.
- (e) In all industrial management, there must take place, at the shortest time, a careful elimination of Fascists who have signaled themselves for their tyrannical or unfair attitude towards the employees, or for being compromised in filenazi or unscrupulous dealings. A discrimination ought to be contemplated for persons of special technical capacity. Representatives of the Internal Committee together with those of the Labor Office will deal with this matter.

D) Defreezing of Funds.

An immediate and general provision for the defreezing of funds for the payment of wages, and emergency and other indemnities or prices, is recommended. In many banks or other institutions funds allotted for this purpose are now frozen. Number of workers are still expecting, totally or partially, their pay, and some of the indemnities due to them, for September or even for August. This question is of great urgency.

To sum up the whole question, these are the principles that must be kept in view in the Economic Reconstruction, and in this order of priority:

- A) The war needs of the allies.
- B) The local needs.
- C) The presumable needs of Occupied Italy, to be promptly met on the day of liberation.

Naples - 20th December 1943.



LABOUR DIVISION  
AND REGION III.

17 December 1943.

TO: Director, Labor Sub-Commission,  
AMG Headquarters, (Palermo).

MEMORANDUM:

1. Captain J. FORTINHO reported this morning. He is leaving for Region 1 Headquarters with Lt. GILLEY on Saturday 18 December. When in Matera on 16 December it was apparent that the work ahead of Captain FORTINHO was in such amount that immediate assistance was essential. I have instructed GILLEY and FORTINHO to assist him for a few days, and then return. However, they have been advised to spend a longer period of time if required.

2. Would appreciate early information regarding action taken on pending question since uniformity essential. Assume that any action taken will automatically apply to Region 2. In that event it can be arranged from this end if desired to extend order through other regions where similar action is required.

3. Your question regarding amendment of General Order No. 3 for purpose of removing power from Prefects to appoint Provincial Directors and placing Regional Director over Provincial Directors should be considered in light of recent developments on mainland.

(a) General Order No. 3 has been extended to Region 2 by verbal order of General McSHERRY; and to regions 3 and 4 by order of General FORTINHO. The progress therefore is uniform throughout. The regions are now engaged in effectuating the order and establishing provincial and regional offices, and finding personnel. It is this work that is absorbing most of our time here at the moment.

(b) In view of (a) above it is recommended that action involving change in method of selection of directors, etc. be held in abeyance until we have an opportunity to discuss the matter fully, especially since there are some other changes which should be considered at the same time based upon experience here. If this is done, then one amendment can issue with all required changes which has adopted by regions 3 and 4 as well as 1 and 2.

4. Wage increase is now uniform on mainland. Sicilian order was extended to regions 2 and 3. Region 4 is now considering putting the order in effect. Was issued in Region 2 by verbal order of General McSHERRY, and in Region 3 by order of General HARRILL. (though actual order was issued by RMAO Colonel HARRIS) Reaction favorable, though workers consider the increase too conservative.

5. Previously sent number of cables and a memorandum which contained most of above information, but fear that channels of communication were such, that they may not have been received by your office.

6. Believe that work here is progressing according to general plans which we have previously discussed.

- (a) Labor Program - G.O. 39 18 being uniformly effected.
- (b) Wage issue being resolved by issuance order similar to 14.
- (c) Assistance being rendered to Labor Officers of Regions 2, 3, and 4 so that uniformity may be assured in action taken.
- (d) Full time being given to assisting Lt. Colonel LANE in setting up Labor Program, etc.
- (e) Wage and Cost of Living surveys being made.
- (f) Special problems, such as status of dock workers being handled.
- (g) Concluded work with committee on uniform wage scale for civilians employed by Allied Armed Forces on Mainland.
- (h) Working with Civil Supply Committee, 15 Army Group so that liason may be maintained with Regions 3 and 4 in all labor matters.

7. Captain PRAGER should have full time assistant immediately. This especially true in view of addition of Palermo to Region 3 jurisdiction. Feel personnel problem our headquarters, should be reviewed at first opportunity on basis of experience here and anticipated mainland needs.

3755 ✓

DAVID A. MORSE  
Captain A.G.  
Labor Sub-Commission  
AMC Headquarters.

N-1329

SIGNAL CORPS, UNITED STATES ARMY  
TELEGRAMRECEIVED AT: PENINSULAR BASE SECTION  
SIGNAL MESSAGE CENTER

12 DEC 43

RESTRICTED

ROUTINE

TO (ACTION) : CG, PBS FOR HIME FOR MORSE  
 FROM : SEARS FOR FARCO FOR ADAMS  
 DATE TIME SIGNED : 121702Z  
 DATE TIME REC'D : 122028Z  
 REFERENCE NR : 8-4174  
 CITE : FARCO 1173

5-9-12-AMG-3  
 of 9 Dec.

Bain away. Reference PRG 2066. Suggest you proceed submit  
 report on status Italian labor organizations. Bain should be in  
 Naples within few days.

DISTRIBUTION:

RCAD  
 DECAO  
 Labor Section  
 AG File

3734

Recd 13 DEC  
 Hq Reg. 3

(16)

December 4, 1943.

Subject: Weekly report on labor in Region II

To Col. J. T. A. gain.  
 HQ 2675 Regt. A. C.  
 APO 512, Care PM - NYC

1. A message has been received suggesting a conference in Bari on December 6 at 10:00 A.M. on important labor matters for the mainland and I plan to attend this conference.

2. I had a long interview with Eng. Crescenzo Galletti, the director of the Ispettorato del Lavoro, who resides in Potenza and who has charge of Potenza and Matera Provinces. He is a close friend of Sr. Plastino who is the director of the Ispettorato del Lavoro in Sicily. Eng. Galletti is a very intelligent man with considerable experience in the field of labor and he can be most helpful as labor matters develop here.

3. There have been several minor matters to arise this week involving only a few employees in each instance and these have been settled.

4. I have the feeling that as disagreeable as travel is at present I should visit the cities in the southern part of the region where it has been impossible for me to get up to date. I will therefore do this next week unless the Monday conference at Bari should make this unwise.

Copy to:  
 Captain R. M. Albright,  
 Mil. Sec. AGC  
 APO 512

*Robert Frazer*  
 ROBERT FRAZER, Captain  
 Regional Labor Officer,

*Catanzaro - Edorato Polara - Prov. Labor District*

*Cosenza - Arr. Francesco Montero (Prov. Labor District)*

*Prefer is: Arr. Pietro Mancini*

subject, weekly report

Region II  
Dec. 11, 1943

To: Col. J. T. R. Bain,  
HQ 2675 RSBT ACC  
APO 512 Care PM - NYC

1. On Dec. 7 I forwarded you Regional Orders nos. 5 and 6 and Administrative Instructions No. 1, together with explanatory documents.

2. Under authority of Regional Order No. 5, Avv. Alessandro Pruni has been appointed provincial labor director for Latina Province. He is fifty years old, anti-fascist, has a good record as a captain in the Italian Army. is well known in the province and highly recommended by competent authorities. I feel sure we have made a splendid appointment.

3. I have conferred with the property controller about the custody of the property belonging to the syndicates and I have obtained an office for the Latina provincial labor officer.

4. I plan to visit the other provinces in the near future and see that the offices are established in each of them as soon as possible. I shall wait a few days longer to see if the officer who is to assist in this work arrives.

*Robert Frazer*  
ROBERT FRAZER, Captain,  
Regional Labor Officer, Region II

Region II  
Jan. 4, 1944

Subject: weekly reports for past two weeks.

To: Col. J. P. R. Galt,  
HQ 2678 RSST ACO  
APO 512 Care PM - NYC

1. This is the first opportunity I have had to make a report in the past ten days since I have been traveling in Cosenza, Catanzaro and Reggio provinces. In each of these provinces I have appointed provincial labor directors and established provincial labor offices.

2. In Cosenza Avv. Francesco Montero has been appointed provincial labor director. He is 47 years old, was never a member of the fascist party but suffered severe persecution on account of his antifascism. He was highly recommended by the prefetto and a personal and very thorough investigation disclosed that he is a man of character, ability and good reputation in the province. He served as a lieutenant in the Italian Artillery in the last war. Adequate office space has been obtained at the former location of the abolished confederazione fascista degli industriali in the piazza della vittoria. The owner of the building, one palazzo Mosco was anxious to have the labor office in his building. The offices are adequately furnished and equipped. After appointing gr. Montero I went on to the other provinces but stopped in Cosenza a week later and was pleased with the work done in the intervening week.

3. Several labor organizations have already been formed in Cosenza under the guidance of one Mino Solizka who is extremely active in labor circles. Some confusion exists in that prior to our regional order no. 5 the prefetto had already appointed a receiver to liquidate the assets of the syndicates. I shall endeavor to adjust this matter with our financial department here.

4. In Catanzaro gr. Giorgio Polacco has been appointed. He is a Jew and is 46 years old. He was a member of the fascist party at one time but was never interested in it nor was he active. In 1937 he left the party and since that time has been persecuted on account of being a Jew. He formerly held an office in the confederazione lavoratori Agricoli and for a while was head of this organization. He is thoroughly familiar with labor and economic conditions in general. He is very intelligent, quiet and studious. After looking over the field of possibilities he was selected as the best man. He is highly recommended and bears a good reputation, etc. In each province it was explained to the director in great detail just what steps to take with reference to getting the office in operation. He was given a list of possible jobs to fill with salaries for each, should he deem it wise to appoint such clerks, etc. In each province the necessary amount of money was earmarked with the financial officer to run the provincial labor office for three months.

5. Upon returning from Reggio I stopped again in Catanzaro and was disappointed to find that on account of some technicality about one of the dissolved organizations the SCAO had not formally appointed gr. Polacco. I cleared up this technicality, (with reference to the formation of a chamber of commerce,) and then gr. Polacco and I had an interview with the SCAO with the result that the SCAO promised to appoint gr. Polacco that day and to proceed with the establishment of the labor office. I was gratified to find that in the intervening few days gr. Polacco had 3786 at my request a very comprehensive study of the cost of living in his province.

6. In Reggio ing. Franco Padovani has been appointed. He is 44 and is a successful contractor. A number of candidates were interviewed but ing. Padovani was the logical man for the place since he had already been selected by the local

page two.

labor elements as their choice for the job - prior to regional order no. 3. He has a partnership in a contracting firm which he plans to retain. I had an understanding with him that the firm must be run by his partner but that he might act in an advisory capacity. In the event of labor matters involving this firm they are to be handled by the regional director of labor and not by the local office. This plan is acceptable to all concerned and there is apparently no objection at all to it locally. Sr. padovani is young, popular, active and well-to-do.

7. We were fortunate in getting the consiglio delle corporazioni building inoggio which is an excellent building, centrally located, with ample space and equipment. Sr. padovani had been a member of the fascist party for only three years but left the party in 1936. He was never active. He is highly recommended by the citizens and also by the AMG officials who know him well.

8. Upon my return to the office I found a letter awaiting me from the SCAO at Potenza advising that Sr. pistone, appointed director there, had resigned the appointment and the SCAO had temporarily appointed, subject to my approval Avv. Luigi de Filipo, 45. I can approve Sr. de Filipo, since he was one of the applicants I interviewed when I was in Potenza. He was my second choice. I feel sure he will make a good man. He has a splendid personality; was never a member of the fascist party and bears an excellent reputation.

9. The Army is demanding the assistance of the provincial office in Potenza and the labor situation is quite active there. I think Sr. de Filipo will be able to handle the situation.

10. I have not yet appointed a regional director but am seriously considering Avv. Grani. At present the director for Matera province. The more I see of him the better he impresses me. He has set up his office here, employed his staff and the whole office is now operating smoothly and efficiently, actually handling and settling labor disputes. Avv. Grani has good common sense, splendid judgment, excellent personality and he cannot be swayed by the requests and demands of friends. Several occasions have arisen which have convinced me that he is thoroughly honest, and that he does not mind saying "no" to one of his friends or one of my friends if he feels the request is one he cannot comply with consistently. Captain Robertson has had an opportunity to know Sr. Grani well and concurs with me in my opinion of him.

11. I must apologize for the length of this report. I have made it as brief as possible and have not touched on many matters which I should like to include if it were not for making the report too tedious.

12. Before closing I should mention that the gadoglio government has put our labor office out of the corporazioni building which I had obtained in Salerno. Sr. Patù, the director, asks my assistance and I shall stop there when I come to Naples for the conference on the 10th and see if I can adjust the matter.

*Robert Frazer*  
ROBERT FRAZER, Captain,  
Regional Labor Officer,  
Region II

3750

2 December 1943

SUBJECT: Summary Report

TO: Labor Sub-Commission, AMG, Palermo

1. The committee on Army wage rates will conclude its conferences on 3 December 43, and it is expected that the report will be submitted to the Italian Resource Board Committee on 5 December 43, though this latter date is not yet definite. It appears that the sub-committee will then submit the proposal to the Resource Board for final decision.

2. I will transmit a copy of the report the moment it is completed. I have not digressed from the principles laid down at the first conference, which you attended.

3. Lt. Driley has just about completed his Cost of Living and Civilian and Government Employees Wage Study. I expect to go over his material with him this afternoon, after which it will be submitted to Lt. Col. Lane, Labor Officer, Region III Hq., who will in turn submit it to Col. Hume, HQAG, for decision. The Sicily formula is being proposed with slight change, if any, in the percentage.

4. I have been investigating the syndical situation and have recommended that General Order No. 8 be extended to the mainland. If you agree, the extension should be made immediately to the Region II. Region III is now considering the matter and it is before the fifteenth Army Group for decision. Col. Hume has agreed that it should be done, but suggests that it should be done uniformly throughout the mainland. While certain modifications may have to be made in the order to meet local conditions here, all of the factors which resulted in issuance of General Order No. 8 in Sicily exist here. The syndicates are only a shield. The syndicate's task has been abolished. New unions have been organized cutting across the old syndical structure. Political parties are coming into control of the workers--so that in sum the situation is both confused and critical. I reiterate that action must be taken immediately, in which view I am joined by Lt. Col. Lane, who is most anxious that General Order No. 8 be used.

5. I sent a signal some days ago regarding the transport and driver. Do you want them sent back to Palermo or kept here pending arrival of Hq? I could use the transportation very constructively in a survey which I intend making in the field next week. What is your view?

6. I have been working with the Civil Supply Committee of the Fifteenth Army Group here with respect to labor, as liaison for our Sub-Commission.

7. This just about covers the highlights to date (Pvt. Correa has arrived and is on duty).

DAVID A. MORSE,  
Capt. AC,  
Labor Sub-Commission

3728

No. 27, 1945.

Subject: weekly report on labor in region II

To: Col. J. T. R. Bain,  
 HQ 2675 Regt. A. C.  
 APO 512, Care PM - NYC

1. I reached Matera from Naples the afternoon of the 26th and arranged some conferences for today with local labor officials in order to complete my work of obtaining information which I was compiling before I left for the Naples trip.

2. I had a conference with the CAO for Matera Province this morning and gave him what information I could about the Naples conference. He is ready to act promptly when policy matters are cleared up with reference to the syndicates.

3. I have had conferences today with local labor leaders and syndicate officials and have obtained some interesting information which should be helpful later.

4. A matter of agricultural workers for oil-pressing in several provinces has arisen and I am working on a plan now to permit workers to travel from certain places where they are not needed to those provinces where there is an acute need for seasonal oil-pressers. The oil pressing season lasts two or three months. Some 2,000 <sup>additional</sup> workers are needed in Matera Province alone. The labor will be taken only from surplus labor which I am told can be obtained in several places. I have obtained the assistance of some of the Agricultural syndicate officials on the matter and hope our plan can soon be put into operation as the need is urgent.

*Robert Frazer*  
 ROBERT FRAZER, Captain,  
 Regional Labor Officer,

Copy to:  
 Captain R. M. Albright,  
 Mil. Sec. AOC  
 APO 512

3727

HEADQUARTERS  
UNITED STATES GOVERNMENT  
LABOR SUB-COMMISSION  
WFO 512

23 November 1943

REPORT TO LABOR SUB-COMMISSION

1. On November 15, a Captain Parker from Industry and Commerce Sub-Commission, Allied Commission called in person to report that they had been advised that I.R.S. was that day publishing an order, under authority of A.R.C., to prevent certain civilian employees to purchase "D" Rations.

2. They further stated that Industry and Commerce had written the Labor Sub-Commission setting forth the above facts and that the latter was on the way.

3. Lt. Moffitt called Major Martino at the Economic Directorate, explaining the problem and asking that representation be made through channels to I.R.S. to have the order withheld until it could be discussed at War-day Labor Conference.

4. At 1600 hrs that day after attending a meeting of the Sub-Commissions comprising the Economic Directorate, Lt. Moffitt inquired of Brigadier Design what steps had been taken in the matter. He said it was not a matter which concerned labor, and that he did not want the Labor Sub-Commission involved in it. He asked Major Martino why the Labor Sub-Commission had been informed of the matter as he did not wish it.

5. After some discussion between the Brigadier and Major Martino, it was decided to permit Lt. Moffitt to contact I.R.S. and learn the contents of the order.

6. The letter directed to Labor Sub-Commission from Industry and Commerce Sub-Commission was held by the Economic Directorate, and has never been delivered. Lt. Moffitt informed Capt. Sample, Region I, Labor Division, of the situation about to be created by I.R.S. He called Col. Pollanti who referred him to Major Alexander. Major Alexander suggested further investigation.

7. On November 20 Lt. Moffitt called on Major D. A. Ryan, I.R.S. Labor Officer. He took Lt. Moffitt to the Executive Officer of the I.R.S. 3-A Section who allowed Lt. Moffitt to read the basic order.

8. The order stated that when a food emergency existed, I.R.S. officers supervising civilian labor could so certify and draw rations for re-sale to the civilian workers they supervised at 60¢ per ration (12 cans). 3786

9. Lt. Moffitt was informed verbally that in practice each worker who was the head of a family could purchase two rations (12 cans) per day. That any worker purchasing  $\frac{1}{2}$  of a ration daily (2 cans) for 25 lire was given free two loaves of bread (1200 grams) per day, the bread coming from the I.R.S. bakery.

10. The workers so privileged are (in part):

- a. Employees of I.B.S. Engineering Section (including office workers)
- b. Employees of Utility Section, I.B.S.
- c. Employees of S.E. Corporation, Palermo
- d. Employees of Local Gas Works
- e. Employees of Petrol Pump
- f. Employees of a box factory

11. The General Electric Corporation, we are informed by I.B.S., arranged to contribute 10d per day per employee toward the purchase of the 23d one third of a 'C' ration. The remaining 10d is paid by the worker who then is eligible for the two free loaves of bread a day.

12. A copy of the I.B.S. order and the Administrative instruction which went with it were requested of I.B.S. Lt. Roffitt was told to make the request in writing. Such formal request has been made by the Adjutant of Region I. To date it has not been received.

HEADQUARTERS  
ALLIED MILITARY GOVERNMENT  
LABOR SUB-COMMISSION  
APO 512

21 November 1943

091.432/LAB

SUBJECT: Survey Labor Conditions - Eastern Side of Island.

TO : Labor Sub-Commission, A.M.G.

1. In accordance with order of 9 November and <sup>ON</sup> 11 November 1943 I proceeded to eastern side of the Island to make survey of labor conditions.

## a. At CATANIA.

Reported to Colonel Wolfe, S.C.A.O., and was referred to Captain Trenten Smith (B), C.A.O. Inasmuch as he was being transferred to Syracuse as C.A.O., little time could be spent with him. Contact was made with Lieutenant Strah, Welfare Officer. Investigation revealed that 8.6% of total population (258,000) is on relief -- up 2.2% from September. General assistance is on basis of need at rate of 10 lire for head of family, 8 for wife and 4 for other dependent members, without regard to number. Staff investigates need, resources, and family background, employability, skill and occupation. Applicant fills out form and takes same to Central Office for payment (investigator decides). If applicant unable to work, degree of incapacity is decided by city doctors, and permanent pay card is given. Figures from labor office and social insurance agencies indicate 40,000 unemployed.

## b. At CATANIA.

On 11 November 1943 Antonino Isola, a lawyer by profession with limited experience as labor conciliator, was appointed Director of Labor for Catania. He is apparently more interested in the rate of his salary and in getting someone to clean and open the office than in doing such necessary work himself, but is, however, probably the best qualified of those available at this time. Office space is available in Caserma Militare Caraine, and subject was urged to open office for registration of all workers not later than Monday, 15 November 1943. He was also urged to establish uniform procedures which were outlined for his benefit.

c. Because of lack of raw materials, little industry is in operation as yet. Only six (6) small sabaroni plants with total of 147 employees are in operation. Building and repairs are on small scale.

d. Little, if any labor disturbances, and no evidence of strong movement toward labor organization.

e. Army maintains own employment office, Major H. A. Mayne (B) in charge. 10,989 workers are presently employed for the account of the Army and in vital installations -- railroads, power houses, etc. Rates of pay, terms and conditions of employment are as prescribed AGOT HQ., Sicily, 1 October 1943. However, supplemental bread rations are given -- 250 grams for 8 hours work (when recently reduced to 100, unrest developed and ration was restored).

(8)

All necessary labor has, and is, being procured locally.

f. The price of bread fluctuates on the black market between 50 and 60 lire. Elimination of this illicit traffic is more to be desired than other corrective measures. ✓

g. Crops and public health good. 250 workers regularly employed on mosquito project which has been carried on regularly since 1934.

2. At MESSINA.

a. Captain E. C. Wills, Labor Officer. Employment office has been functioning since 19 October 1943. Lucchesi Fortunato, Director of Labor <sup>EMPLOYMENT</sup> SERVICE hard working and well informed. Men, women and boys of the age of 16 years and upward are registered. Uniform procedures are followed and appropriate forms are in use.

b. Sub-offices are not functioning in outlying communities, although offices and equipment are available. However, in some instances furniture has been taken by Podesta' and receipts given.

✓ c. Army D.A.D.L. maintains own employment service, office in charge of Lt. Cullen, but, however, relies upon local employment office for labor.

X d. Employment practices of Army have, and are, causing embarrassment and confusion in that the Army is paying 50 lire per day plus bread ration of 100 grams. It is alleged that flour is being procured from A.M.C., and bread is being baked in Army kitchens and distributed to workers as outlined above. It appears that some two weeks ago it was agreed that this practice would be discontinued. Order is not effective as yet.

X e. As evidence of confusion, it may be stated approximately 250 workers appeared at a project for work and when informed that it was not on account of the Army, only 10 remained at work. Further on Monday, 15 November 1943, four separate employers complained to the local employment office to the effect that a total of 200 workers had failed to report for work for the reason that, whereas, they were paying L 50 per day less deductions of L 7 for social insurance, Army was paying L 50 with no deductions plus bread rations.

f. 19 October 1943 to date 2,699 men and 460 women have registered for work. Employment has been obtained for 1,870 men and 20 women. Complaint is made that semi-skilled workers will not accept common labor. It is estimated that employment is available for 1,000 additional laborers.

g. No labor disputes; some talk of labor organizations, but no perfected plans.

h. Transportation for workers from outlying communities is difficult and expensive.

i. Crops very poor; great improvement expected by reason of increased farming activities. ✓

1. Pre-invasion industries included citrus fruits and chemicals derived therefrom. Dry docks, wines, perfumes, macaroni, olive oil and nuts. Industry virtually paralyzed at present excepting only building repair and small scale fishing.

k. Price of bread on black market L 80. Critical shortage of food and clothing. Population sympathetic, but anxious for more food.

l. Cardillo Sebastiano, Assistant Director of Welfare of Commune and Family, Director of Province. Month of October direct relief to 4,662 families in total sum of 1,240,740 lire. Podesta' has given relief to 72 additional families in the amount of 15,078 lire. Relief payments to 19 November 2,212,720 lire. Payments of social insurance was resumed 17 November 1943, and is expected to reduce direct relief.

JAR/tbw

*Jeff A. Robertson*  
JEFF A. ROBERTSON,  
Captain, S.R.,  
Labor Sub-Commission.

HEADQUARTERS  
ALBANIAN MILITARY GOVERNMENT  
LABOR SUB-COMMISSION II  
A.U. 512

12 November 1943

Memorandum:

The following are excerpts taken from letter to S.O.A.S., Section I from Major Sheldon C. Fenner dated 7 November 1943:

General Survey: It is well known that wage rates in Italy have long been among the lowest in Europe, and particularly in Sicily. It is not within the scope of this report to discuss the effect on prices of the depreciation of the value of the lire, in conjunction with the addition of occupational forms of currency, or the effect upon prices caused by an acute shortage of most consumable goods. According to the wage data attached hereto, employees in public, private and agricultural employments find themselves at an increasing disadvantage in relation with other members of the body politic. The situation has become critical for the lowest paid workers and salaried employees.....

Emergency Measures: Emergency measures have already become necessary in order to curb social unrest. Effective 1 October 1943, the wages of employees of flour mills and paste factories in the Province of Catanzarotta were increased 30%; and according to my information, certain wage rates in the building trades in the city of Catanzarotta have been increased 75%, while the same classifications in the city of Messina received an increase of 50%. Such adjustments, although haphazard, were undoubtedly necessary.....

Sulphur Miners: It will be observed from the wage schedules of sulphur miners throughout Sicily, for all classifications of labor, that the average daily wage is \$ 14.95. Prior to the occupation this wage was supplemented, first, by the indemnity di presenza, and second, by the family allowance. The indemnity di presenza was, in effect, a wage increase authorized by the Italian Government in order to meet the increase in the cost of living. According to my information, it amounted to ten lire per day in most cases -- a very substantial part of the daily wage -- of which six lire was paid by the employer and four lire by the Istituto di Previdenza. It is my understanding that the amount of the contribution previously paid by the Istituto di Previdenza, in the case of private as distinguished from public employments, has been discontinued by directive, and that many employers have accordingly discontinued their contributions. It is doubtful whether, even if the indemnity di presenza were isolated, the miners would return to work at existing wage rates, and it is quite probable that if they are obliged to do so, labor unrest, strikes, and even acts of violence may be anticipated.....

.....The most important industry in Sicily, aside from agriculture, is sulphur mining. It is highly important that this industry be revived as quickly as possible. Police reports disclose a sharp increase in crime in the mining areas. For this reason we recommend that the public in these areas be immediately advised as to the steps being taken to rehabilitate the mines, and that an announcement be made of permissive adjustments of wage rates in order to circumvent present labor agitation. Reemployment in the mines will be gradual, extending over two or three winter months.

3721

Palermo,  
7 November 1943.

To: HCAO, Region 1.

From: Transportation Officer (?), Region 4.

Subject: Labor Conditions, Caltanissetta Province.

The undersigned proceeded to Caltanissetta Friday, 29 October 1943, pursuant to the invitation of the Labor Office, Headquarters, and travel order issued by Brigadier General McSherry. Reported to Lt. Col. Irish, HCAO, Province of Caltanissetta, as directed. Learned that Major Giles, who had previously been in charge of the Labor Division, had left the Province, and had been succeeded by Major Aust, Deputy HCAO and CAPC, who assumed this added responsibility. Was impressed with the energy and ability of Major Aust in the discharge of these manifold duties.

20 October 1943. Held a conference with Cav. Calogero Incardona, Civilian Director of Labor, Province of Caltanissetta. This officer had previously been Clerk of the Court, and according to CIC reports, had been a nominal fascist. Found him to be an amiable gentleman, and well qualified by judicial temperament for the office. He lacked experience in labor matters, but was reasonably familiar with Italian labor law. Was advised that the Employment Office at Caltanissetta had been activated under his supervision on 21 October 1943, but that the unemployed had been slow in registering. With the approval of Major Aust, arranged that all persons temporarily unemployed register at the Employment Exchange as a requisite of any form of public relief. Suitable notice was published in the press. Same day attended the HCAO Provincial Conference.

2 November 1943. Held a conference with Cav. Incardona. Outlined to him the provisions of General Order No. 8, the Rules and Regulations issued pursuant thereto, as well as other documents in the provincial labor file pertaining to the conduct of his office. Also advised him as to the monthly reports of unemployment.

29 October 1941, pursuant to the order issued by the Major Office, Headquarters, and travel order issued by the Major Office, Headquarters, reported to Lt. Col. Irish, WOAC, Province of Caltanissetta, as directed. Learned that Major Siles, who had previously been in charge of the Labor Division, had left the Province, and had been succeeded by Major Aust, Deputy WOAC and CAPC, who assumed this added responsibility. Was impressed with the energy and ability of Major Aust in the discharge of these manifold duties.

30 October 1941. Held a conference with Cav. Calogero Incardona, Civilian Director of Labor, Province of Caltanissetta. This officer had previously been Clerk of the Court, and according to CID reports, had been a nominal fascist. Found him to be an amiable gentleman, and well qualified by judicial temperament for the office. He lacked experience in labor matters, but was reasonably familiar with Italian labor law. Was advised that the Employment Office at Caltanissetta had been activated under his supervision on 21 October 1941, but that the unemployed had been slow in registering. With the approval of Major Aust, arranged that all persons temporarily unemployed register at the Employment Exchange as a requisite of any form of public relief. Suitable notice was published in the press. Same day attended the GAC Provincial Conference.

1 November 1941. Held a conference with Cav. Incardona. Outlined to him the provisions of General Order No. 8, the Rules and Regulations issued pursuant thereto, as well as other documents in the provincial labor file pertaining to the conduct of his office. Also advised him how to prepare monthly reports of unemployment and other labor matters, and instructed him to submit such reports in duplicate, one for the WOAC and one for the Regional Labor Office. Same day inspected the Labor Exchange at Caltanissetta, and found the work of the Exchange being conducted in a very satisfactory manner, with an adequate and efficient personnel. Office equipment and supplies also appeared to be adequate. Same day held a conference with Major Aust and Cav. Incardona. At the suggestion of the Director that he had not been able to procure an automobile and that such was necessary in the discharge of his duties throughout the Province, Major Aust agreed to make the necessary arrangements with the Prefetto.

Exhibit No. 1. A sample book for the registration of workers (Libretto di Lavoro), as well as sample forms used for the "tesse per Impiegati" and "Tessere per Operai", as used in the Province, are attached hereto.

3 November 1941. For the purpose of obtaining the salary schedules of all employees of representative communes, called at the offices of the Communes of Caltanissetta (pop. 50,467), San Cataldo (pop. 17,138), Montemaro (pop. 11,850), Serradifalco (pop. 8,658), and Delia (pop. 6,723).

Exhibit No. 2. The foregoing wage data of public employees in the Province is attached hereto for the information and use of the Regional Labor Office. Respectfully request that the data for the city of Caltanissetta, after being copied, be returned promptly to the Provincial Director of Labor, since it is the original and was obtained with that understanding.

Same day accompanied Cay. Incerdona in a visit to the largest sulphur mine (Trabia) in the Province. Ascertained that about 10,000 sulphur mine workers are unemployed in the Province. The Trabia mine normally employs 2,000 workmen, but now has a crew of only 30 men, working a night shift, pumping water. The primary need is electric power. Was advised by the Public Works Division, Caltanissetta, that electric power would be made available about November 10th. The Chief Engineer at the mine stated that it would require from 30 to 50 days to restore the mine in working order, and that he would need approximately 1,500 timbers per month for normal operation, which heretofore has been obtained from Calabria, in addition to two trucks and some mechanical equipment, but could, with some help, employ 500 workmen and gradually increase the total. Was advised by the Public Works Division, Caltanissetta, that a report of the engineering requirements had been forwarded to Headquarters, Palermo; also that timber is available at Calabria, depending upon the availability of transport. Noted at Cella a number of large barges on the beachheads formerly used in commercial transport trade between the mainland and Malta, some of which might possibly be repaired and used to transport the necessary timber for the sulphur mines.

Exhibit No. 2. The foregoing wage data of public employees in the Province is attached hereto for the information and use of the Regional Labor Office. Respectfully request that the data for the city of Caltanissetta, after being copied, be returned promptly to the Provincial Director of Labor, since it is the original and was obtained with that understanding.

Came day accompanied Ca. Imperiana in a visit to the largest sulphur mine (Trubia) in the Province. Ascertained that about 10,000 sulphur mine workers are unemployed in the Province. The Trubia mine normally employs 2,000 workmen, but now has a crew of only 10 men, working a night shift, pumping water. The primary need is electric power. Was advised by the Public Works Division, Caltanissetta, that electric power would be made available about November 10th. The Chief Engineer at the mine stated that it would require from 10 to 60 days to restore the mine in working order, and that he would need approximately 1,500 timbers per month for normal operation, which heretofore has been obtained from Calabria, in addition to two trucks and some mechanical equipment, but could, with some help, employ 600 workmen and gradually increase the total. Was advised by the Public Works Division, Caltanissetta, that a report of the engineering requirements had been forwarded to Headquarters, Palermo; also that timber is available at Calabria, depending upon the availability of transport. Noted at Gela a number of large barges on the bargeheads formerly used in commercial transport trade between the mainland and Malta, some of which might possibly be repaired and used to transport the necessary timber for the sulphur mines.

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Exhibit No. 3. Obtained and attach hereto a complete listing of all classifications of labor for all sulphur mines in Sicily. Respectfully request that the original, after being copied, be returned promptly to the Provincial Director of Labor, Caltanissetta, since it was obtained with that understanding and is needed. Am indebted to the Finance Division, Headquarters, for the averages as computed and shown thereon.

1 November 1941. Accompanied Cav. Incardena to Gela for the purpose of establishing a branch employment office in that Comune (the second largest in the Province). Ascertained that a new Sindaco was about to be installed, and the matter was accordingly postponed pending such installation. Same day surveyed the fishing industry at Gela. Was advised that 400 fishermen were idle, and that only six small boats were available. Talked with a number of fishermen, who expressed the need of three or four large motor boats. It appears that the boats at Licata normally give employment to the fishermen at Gela, but are restricted to that port. As soon as the military situation permits, the release of these boats in the normal trade is urgent, not only to provide employment to the fishermen at Gela, but to augment an acute food shortage.

Exhibit No. 4. Obtained and attach hereto, for the information and use of the Regional Labor Office, comprehensive data on the wage rates of the various classifications of agricultural employments throughout the Province.

4 November 1941. Attended a Conference at Cassomeli of the Sindacato of the twelve northernmost comunes. A member of these officers expressed the need of a general wage adjustment, and particularly in the areas of the salt and sulphur mines.

Exhibit No. 5. Obtained and attach hereto, for the information and use of the Regional Labor Office, the prevailing wage rates for the principal industrial classifications at Caltanissetta.

#### Conclusions

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General Wages: It is well known that wage rates in Italy have long been among the lowest in Europe, and particularly in Sicily. It is not within the scope of this report to discuss the effect on prices of the depreciation of the value of the lira, in conjunction with the addition of occupational forms of currency, or the effect upon prices caused by an acute shortage of most consumable goods. According to the wage data attached hereto, employees in public, private, and agricultural employments find them-

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General Bases: It is well known that wage rates in Italy have long been among the lowest in Europe, and particularly in Sicily. It is not within the scope of this report to discuss the effect on prices of the depreciation of the value of the lire, in conjunction with the addition of occupational fees of currency, or the effect upon prices caused by an acute shortage of most consumable goods. According to the wage data attached hereto, employees in public, private, and agricultural employments find themselves at an increasing disadvantage in relation with other members of the body politic. The situation has become critical for the lowest paid workers and salaried employees.

Emergency Measures: Emergency measures have already become necessary in order to curb social unrest. Effective 1 October 1941, the wages of employees of flour mills and pasta factories in the Province of Caltanissetta were increased 10%; and according to my information, certain wage rates in the building trades in the city of Caltanissetta have been increased 75%, while the same classifications in the city of Mesina received an increase of 50%. Such adjustments, although haphazard, were undoubtedly necessary.

Wage Policy: It is gravely doubtful whether an emergent wage policy, with its inevitable lack of uniformity, is the wisest policy to pursue, and especially in the absence of any orderly and lawful labor representation. Under such circumstances we strongly recommend a uniform policy in adjusting the equities of the internal economy, in so far as military necessity will permit, with proportional emphasis in adjusting the income of the lowest paid salary and wage earners. The Provincial Director of Labor expressed his opinion that permissive wage adjustments in civilian employments would be freely acceptable to employers.

Sulphur Miners: It will be observed from the wage schedules of sulphur miners throughout Sicily, for all classifications of labor, that the average daily wage is £14.91. Prior to the occupation this wage was supplemented, first, by the indemnity di presenza, and second, by the family allowance. The indemnity di presenza was, in effect, a wage increase authorized by the Italian Government in order to meet the increase in the cost of living. According to my information, it amounted to ten lire per day in most cases -- a very substantial part of the daily wage -- of which six lire was paid by the employer and four lire by the Institute di Previdenza. It is my understanding that the amount of the contribution previously paid by the Institute di Previdenza, in the case of private as distinguished from public employments, has been discontinued by directive, and that many employers have accordingly discontinued their contributions. It is doubtful whether, even if the indemnity di presenza were included, the miners would return to work at existing wage rates, and it is quite probable that if they are obliged to do so, labor unrest, strikes, and even acts of violence may be anticipated. Whatever the reason may be, the sentiment of men who work underground is quasi-social in some respect, a characteristic nowhere better demonstrated than in our own country.

Labor Syndicates: The Provincial Director of Labor, whose views I found reasonably conservative, expressed the opinion that sanction for the organization of independent labor syndicates would tend to counteract communist tendencies. Major Aust expressed no objection to assisting

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3717

Labor Syndicates: The Provincial Director of Labor, whose views I found reasonably conservative, expressed the opinion that sanction for the organization of independent labor syndicates would tend to counteract communist tendencies. Major Aust expressed no objection to meetings of employees, provided permission were first obtained from the Prefetto, and the petition set forth the matters to be discussed. In view of the situation disclosed, we suggest that any pronouncement as to the organization of independent labor syndicates be postponed until larger numbers of persons find employment.

Unemployment: According to our observation, larger numbers of people are daily congregating in the public squares. At this season of the year, many people are

normally unemployed. This situation has been greatly aggravated by the destruction or paralysis of a large part of the industries throughout the region, and by the concentration of refugees in urban areas, of which there were approximately nine thousand in the city of Caltanissetta alone. The most important industry in Sicily, aside from agriculture, is sulphur mining. It is highly important that this industry be revived as quickly as possible. Police reports disclose a sharp increase in crime in the mining areas. For this reason we recommend that the public in these areas be immediately advised as to the steps being taken to rehabilitate the mines, and that an announcement be made of permissive adjustments of wage rates in order to circumvent present labor agitation. Reemployment in the mines will be gradual, extending over two or three winter months. And we therefore suggest that the prospect of employment on public roads in the rural areas, and clearing up the debris and repairing the streets in urban areas, be carefully explored.

Citation: I wish to report that the driver of my car, P/fo Poli, was highly competent in the discharge of his duties, and rendered invaluable assistance as an interpreter.

*Sheldon C. Lammie*

Major, Spec-Sec., AM; in Charge  
of the Labor Division, Region 4.

(United States Commissioner of  
Conciliation; Special Examiner,  
National War Labor Board; Panel  
Chairman, Philadelphia Regional  
War Labor Board; Professor of  
Economics, The Pennsylvania State  
College. Cited by the United  
States Department of Labor, 1  
October 1942, for distinguished  
service in the War effort. Vice  
Director of American Scholars.)

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*Selden C. Tanner*

Major, Spec-Res., AUS; in Charge of the Labor Division, Region 4.

(United States Commissioner of Conciliation; Special Examiner; National War Labor Board; Panel Chairman, Philadelphia Regional War Labor Board; Professor of Economics, The Pennsylvania State College. Cited by the United States Department of Labor, 1 October 1942, for distinguished service in the War effort. Vide Directory of American Scholars.)

Distribution:

Chief, Labor Sub-Commission;  
Director of Labor, Region 1;  
SCAO, Province of Galtonnestat;  
DCCAO, Region 4.

3-16

*Return to Capt. David A. Howe  
ATTN: HQ.*

U.S. CONFIDENTIAL (Excludes British CONFIDENTIAL)

*Ev 'A'*

HEADQUARTERS  
ALLIED MILITARY GOVERNMENT  
LABOR SUB-COMMISSION  
APO 512

9011/LAB

6 November 1943

SUBJECT: Summary Report of Labor in Sicily from 10 July 1943 to  
26 October 1943.

TO : Chief Civil Affairs Officer.

1. Introduction.

a. The original ALGOT Plan provided that Labor should be a section under the direction of the Civilian Supply Division. Later, September 1943, Labor was established as a separate division directly responsible to the Chief Civil Affairs Officer.

b. During the period of planning in North Africa prior to invasion of Sicily, the Civilian Supply Division had been unable to obtain current Italian labor intelligence which could be used as a basis for determining a definite labor policy. Intelligence was limited to:

- (1) Approximate number of Sicilian workers,
- (2) 1939 base wage rates,
- (3) Geographical distribution of workers,
- (4) General theoretical description of the Corporative Syndical System, and
- (5) Type of industries.

c. It was decided that in view of the lack of information, study would be limited to theory; that labor principles would be tentatively established along general lines; and that definite decisions would be made in the field after contact with live problems and opportunity to study and evaluate them.

d. A wage scale was proposed for use of the Government.

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c. It was decided that in view of the lack of information, study would be limited to theory; that labor principles would be tentatively established along general lines; and that definite decisions would be made in the field after contact with live problems and opportunity to study and evaluate them.

d. A wage scale was proposed for use of the Seventh and Eighth Armies (Ex. A). This scale was to govern pay of civilians employed by the Armies during invasion and was submitted to the Armies as a tentative guide which would probably need correction and revision after experience in the occupied territory. There could be no assurance that the scale was consistent with the Sicilian pay levels of that period. The Seventh Army adopted the wage guide in toto and issued it in the form of a directive (Ex. B). The Eighth Army also adopted it, but made some revisions and additions. In the main, the guide was based upon the experience of the British wage classifications and rates in Tripolitania plus the available indefinite intelligence which had been received from Italy.

5. Formulation of the wage scale was the only specific labor action taken by the Division prior to D-Day.

2. The Sicilian labor experience.

a. First Phase. 10 July 1943 (D-Day) to 22 July 1943  
(date of Allied Occupation of Palermo).

(1) During this phase the Labor Section had not yet commenced to function in Sicily. Labor was handled by Civil Affairs Officers of AMGOT who were attached to tactical troops. This duty was in addition to others, and in view of the pressing nature of other problems, received minimum attention. Proclamation No 6, which froze wages and prices to the 9 July 1943 level was posted in every occupied town and city (Ex. C). Employment offices were opened in cities where labor was needed by the Army or Navy, and notices posted inviting the public to register for work. Fascist Syndicate Offices were taken over and utilized for this purpose.

(2) The Armies had no difficulty in procuring labor. Large surpluses were available where required. In addition, the AMGOT wage scale was particularly attractive to workers in view of Proclamation No 6 and the fact that the scale paid was in many cases 70% above the scale prevailing prior to Occupation.

(3) In each occupied city where offices of Fascist trade unions and negotiations were located, records were impounded and left for subsequent examination.

(4) There was one development which indicated trouble ahead. While the Seventh Army had adopted the AMGOT wage scale, the Eighth Army had adopted it only in part, and the Air Force and Navy paid wages without careful consideration of existing wage rates or the AMGOT scale, falling back on the expedient of paying whatever they thought should be paid, and using the American or British standards of payment as a criterion. The lire had been devaluated. Thinking was in terms of the lire being worth one cent.

b. Second Phase. 22 July 1943 to 26 October 1943.

(1) During this phase a definite labor policy for Sicily was established.

commenced to function in Sicily. Labor was handled by Civil Affairs Officers of AMGOT who were attached to tactical troops. This duty was in addition to others, and in view of the pressing nature of other problems, received minimum attention. Proclamation No 8, which froze wages and prices to the 9 July 1943 level was posted in every occupied town and city (Ex. C). Employment offices were opened in cities where labor was needed by the Army or Navy, and notices posted inviting the public to register for work. Fascist Syndicate Offices were taken over and utilized for this purpose.

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#### b. Second Phase. 22 July 1943 to 26 October 1943.

(1) During this phase a definite labor policy for Sicily was established. A study was first made of the labor situation in Palermo Province. As the Allied tactical situation improved, the study was enlarged to include newly acquired occupied territory, until finally on 19 August 1943 the entire island was in Allied hands.

(2) Certain immediate general observations were made which should be recorded in this report for background purposes. First, immediately before D-Day every important labor and trade association official on the island had fled to Rome. It was apparent that they had left in a hurry, because in many cases personal possessions and correspondence were found intact, some of which disclosed that by date their departure was in the main from

8 to 10 July 1943. This left labor and trade associations and their offices leaderless, though in each instance clerical staffs remained at work, and records were found intact. Second, pre-invasion statistics were confirmed in that island employment was found to be approximately 50% agricultural, 26% industrial, and 24% miscellaneous. In these categories, agricultural employment was least affected by invasion. Workers remained, and as circumstances permitted, continued their daily duties. Industrial employment was at a standstill. Pre-invasion bombing had completely disorganized and dislocated industry. Many citizens had been reduced to ruins and industrial workers feared the personal physical risk incident to further employment. This was especially true in some port cities like Palermo, Catania, Siracusa, Messina, and Agrigento. Miscellaneous employment which included shop-keepers, domestic workers, and government employees was in varied states of disorganization. The shop-keepers and domestic workers were not working, while government employees of all levels, except those who had fled to Rome, remained at their work waiting to learn whether or not the Allies would permit them to continue in their employment. Third, there was no evidence of pre-invasion sabotage by workers. Fourth, during Fascism, there was general non-compliance by employers, employees, trade unions and associations with wage conventions or wage provisions stipulated in collective labor contracts. (This did not apply to government employees. Their wage scale was statutory and not covered by collective contracts.) The level of wages depended largely upon labor supply and demand. The black market had become an accepted institution, and official Fascist commodity price lists were respected only in their breach. Cost of living was high and presented a problem with which the Fascist Government had not been able to cope.

(3) Labor was divided into the following broad classifications for preliminary study and action:

- Procurement and Supply of Labor.
- Wages, which included the question of cost of living.
- Trade unions, associations, and labor relations.

(a) Procurement and Supply of Labor for Employment of the Allied Armed Forces.

(1) This was given A-1 priority. The various S.C.A.O.'s in each province had done their jobs well. In each province the main Fascist trade union office was taken over by the S.C.A.O. and opened as an employment office. The clerical

risk incident to further employment. This was especially true in the port cities like Palermo, Catania, Siracusa, Messina, and Agrigento. Miscellaneous employment which included shop-keepers, domestic workers, and government employees was in varied state of disorganization. The shop-keepers and domestic workers were not working, while government employees of all levels, except those who had fled to Rome, remained at their work waiting to learn whether or not the Allies would permit them to continue in their employment. Third, there was no evidence of pre-invasion sabotage by workers. Fourth, during Fascism, there was general non-compliance by employers, employees, trade unions and associations with wage conventions or wage provisions stipulated in collective labor contracts. (This did not apply to government employees. Their wage scale was statutory and not covered by collective contracts.) The level of wages depended largely upon labor supply and demand. The black market had become an accepted institution, and official Fascist commodity price lists were respected only in their are ch. Cost of living was high and presented a problem with which the Fascist Government had not been able to cope.

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(a) Procurement and supply of labor for France of the Allied Armed Forces.

2-12

(1) This was given A-1 priority. The various S.C.A.O.'s in each province had done their jobs well. In each province the main Fascist trade union office was taken over by the S.C.A.O. and opened as an employment office. The clerical and executive staffs (except known Fascist leaders who were removed on the spot) who were familiar with the office records, and registration of workers under Fascism, were directed to continue at work under A.M.G. supervision. The public was invited to register for work and the offices were immediately overrun by men, women, and children of all ages who desired employment. Compulsory registration was not required. The problem was not one of procuring sufficient labor, but in finding enough work for the thousands of persons who for the moment were out of employment because of disorganization of trade, industry and commerce. In Palermo city alone over 1,800 persons were registered for work the first day. Headquarters of the Allied Forces were notified of the location of the employment offices. The offices were kept open 24 hours a day un-

til the latter part of August when the pressure was relieved as a result of fulfillment of the larger military labor requirements. The offices were then put on a 10 hour a day working schedule. An employee was always kept on duty to handle emergencies. The military made its own arrangements for transportation of workers to work areas.

(ii) Certain fundamental rules were established for the employment offices. (a) Registration was voluntary under Fascism it had been compulsory. (b) Persons were classified for work by skill with full listing of all skills; under Fascism they were classified under one skill and could only work in that classification. (c) Preference in employment to members of the Fascist party abolished. Persons were to be employed on an equal basis regardless of race or creed. (d) Preference for employment was to be given to political prisoners who had opposed Fascism and had been imprisoned by the Fascists for that reason; individuals who had been denied employment opportunities under Fascism because of religion, anti-Fascist activity, or refusal to join the Fascist party; and to heads of families who could show great economic need.

(iii) Actual statistics on the number of workers employed through these offices are not available at this writing, though the figures will be compiled at a later date. It can be said generally, however, that labor was well absorbed in the larger coastal cities -- the balance being taken care of by temporary relief or city "clean-up" projects. However, in areas which had previously depended on operation of one specific industry as, for example, sulphur and asphalt mining (Agrigento, Brusa and Caltanissetta) there were totally unemployed workers of such industries. Approximately 40,000 miners were in that category. They received temporary relief and some work with city "clean-up" projects pending reopening of the mines which were as yet not operating because of lack of power and vital equipment parts. At this writing a few lines have reopened, and A.N.G. has made arrangements for the reopening of others.

(b) Wages and Cost of living. This problem fell into the following employment categories: Civilians employed by the Armed Forces, government employees, and persons employed by private employers. First, Civilians Employed by the Armed Forces. This category presented problems of an emergency nature because the military was at the time the largest single employer

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(b) Wages and Cost of Living. This problem fell into the following employment categories: Civilians employed by the Armed Forces, Government employees, and persons employed by private employers. First, Civilians Employed by the Armed Forces. This category presented problems of an emergency nature because the military was at the time the largest single employer of labor on the island; wage rates paid were not uniform between the various branches of the service; and it was obvious that the official and unofficial army rates of pay were in most cases too high, and in some too low. Wages were not related to the economy of the island, and in cases where they greatly exceeded prevailing customary rates, were drawing persons away from private and Government employment and adding to the spiral of inflation. The lack of an official Armed Forces wage policy and scale caused confusion in the labor market. In view of these circumstances conferences were called by the Labor Section of A.M.G. attended by representatives of the Allied Armies, Navies, and Air Forces, and

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uniform wage scale was adopted (Ex. D). The scale was promulgated by A.M.C. and issued to all of the branches to be reassigned in route to military orders or directives. The scale became effective 1 October 1943, and included 171 working categories. In addition, it was agreed that periodic joint conferences would be called by A.M.C. for further revision of wages and addition of job classifications. It was also agreed that if between conferences a branch had to establish a rate for a job not covered by the uniform scale, that it would be submitted to A.M.C. for study and determination and when fixed would be made uniform for that job throughout the island. Basic conditions of employment were also established and made part of the wage publication. An effort was made to eliminate the wide discrepancies between wages paid by the military and those prevailing in other fields. It was borne in mind that the scale would establish an island wide precedent which would eventually be reflected in wages paid to government and private employees. The result was that approximately 50% of the then existing military rates of pay were reduced from L 10 to L 30 per day, while in other cases rates were left unchanged, and in some cases increased. (Comparison of Exs. A, J, and D will disclose the adjustments made.) While the uniform scale was not the answer to the wage problem as such, it was of constructive value since it established a uniform wage scale and policy; stabilized wages and wage procedure; and revised rates to a more economically desirable level. Second, was the question of Governmental Employees, and third, Private Employees. This question was complicated by an elaborate Italian wage structure which had been confused during Fascism by the addition of many allowances (more than 38 in the case of Governmental employees) which were in each instance proclaimed as socially desirable government allowances, but were actually attempts to meet the rise in cost of living without admitting the fact. When cost of living increased, the State would add an indemnity for workers, but instead of calling it a cost of living adjustment, or wage increase, they would call it an indemnity for the "bombardamento", or appearing at work "presence", and thus hide its true purpose. The result was a "hidden wage" wage structure which started with a low base rate and concluded with an accumulation of indemnities which in many cases represented between 50 to 70% of a worker's total income. There was no relation between base pay, indemnities, and the job. Not only was the situation confusing to the workers, but universally resented because the wage was not stable, was in such form that it could be altered by the State at any time, and hence, threatened the worker's sense of security. It was found that neither employees nor employees were able to calculate the precise wage due employees. Examination of State Government payrolls disclosed that this

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- 6 -

and the Italian government before making changes which would so vitally affect the basic financial and economic structure of the country. (Ex. B - Rough draft of summary report.)

(c) Trade Unions and Labor Relations.

(1) There was no free labor movement or industry association under Fascism. State labor-industry control was the key to the Fascist theory of government and was accomplished through the Corporative Syndical System. The syndicate was the basic cell of the Fascist social and economic concept. Workers and employees within certain occupations were organized into separate syndicates and permitted to function by positive law. The economic field (except government) was divided into industry, commerce, banking, and agriculture. In addition there was the group known as artists and professional men. Each of the aforementioned economic divisions had a separate independent organization for employees and employers, except artists and professional men, who were combined into one organization. Each province had 9 such organizations known as provincial "Unions". Syndicates were constituent members thereof. Provincial Unions then selected representatives which composed the Federations, and the Federations selected representatives for the Confederations. The Federations and Confederations were situated in Rome and represented the Unions involved, but at different levels. All representatives of each unit starting with the basic syndicate and ending with Confederations had to be members in good standing of the Fascist party and approved by Mussolini. That was the syndical structure. On top of that was the corporative superstructure. This was composed of 22 Corporations, the members of which were Confederation delegates and Fascist party members appointed by the Ministry of Corporations. Each Corporation represented a whole cycle of an economic activity. At the head of these Corporations sat the Minister of Corporations -- Mussolini.

(11) Workers and employers paid dues in the form of syndical taxes. Dues were deducted from payrolls by employers and sent directly to the Ministry of Corporations in Rome, not to the syndicates. Rome decided how much was necessary for the next annual budget of the syndicates, and sent same to the Provincial Unions for allocation to itself and syndicates, and kept the balance. Collective labor agreements were negotiated by the Federations and approved by Mussolini, after which they became the law of the industry involved. Members had no voice in them, or right of ratification. Contracts stipulated hours, wages and

employees within certain occupations were organized into separate syndicates and permitted to function by positive law. The economic field (except government) was divided into industry, commerce, banking, and agriculture. In addition there was the group known as artists and professional men. Each of the aforementioned economic divisions had a separate independent organization for employees and employers, except artists and professional men, who were combined into one organization. Each province had 9 such organizations known as provincial "Unions". Syndicates were constituted members thereof. Provincial Unions then selected representatives which composed the Federations, and the Federations selected representatives for the Confederations. The Federations and Confederations were situated in Rome and represented the Unions involved, but at different levels. All representatives of each unit starting with the base syndicate and ending with Confederations had to be members in good standing of the Fascist party and approved by Mussolini. That was the syndical structure. On top of that was the corporate superstructure. This was composed of 22 Corporations, the members of which were Confederation delegates and Fascist party members appointed by the Ministry of Corporations. Each Corporation represented a whole cycle of an economic activity. At the head of these Corporations sat the Minister of Corporations -- Mussolini.

(ii) Workers and employers paid dues in the form of syndical taxes. Dues were deducted from payrolls by employers and sent directly to the Ministry of Corporations in Rome, not to the syndicates. Rome decided how much was necessary for the next annual budget of the Syndicates, and sent sums to the Provincial Unions for allocation to itself and syndicates, and kept the balance. Collective labor agreements were negotiated by the Federations and approved by Mussolini, after which they became the law of the industry involved. Members had no voice in them, or right of ratification. Contracts stipulated hours, wages and working conditions. Strikes and lockouts were prohibited and punishable as crimes. Disputes were conciliated through machinery established in collective contracts. If the disputes were not adjusted through this channel, they were submitted to the Ministry of Corporations. If still unsettled, they would be referred to labor courts for final decision.

(iii) After examination of the Corporate Syndical System, conferences with pro-Fascist labor leaders, anti-Fascist groups, government representatives, employers, and workers and after an intensive survey of the island, it became

clear that the system should be abolished. Revision was impossible. It would have meant appointing administrators of syndicates, financing them, and hence complete government regulation and control. Continuation of the system meant continuation of Fascism. (This view was concurred in by the Finance Division, which had already abolished the syndical tax.) The situation demanded a new start with an assurance to both employees and employers that they would not be coerced by government into any particular organization. Collective bargaining had been a mockery. Collective contracts were imposed by decree. The Corporative Syndical System was openly resented and protested against by the great majority of employers and employees. Syndicates were not labor organizations or trade associations, but rather agencies of the Fascist party. The system to the public meant abject slavery, and they literally asked to be freed from it -- not by half measures, but by a clean sweep which would leave them free to digest their new liberty and decide on a fresh course of action. It was, therefore, decided that each group should be left to build for itself what it thought would best serve its purposes, the social and economic welfare of the island, and its sense of freedom and liberty. To this end, the Fascist Corporative Syndical System was dissolved and all Fascist officials removed.

(iv) Various plans were drafted to accomplish the objective stated above. Plan "B" was finally approved (Ex. F) and was signed on 24 September 1943 to become effective 1 October 1943 as General Order No 8 (Ex. G). This plan dissolved the Corporative Syndical System, established a system of Provincial Labor Offices, a Regional Labor Office for Sicily, method of adjusting labor disputes; and assured a free labor movement for Sicily. Rules and Regulations were issued to aid in effectuating the order (Ex. H), and a covering letter of preliminary instructions to all S.C.A.O.'s to emphasize its importance (Ex. I).

(v) To ensure stability during the period of transition from the old system to the new freedom, Administrative Instruction - Labor No 2 was issued (Ex. J). It provided for continuation of the substantive law, wage, and condition of employment provisions of existing collective agreements pending opportunity for revision.

(vi) The Inspectorate Corporative which was a direct representative of the Ministry of Corporations in Rome and functioned in Sicily for the purpose of inspecting health, hygiene, and similar laws for workers was continued, though trans-

associations, but they literally system to the public meant subject slavery, and they literally asked to be freed from it -- not by half measures, but by a clean sweep which would leave them free to direct their new liberty and decide on a fresh course of action. It was, therefore, decided that each group should be left to build for itself what it thought would best serve its purposes, the social and economic welfare of the island, and its sense of freedom and liberty. To this end, the Fascist Corporative Syndical System was dissolved and all Fascist officials removed.

(iv) Various plans were drafted to accomplish the objective stated above. Plan "B" was finally approved (Ex. 2) and was adopted on 24 September 1943 to become effective 1 October 1943 as General Order No. 2 (Ex. 6). This plan dissolved the Corporative Syndical System, established a system of Provincial Labor Offices, a Regional Labor Office for Sicily, method of adjusting labor disputes; and assured a free labor movement for Sicily. Rules and Regulations were issued to aid in effectuating the order (Ex. H), and a covering letter of preliminary instructions to all S.C.A.O.'s to emphasize its importance (Ex. I).

(v) To assure stability during the period of transition from the old system to the new freedom, administrative Instruction - Labor No. 2 was issued (Ex. J). It provided for continuation of the substantive law, wage, and condition of employment provisions of existing collective agreements pending opportunity for revision.

(vi) The Inspectorate Corporative which was a direct representative of the Ministry of Corporations in Rome and functioned in Sicily for the purpose of inspecting health, hygiene and similar laws for workers was continued, though transferred to administrative and other purposes to the new Regional Labor Office for Sicily (Ex. K).

(vii) On 10 October 1943 labor proposal No. 3 was prepared and submitted for approval (Ex. L). The purpose of this proposal was to clarify the question of whether or not General Order No. 2 actually gave employees the right of selection of representatives for purposes of collective bargaining, and to round out the labor program. The proposal was submitted to AFHQ, MCS for instruction. No reply to date.

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## 3. Conclusion.

a. Part I. By 26 October 1943 AMGOT had accomplished the following in the field of labor:

- (1) Established a uniform wage scale for Sicily governing civilians employed by branches of the Armed Forces.
- (2) Completed a study of the Italian wage structure and system with recommendations for revision and adjustment.
- (3) Completed a cost of living study for Sicily (Ex. N).
- (4) Concluded the task of procuring and supplying labor to branches of the Armed Forces.
- (5) Abolished the Fascist Corporative Syndical System.
- (6) Substituted civilian government agencies for handling labor problems subject to A.M.G. guidance and supervision.
- (7) Consolidated under the Regional Labor Office for Sicily previous Fascist functions which were found to be of benefit to workers and the public; having eliminated those which were found objectionable.
- (8) Provided a machinery for present and future self determination of labor disputes and contracts.
- (9) Assured a framework for a free labor and trade association movement.
- (10) Initiated a study of cooperatives, workmen's compensation, and public health systems.

b. Part II. As of 26 October 1943 there was considerable unrest among the workers who were asking for wage increases to meet the higher cost of living. Several unions had been organized on 18 October. The most prominent in Palermo (Ex. N). The public was voicing itself in the first free press that they have had in 25 years, in questions relating to labor. There had been no strikes or lockouts. There had been 4 important labor disputes between employers and employees, all of which were resolved by agreement between the parties after reference by employer and employee representatives to the new Regional Labor Office. The outstanding grievances were security of food, the growing black market, and rising cost of living.

c. Part III. A framework for democracy in labor and in-

System.

- ⑤ Abolished the Fascist Corporative Syndical
- ⑥ Substituted civilian government agencies for handling labor problems subject to A.M.S. guidance and supervision.
- ⑦ Consolidated under the Regional Labor Office for Sicily previous Fascist functions which were found to be of benefit to workers and the public; having eliminated those which were found objectionable.
- ⑧ Provided a machinery for present and future self determination of labor disputes and contracts.
- ⑨ Assured a framework for a free labor and trade association movement.
- ⑩ Initiated a study of cooperatives, workmen's compensation, and public health systems.

b. Part II. As of 26 October 1943 there was considerable unrest among the workers who were asking for wage increases to meet the higher cost of living. Several unions had been organized on the island. The most prominent in Palermo (Ex. N). The public was voicing itself in the first free press that they have had in 25 years; on questions relating to labor. There had been no strikes or lockouts. There had been 4 important labor disputes between employers and employees, all of which were resolved by agreement between the parties after reference by employer and employee representatives to the new Regional Labor Office. The outstanding grievances were scarcity of food, the growing black market, and rising cost of living.

c. Part III. A framework for democracy in labor and industry has been established in Sicily. The third phase will answer the question of whether or not the Sicilians will responsibly accept their new challenge of freedom. Much will depend upon the ability of the population and the Allies to meet the need for procurement and supply of food, eliminating the black market, and arresting the rise in cost of living.

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