Unclassified E.O. 12356 Section 3.3/NND No. 785016

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REPORTS - MONTHLY LABOR S/C

NOV. 1943 - DEC. 1944

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FILE COPY

HEADQUARTERS ALLIED COMMISSION
APO 394
LABOR SUB-COMMISSION

JRS/rmw

16 December 1944

TEL : 478304

REF : 091.4322

SUBJECT: Summary of November 1944 Report on Activities of the Labor Sub-Commission

TO : Economic Section

1. The present labor situation is still fraught with many dangers and although wage adjustments upward have stemmed the tide in most instances, the real answer to industrial peace still remains the same -- sufficient food.

2. Out of the small Labor Sub-Commission staff, a number of Officers have already been transferred and assigned to forward regions. Reports already in on the activities of these Officers indicate the seriousness of the problems to be met forward. Unfortunately, inadequate transportation as well as inadequate personnel hampers the work of the Sub-Commission when so large an area must be covered.

3. The Labor Sub-Commission has time and again stressed to the Minister of Industry, Commerce and Labor the importance of legalising the Regional and Provincial Labor Offices in Italian territory by Royal Decree. Reports from various areas show the increasingly prominent role that these Labor Offices are playing in the labor field. It is felt that further delay in this action is unjustified and is effecting the efficacy of the work being done.

The Labor Offices are the machinery through which the Italian Government can study and solve labor problems, and through which a free and independent trade union movement can obtain services. A few of the many problems pursued by the Labor Offices are:

a. To follow the labor phenomenon in its social aspect with a view of being always informed of developments.

b. To study labor problems and provide regular compilation of labor statistics.

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c. To favour the peaceful settlement of labor disputes through conciliation, mediation and arbitration, thus offering, therefore, the contending parties a meeting ground as well as a legal means of composing their differences.

d. To control and supervise a placement of labor which, according to the decisions of an International Labor Conference, should be a gratuitious State responsibility.

e. To supervise the recognition and enforcement of all social legislation..

4. The Labor Sub-Commission raised no objection to the reestablishment of the Offices of Port Captaincies nor to the registration of seamen through the Personnel Section of that office, providing that these "Capitanerie di Porto" charge no fees and that such registrations will not result in a monopoly of employment process.

5. The labor situation in the Livorno-Pisa area has been complicated by short supply, concentration of various Allied units with crossing jurisdictional lines of authority, and other problems made important by the fact that this Port is a base of supplies for operations on the fighting front. Upon the request of the Regional Commissioner of Toscana Province, the Base Purchasing Agent of PBS, 5th Army, Royal Navy and other units, a special Headquarters Labor Officer was detailed as a single authority to coordinate all the labor activities in this area. In the main, problems presented were comparable to those faced last winter in the Port of Naples. Results already achieved justify the continued assignment of our representative for an indefinite period.

6. Wage agreements entered between employees and employers of the "S.I.N.L.T.E.", Naples; NAPLES - PIEDIMONTE D'ALIFE RAILROAD; and COMPAGNIA CONTINENTALE BRUNT were reviewed and approved by this Sub-Commission during the month.

7. Independent investigations were carried out by this Sub-Commission following the Palermo Riot of 18 October, to ascertain the causes of the incident from the Labor standpoints. As the result of contacts made with unofficial sources, it developed that the main cause of the demonstration was of an economic and not political character. Good judgment on the part of the Civil Authorities could have easily avoided the tragic denouement. The demonstration arose out of the following unsolved problems:

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a. Increase in the ration of bread to 500, or 400 gr.

b. Energetic control of prices.

c. Elimination of black market speculation.

d. Higher wages.

8. In order to parallel the Italian Royal Decree of 31 October calling for an increase of wages in private industry, the Special Sub-Committee of the Labor and Wages Control Committee, approved an increase in the Allied Forces Wage Scale, granting from 40 to 60 lire per day as addition to the Armed Forces workers present wage. This increase, effective November 16, was proposed with a view of meeting the higher cost of living and restoring the preferred position of the Armed Forces.

9. The plan to give full social insurance coverage to Italian workers employed directly by the Allied Forces in all of Italy received final clearances by both the Italian Government and Allied Forces during the month and was scheduled to be in effect on and after 1 December.

10. Progress was exceptionally noted in the registration of labor. New registration forms have been completed and distribution to all areas will be made shortly. Better and more efficient control of several phases of labor activities will be made henceforth.

11. In the Lazio-Umbria Region the request for supply of labor to Allied Units was on the increase and our labor supply office has been very active. During the month, of the 85 requests processed from the Allied Units, a total of 1105 employees in various categories were made.

The exact statistics on the number of persons unemployed and available for work is difficult to obtain. Though the Rome Province Labor Office registered 49,725 unemployed it is still an incomplete return. A conservative estimate of unemployed figures for the whole of LAZIO-UMBRIA Region is 185,000.

12. In AMG 5th Army territory, the following figures are of interest: There are 51 Labor Supply Offices in the area now in operation --

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Florence: 18 offices.....	Men	1601		
	Women	633		
	Total		2234	
Pistoia : 22 offices.....	Men	215		
	Women	---		
	Total		215	
Lucca : 11 offices.....	Men	4712		
	Women	---		
	Total		4712	
Total offices...51			GRAND TOTAL....7161	

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

4322

HEADQUARTERS ALLIED COMMISSION
APO 394
LABOR SUB-COMMISSION

REF. : LABOR 091.4323 13 December 1944

SUBJECT: Report of Activities of the Labor Sub-Commission for the month of November 1944.

TO : Economic Section.

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O U T L I N E

A. LABOR RELATIONS, LAWS AND REGULATIONS
B. WAGES, HOURS AND WORKING CONDITIONS
C. SOCIAL INSURANCE, BENEFITS AND TRAINING
D. STATISTICS, MANPOWER
E. REGION REPORTS, MISCELLANEOUS
F. STAFF CHANGES

A. LABOR RELATIONS, LAWS AND REGULATIONS

1. Wage and comparative living cost studies were continued in several cities. This activity is a vital and important function since the information received forms a basis upon which demands for wage adjustments can be evaluated.

2. The present labor situation is still fraught with many dangers and although wage adjustments upward have stemmed the tide in most instances, the real answer to industrial peace still remains the same -- sufficient food.

4339

3. Out of the small Labor Sub-Commission staff, a number of Officers have already been transferred and assigned to forward regions. Reports already in on the activities of these Officers indicate the seriousness of the problems to be met forward. Unfortunately, inadequate transportation as well as inadequate personnel hampers the work of the Sub-Commission when so large an area must be covered.

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4. Several investigations have been made in areas where complaints have been received and strikes threatened. Most of the cases arose out of wild rumors regarding expected wage increases and odd payment benefits and in many cases had a strong political tinge.

5. The study of the cost of maintenance of Labor Offices (Italian) continued with the aim of combining, curtailing and streamlining the several Offices.

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6. Visits were made to the Regional Offices of the Ispettorato dell'Industria e del Lavoro in Bari, Potenza and other areas for a special survey on transportation problems of the Ispettorato. Transportation in most areas is critically short or non-existent and such lack detracts the activities of the respective inspectional operations.

7. The Labor Sub-Commission has time and again stressed to the Minister of Industry, Commerce and Labor the importance of legalizing the Regional and Provincial Labor Offices in Italian territory by Royal Decree. Reports from various areas show the increasingly prominent role that these Labor Offices are playing in the labor field. It is felt that further delay in this action is unjustified and is effecting the efficacy of the work being done.

8. The Labor Sub-Commission raised no objection to the reestablishment of the Offices of Port Captaincies nor to the registration of seamen through the Personnel Section of that office, providing that these "Capitanerie di Porto" charge no fees and that such registrations will not result in a monopoly of employment process.

9. No official recognition was given to Portual Companies at Italian Ports since recruitment for such labor is operated through the dependent employment offices of the labor office. The latter are non-political, charge no fees and are not union dominated.

10. At the press conference held by P.W.B. on 27 November representatives of the Labor Sub-Commission attended. The whole labor field was reviewed as an important factor in the Social life of a nation and it was stated in part: "That in a crisis such as we are going through here in Italy it has been our responsibility to foster the expeditious return to democratic methods and operation. As an example, our AMG Ordinances, have given labor the right to organize democratically, freely and independently; free from any interference in their internal organization by party politics and without racial and religious prejudices; democratic in its expression, and with a leadership coming from below and not imposed from above. The Trade Union movement has been allowed to express itself spontaneously and unhampered. Unfortunately, the foregoing ideas have not always been observed by certain political or other groups, or by certain individuals, and often partisan or personal interest have transcended the more general interests of the labor organizations themselves".

The AMG ordinances referred to, set up Labor Offices initially

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The AMG ordinances referred to, set up Labor Offices initially and these have been continued in Italian Government territory. These offices are the machinery through which the government can study and solve labor problems, and through which a free and independent Trade Union movement can obtain services. The governmental agency for the highly specialized operation and function of labor activities falls to the Labor Office. Under diverse names, these offices exist in all progressive democratic Nations. A few of the many problems pursued

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12. A complete confidential report of the Soviet Labor Delegation covering their visits, activities and repercussions was finally completed by Major Scicluna, the Official Labor Officer assigned to the delegates.

B. WAGES, HOURS AND WORKING CONDITIONS

408

1. Wage agreements entered between employees and employers of the "S.I.E.L.T.E.", Naples; NAPLES - PIEDIMONTE D'ALIFE RAILROAD; and COMPAGNIA CONTINENTALE BRUNT were reviewed and approved by this Sub-Commission during the month.

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a. Increase in the ration of bread to 300, or 400 gr.
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Special Sub-Committee of the Labor and Wages Control Committee, approved an increase in the Allied Forces Wage Scale, granting from 40 to 60 lire per day as addition to the Armed Forces workers present wage. This increase, effective November 16, was proposed with a view of meeting the higher cost of living and restoring the preferred position of the Armed Forces.

4. The matter of travelling allowances for civilians employed by the Allied Forces has been under study by the Resources Board since last August when a proposal submitted by the Labor Sub-Commission was favourably considered by the Labor and Wages Control Committee. Final action was taken by the A.F.L.R.B. on 11 November at which time it was agreed that a per diem allowance will be paid to clerical and supervisory grades at a rate ranging from 125 to 250 lire per diem, according to the category of the employee.

5. Inspectorial work involving wage studies continued with full liaison with the Provincial and Regional Labor Offices. Investigations were undertaken in several cases where alleged strikes were said to have occurred and threatened. The work was carried on as completely as a limited Headquarters Staff could permit. Lack of adequate transportation hampered the activities of field control, inspection and liaison services.

6. Many minor decisions involving labor questions and interpretations of the various wage orders were rendered.

7. The labor situation involving continued wage increases continued tense. Threats of strikes were prevalent throughout several industries but no major strikes occured. Negotiations by the Labor Sub-Commission played a large part in placating the workers demands.

C. SOCIAL INSURANCE, BENEFITS AND TRAINING

1. All Social Insurance work progressed according to schedule. Close Inspection was made in Rome areas where some complaints were made and where some instruction and training was required.

2. Close association was maintained with the General Directorate of Social and Private Insurance in the Ministry of Industry, Commerce and Labor and with the five major Social Insurance Institutes - Previdenza Sociale, Malattia and Infortuni (covering workers in non-government employment), Previdenza Statali and Previdenza Enti Publici (covering government employees). Technical reports

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3. The plan to give full social insurance coverage to Italian workers employed directly by the Allied Forces in all of Italy received final clearances by both the Italian Government and Allied Forces during the month and was scheduled to be in effect on and after 1 December. A provision for retroactive coverage to certify

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prior periods of employment is at the sole option of AFHQ employing units. The Italian Government will assume the costs of the plan as a contribution to the war effort. At the request of AFHQ, the Labor Sub-Commission, Allied Commission undertook the printing of the standard "Worker's Social Insurance Card" and "Worker's Employment Status Report" forms which will be used in the scheme. Bulk supplies of these forms are currently being distributed to various branches of the service together with a poster of the Ministry of Industry, Commerce and Labor explaining the plan to workers. The benefits under this scheme, will cover:

a. Illness of worker or of member of his family (free medical care and indemnity for worker during illness)
b. Unemployment (indemnity)
c. Tuberculosis (free medical care and indemnity)
d. Marriage and births (financial aid)
e. Invalidity and old age (pensions)

Workmen's compensation for accidental injury or death will continue as presently provided under AFHQ regulations.

4. The Allied Forces employing units assume the responsibility of the Social Insurance scheme in the following:

a. The paying officer or his delegate will see to the preparation of a "Worker's Social Insurance Card" for each worker employed. These cards to be maintained in an appropriate file during period of employment.
b. When employment terminates or is interrupted by illness, accident or other compensible contingency, the card will be completed, certified and given to the worker to enable him to establish his social insurance rights by turning in the card at the appropriate Italian Office. A new card will be prepared to cover any succeeding period of employment should he again return to work.
c. When a worker, during his period of employment, wishes to apply for medical care for a member of his family or for a marriage or birth allowance (i.e., a benefit not contingent on his own separation from work) a certification that he is currently employed by the Allied Forces will be given to him, at his request, on a "Worker's Employment Status Report" form.

D. STATISTICS, MANPOWER

1. Progress was exceptionally noted in the registration of labor. New registration forms have been completed and distribution to all areas will be made shortly. Better and more efficient control of several phases of labor activities will be made henceforth.

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D. STATISTICS, MANPOWER

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2. Several individual wage increases were examined by this Division and the completion of the enquiry into the actual wages received by various grades of workers of selected industries in Rome were made in conjunction with the Istituto Centrale di Statistica. Similar enquiries in the provinces are making only slow progress becaus of transportation difficulties.

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3. A statistical study was undertaken and a report prepared showing the effects, for employees and workers in Rome, of the new increases in private wages.

4. A compilation of the sections of laws and colletctive contracts establishing what contributions are payable on salaries and wages was made.

5. Studies continued and consultations were held with the Istituto Centrale di Statistica and the Provincial Labor Office concerning the preparation of unified method of computing the cost of living throughout Italy. A method was completed based on a "theoretical" budget and an alternative method based on "actual" food expenditure is now being prepared.

6. The classification study of the various categories and positions continued and the results of its activity was noted.

7. Cost of living, prices paid for food and wages paid in comparison to costs of foodstuffs were studied with every effort being made to obtain this information first hand and by reason of close personal contacts.

E. REGION REPORTS

SICILIA REGION

1. Labor relations during this month have shown an improvement over October and no serious strikes have occured. This is due mainly to the high cost of living indemnity and increase in family allowances to be granted to all emplcyees by the Government. These increases have been favourably received by employees. In general, employers are complying with the terms of the Royal Decree. A strike was threatened by the employees of the National Bank of Italy for a payment of a daily subsistence allowance similar to that which is alleged to be paid in Rome. The matter is under discussion.

2. The revised Sicily Wage Scale for employees of the Allied Forces has been made retroactive to 1 October 1944 in order to come into line with the mainland. As a result of the Italian Governments announcement to pay a "Carovita" indemnity and increase in family allowance, AFHQ have authorized certain increases for employees of the Armed Forces, effective 16 November.

3. It has been found necessary to review the Stevedores' Contract as applicable to Sicily. Revised contracts have been prepa-

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3. It has been found necessary to review the Stevedores' Contract as applicable to Sicily. Revised contracts have been prepared by the Wages Division in conjunction with MWT showing an upward revision of the tonnage rates. These have been forwarded to AFLR (It.) Board for confirmation.

4. The question of Social Insurance for Employees of the Allied Forces has been the subject of discussion at Royal Navy and U.S. Naval Establishments. The general feeling among these Naval workers

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is that nothing is being done for their social welfare.

5. Much useful information on labor problems in Sicily was obtained by the Regional Labor Officer upon his visit to Rome H.Q.

LAZIO-UMBRIA REGION

1. a. The new Indennità Carovita and Assegni di famiglia Decrees were finally published and made law. Labor is now settling down to absorb the advantages that these concessions of law has given them.

b. Informal conversations with various labor leaders were conducted earlier in the month. Labor Leaders were again reminded that they would be held personally responsible for the cessation of any operation upon which the military was dependent, more so than the laborers they represent.

c. Part of the program of the Italian General Confederation of Labor and of the Rome Chamber of Labor, was the "Mense Aziendali" which is similar to the mid-shift meal of Allied Employees, though broader in its application. From the period of 1 November to 15 November the member of such messes in Rome increased from 234 to over 500.

d. Epuration appears to be nil and at a standstill. The presence of known fascists in private industry, public utilities, and semi-governmental organizations is a continuing source of irritation to organized labor.

2. Several meetings of Hotel and Restaurant workers were held in Rome for readjustment of Allied Forces wage scale. It is felt by many in Rome that the margin between wages of unskilled labor and skilled (trained personnel) labor is too slight.

3. Unrest of a political character in the Forlanini Hospital is reflecting on the care of its 2500 patients. Politics should not be permitted to encroach upon the professional medical personnel of any such institution. This is an activity of Istituto Nazionale della Previdenza Sociale.

4. a. The request for supply of labor to Allied Units was on the increase and our labor supply office has been very active. During the month, of the 65 requests processed from the Allied Units, a total of 1105 employees in various categories were made.

b. The exact statistics on the number of persons unemployed and available for work is difficult to obtain. Though the Rome Province Labor Office registered 49,725 unemployed it is still an incomplete return. A conservative estimate of unemployed figures for

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4. a. The request for supply of labor to Allied Units was on the increase and our labor supply office has been very active. During the month, of the 65 requests processed from the Allied Units, a total of 1105 employees in various categories were made.

b. The exact statistics on the number of persons unemployed and available for work is difficult to obtain. Though the Rome Province Labor Office registered 49,725 unemployed it is still an incomplete return. A conservative estimate of unemployed figures for the whole of LAZIO-UMBRIA Region is 125,000.

5. a. A visit was made to the Travertine Quarries at Tivoli with Dott. Togni, Rome Province Labor Director, where 3000 workers are unemployed due to the inactivity of the quarries. Every assistance and priority should be given to such community industries that depend on local manual labor and require but little materials for reactivation. The same applies to the coal mines at Rieti and the factories at Perugia that have also been idle and inactive.

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b. Drastic cuts in the Budgets of the Provincial Labor Office by the Ministry of Labor will eventually result in undue restrictions of their favorable accomplishments. The Ministry is also calling for nomination of Communal Collocatori which in operation is uncalled for and tends to merely replace the collocamenti of Provincial Labor Offices.

SOUTHERN REGION

1. In Naples zone, the month was comparatively quiet and there were no large disturbances. Dock workers continued their requests for clothing and shelter and it is hoped that clothing (at least) may be available soon.

In Bari zone there were several minor strikes all of which were settled in a short time. Nearly all of these disturbances were the result of delay in the announcement of the Carovita Decree. In one case Communists seized land belonging to peasants but this too was settled. The Bari port workers continue to agitate on the question of the Indennità di Presenza and an early action by the Ministry is essential to avoid a major disturbance.

In Taranto zone there was the usual Communist activity but no labor disturbance. In Catanzaro the S. Electrical Company threatened a strike because of the differences of the terms of wage increase agreement. The matter is still under discussion.

2. Although complaints of pirating of workers from the Armed Forces continue, no case has been recorded of pirating since the increase of 1 October.

3. At least two Public Companies (SME and Gas Co.) have made gifts of 100 lire per head to their workers under the guise of an advance of 13th month pay and Xmas gratifica. It is alleged that they have a secret agreement with the workers not to demand repayment. This led on the 30th to a threat of a strike in the Telephone Co. and the matter is under active investigation.

4. Social insurance has continued satisfactorily. The Istituto Infortuni sul Lavoro has opened an office in Naples which is now functioning to the satisfaction of those concerned.

5. Appointment of Prof. S. Remigio as Provincial Labor Director of Matera was made by the Ministry.

A.M.G. TOSCANA REGION

1. Lt. Col. [illegible]

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A.M.G. TOSCANA REGION

1. Lt. Col. J.O. Babcock has taken over the Leghorn area to handle the special and unique labor problem involved there, directly under Labor Sub-Commission Headquarters. The present arrangement is highly satisfactory as the Leghorn situation is one of the most serious and of great importance to the Allied Forces.

2. Supply and demand of labor is, in general, very well balanced in the Region. Leghorn port shows a shortage of labor for the Armed Forces, whereas Piombino shows an unemployment problem.

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The Piombino unemployment problem is serious and under study and recommendations will be made to Industry and Commerce for projects to relieve the situation.

3. A Provincial Labor Office was established in Arezzo and Dr. Paolo Rafanelli was selected as Director.

A.M.G. 5th ARMY

1. The Ministerial crisis at Rome has had a direct effect on the activities within the General Confederation of Labor in the Army area.

2. Some internal friction has been reported in the Camera Confederale del Lavoro in Florence. The Socialist and Communist secretaries have gone to Rome for a General Conference. No unrest reported in either Lucca or Pistoia.

3. Social Security operations in Florence have been hampered to some extent by lack of transportation notwithstanding the attempt of this Division to assist with transportation whenever possible. The Cassa Malattie in Pistoia reports some financial difficulty owing to the fact that most of the industry is out of action. Social Security operations in Lucca are considered normal.

4. The Labor demand in Florence exceeds the Labor supply except in case of white collar workers. In some instances labor is imported in order to satisfy requests. In Pistoia the labor supply exceeds the demand and unemployment statistics show a figure of 1071 persons out of work. The supply and demand are balanced in Lucca.

Following are the statistics for the fifty one Labor Supply Offices in this area that are now in operation, and the number of persons referred to work for the month of November:

Florence	: 18 offices.....	Men	1601	
		Women	633	
		Total		2234
Pistoia	: 22 offices.....	Men	215	
		Women	---	
		Total		215
Lucca	: 11 offices.....	Men	4712	
		Women	---	
		Total		4712
Total offices..... 51		GRAND TOTAL		7161

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SARDINIA REGION

1. a. With the coming of winter working conditions will become very serious on account of lack of food and clothing.

b. Unemployment is spreading in the building industry, especially in the province of Sassari. The Società Carbonifera Sarda

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cannot increase production for lack of specialised manpower. Another important factor is that the low wages, clothing and food are insufficient for the maintenance of mine workers.

F. STAFF CHANGES

Col. J.T.R. BAIN (B) transf to United Kingdom

Maj. R.M. ALBRIGHT (A) transf to Emilia Region

Capt. R. FRAZER (A) transf to United States

Capt. M.L. SCHNEE (A) transf to Toscana Region with temp. duty 5th ARMY A.M.G.

Lt. C.F. MASON (B) transf to Hq. with temp. duty Sicilia Region

Pvt. M.A. WATKINS (A) transf to Hq and then to Emilia Region.

Junius R. Smith

JUNIUS R. SMITH
Colonel, QMC
Acting Director

declassified E.O. 12356 Section 3.3/NND No. 785016

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File L5C monthly 930.7 4/3

Reports

15 Dec. 1944

MONTHLY LABOR REPORT

Law enforcement and Regulations

The Regional Offices of the Ispettorato dell'Industria e del Lavoro in Bari and Potenza were visited by a representative of the Labor Sub-Commission during this month in order to complete the survey of the transportation problems of the Ispettorato. It is hoped that transportation will be available within the next month (or two at the most).

A man has been appointed to act as liaison officer between the Regional Labor Offices and the Labor Sub-Commission. This should help bring about a more uniform application of the various labor laws and regulations. Emphasis, however, will be placed on the functions of the Labor Offices in AMG territory.

ORATIO G. CERRITO

/ps

Declassified E.O. 12356 Section 3.3/NND No. 785016

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monthly report 5

TO : Capt. DORF.

STATISTICAL DIVISION

During the Month of November this division has in addition to its routine activities such as examining individual wage increases by particular groups of workers engaged in the following particular studies.

a. The completion of the enquiry into the actual wages received by various grades of workers of selected industries in Rome made in conjunction with the Istituto Centrale di Statistica.

The similar enquiry in the provinces appears to be making only slow progress, presumably because of transportation difficulties.

b. A statistical study was prepared showing the effects for employees and workers in Rome of the new increases in private wages.

c. The compilation of the sections of laws and collective contracts establishing what contributions are payable on salaries and wages.

d. Work was continued and consultations held with the Istituto Centrale di Statistica and the Provincial Labour office concerning the preparation of a unified method of computing the cost of living throughout Italy. A method was completed based on a "theoretical" budget and an alternative method based on "Actual" food expenditure is now being prepared.

6 December 1944

Capt. J. TOPLISS

Declassified E.O. 12356 Section 3.3/NND No. 785016

FILE COPY

HEADQUARTERS ALLIED COMMISSION
APO 534
LABOR SUB-COMMISSION

JRS/tmw

Tel : 478804

14 November 1944

REF : 432c

SUBJECT: 500 Word Summary of October 1944 Report on Activities of the Labor Sub-Commission

TO : Economic Section

1. Colonel J. F. Smith has appointed Acting Director of the Labor Sub-Commission, vice Colonel J. T. H. Main. Colonel Smith has also appointed as Chairman of the Labor and Wages Control Committee of the Allied Forces Local Resources (Italian) Board, AFHQ.

2. Of particular interest was the visit of part of the Soviet Labor Delegation. In contra-distinction to the generally open and above-board approach made by the preceding American and British Labor Delegation, this group stressed their political background, and sought in every way to evade or ignore the travel arrangements made by AFHQ or ordered by the country by-passed. Major Pianzola who was originally assigned to them, and were in constant controversy with and generally accompanied by Signora Di Vittorio, the Communist secretary of the CGIL.

3. A draft decree concerning Chambers of Commerce, submitted to us by the Italian Government was altered so as to transfer all functions in the labor field to the Provincial and Regional Labor Offices.

4. This Sub-Commission has agreed with the Legal Sub-Commission on a draft of Rules and Regulations pursuant to General Order No. 28.

5. This Sub-Commission, particularly through the Chairmanship of the Labor and Wages Control Committee, took an active part in the matter of wage increases for the Allied forces and as a result the advance in the Armed Forces Wage Scale, which became effective 1 October, was further increased by a mandatory 40 to 60 lire daily increase in wages. This matches the action taken by the Italian Government on 31 October, which made effective a mandatory increase to workers in Italian industry in similar amounts.

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6. Page control can in part be exercised by the active Inspectional Service. Such a service, known as the Inspettorato del Lavoro, has been in existence since 1922, and representatives of the Labor Sub-Commission have recently made a number of trips in the field to aid in the re-activation of this excellent service.

7. Continued efforts have been made, within the means available to the Italian Government, to combat the serious effects of the five major social injustices previously listed, [illegible] private enterprise [illegible] [illegible] [illegible]

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HEADQUARTERS ALLIED COMMISSION
APO 394
LABOR SUB-COMMISSION

LABOR 091.4323

11 November, 1944

SUBJECT: Report of Activities of the Labor Sub-Commission for the Month of October, 1944

TO : Economic Section

OUTLINE

A. STAFF CHANGES.
B. LABOR RELATIONS, LAWS AND REGULATIONS.
C. WAGES, HOURS AND WORKING CONDITIONS.
D. SOCIAL INSURANCE, BENEFITS AND TRAINING.
E. REGION REPORTS, MISCELLANEOUS.

A. STAFF CHANGES.

1. Col. (Q.M.C.) Junius R. Smith (A) was appointed Acting Director of the Labor Sub-Commission vice Col. J.T.R. Bain. Col. Smith was also appointed as chairman of the Labor and Wages Control Committee of the Allied Local Resources Board (Italian) A.F.H.Q.

2. Lt. Col. Thomas A. Lane (A) asgd to AMG 5th Army.

3. Capt. Adams M. (B) trfd from Hq. to Lazio-Umbria Region.

4. Capt. Murray L. Schnee (A) trfd Co dy with Lazio Umbria Region.

5. Capt. John H. Moffitt (A) trfd from Lazio Umbria Region to Hq. and then to AMG 5th Army.

6. 1st Lt. John J. Cantilli (A) trfd from Southern Region to Hq. and then to 5th Army AMG.

7. Tec. 5 Thomas B. Woodward (A) trfd Hq. and then to S-4 Section.

8. Pfc. William (NMI) Nieto (A) trfd Hq. to G-1 (A) Section.

9. Pvt. Paul E. Carr (A) is relf fr temporary dy this Hq. and asgd to local Govt. Sub-Com.

B. LABOR RELATIONS, LAWS AND REGULATIONS

LA 091.3

1. The visit and Tour the Soviet Labor Delegation

The following delegates from the USSR Labor Organizations are paying a visit in Italy:

Michael Petrovic Tarasov - Secretary of the Central Syndical Council of the USSR

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Vasili Dementievic Akeenov - President of the Central Syndical Committee for the Mechanical Industries on the USSR

Piotr Vasilievic Scinpletzov - President of the Syndical Committee of Organisation for agricultural workers of the Ukraine and Modavia.

Dimitri Petrovic Scevliaghin - Secretary to the Soviet Labour Delegation.

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The delegates have been in contact with the Joint Secretariat of the CGIL since their arrival and under their aegis have been making an extensive tour of the Southern part of Italy to extend directly to the Italian workmen a message of goodwill from the Soviet organizations and in order to study the conditions of work in Italy. During their tour they have addressed many mass meetings and they have been the guest speakers at numerous gatherings of labour organisers, arranged by the local Camere del Lavoro of the towns visited in Southern Italy, Sicily and Sardegna. They have also visited the principal industries in these towns.

The Delegation returned to Rome on the 30th October and are once more in contact with the C.G.I.L. Secretariat. They will be the guests of honour at a mass meeting to be held on Sunday 5th November.

There are three important observations to be made concerning this tour:

a. Reports from the field stress the political complection of the tour.

b. The Delegates, at all times, merely "suffered" the travel arrangements made by A.C. on order of AFHQ and ignored or evaded the official military representative sent to accompany them.

c. Sig. Di Vittorio the Communist Secretary of the C.G.I.L. was much in evidence throughout the tour.

2. Draft Decree on Chambers of Commerce:

The Labor Sub-Commission discussed with Commerce S/C the draft decree concerning Chambers of Commerce. In Article VIII of this draft it is stated that, pending the enactment of an additional decree further defining the functions of the new Chambers, the present Chambers of Commerce shall continue the powers and duties already granted to the councils and provincial offices of the Consiglio dell'Economia. The Labor S/C requested that approval of the proposed draft decree be withheld until the Italian Govt. amends the decree to eliminate from the Consiglio dell'Economia those functions which are now entrusted to Provincial and Regional Labor Offices.

It is also recommended that the contribution of 0,25 per Lire 1.000 due from social insurance institutes should be excluded from the contributions and taxes due to the Chambers of Commerce and should be either suppressed altogether or allotted to the Provincial Labor Offices.

3. Rules and Regulations on G.O. 28

The Labor S/C submitted to the Legal S/C a second revision of Rules and Regulations pursuant to G.O. No. 28, incorporating suggestions made by Legal S/C with articles included in the previous draft of the Labor S/C and believed essential for the final draft.

C. WAGES, HOURS AND WORKING CONDITIONS

1. Effective 1 Oct. 44 the Allied Forces Wage Scales were increased by from 10% to 33% in different categories in an effort to partially meet the rising cost of living and to provide a proper differential between private wages and those paid by the

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C. WAGES, HOURS AND WORKING CONDITIONS

1. Effective 1 Oct. 44 the Allied Forces Wage Scales were increased by from 10% to 33% in different categories in an effort to partially meet the rising cost of living and to provide a proper differential between private wages and those paid by the Armed Forces. This action, finally taken by A.F.Hq. was the end product of a recommendation first made by the Labor Sub-Commission in July. The first proposal was rejected, only to be followed by a lengthy cost of living study and an analysis of industrial wages. These studies, completed in early September, made it clear that the original recommendation was fair and sound, and the reviewed recommendation was passed without a dissenting vote by the Labor and Wages Control Committee before its presentation to the Allied Local Resources Board (Italian).

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2. During the month of October the whole wage front cracked wide open. In eight months the Labor Sub-Commission has successfully "held the line" retreating from its original position from time to time by the granting of upward wage adjustments. Finally however the combined effect of high legal prices, even higher black-market prices, pressure from organized labor, a weak Italian Government and orders from our own governments, forced a wholesale retreat, if not a route on the wage front. These three things happened:

a. On 31 October the Italian Government passed a decree giving a 35 lire a day wage increase to all privatly employed male workers who were heads of families and were earning 3600 lire per month or less slightly less amounts were decreed for other types of workers. The publication of this decree was bitterly contested by the Labor Sub-Commission on several grounds worthy of notice:

(i) The decree was so written that it did not simplify the existing complicated Italian private wage structure.

(ii) The decree recognized all illegal wages that had grown up throughout the past few months by computing the increase on the amounts paid on 16 July 1944. This means a radical departure from all control efforts exemplified by the Labor Sub-Commission in attempting to establish percentage increases on a determined legal base wage as defined in collective contracts. Hence, all normal controls over wages were not only destroyed but the vast amount of wage information that had been collected over the past year became useless.

(iii) The decree provides that the increases shall be mandatory rather than permissive on all private employers. This is so unsound, from a same economic point of view as the make further comment needless.

b. Coupled with this wage increase decree was a proposal to increase family allowances in such a manner that a worker with a wife and two dependent children would receive about 20 lire a day more than he had previously received. This 20 lire when added to the 35 lire increase of the wage increase decree means that such workers will receive a grand total of 55 lire increase in their daily wage.

c. A third decree was put in the mill by the Italian Government. It dealt with the wage problems of public employees. This decree was more conservative in amounts, did simplify the wage structure and was accepted in principle by the Labor Sub-Commission. The public servants wages lag for behind other wages anyways, so upward adjustment seemed to be in order. The decree was not yet in effort at the close of the month.

4929

d. These three decrees made it mandatory that the Armed Force Wage Scale be adjusted upward again if the superior manpower attraction wage position of the Allied Forces was to be maintained. As the month closed plans were being made for such emergency action.

3. Wage control can, in part, be exercised by an active inspectional service. In the September report mention was made of a study of the Italian inspectional service known as the "Ispettorato dell'Industria e del Lavoro". That survey has provided basic information for incorporating much of that agencies former activities

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The Ispettorato was established in 1906. Before the war the Ispettorato had 27 circuits throughout all of Italy. These circuits are comprised of two or more Provinces. These circuits had a staff of 1,295 employees. At the present time the Ispettorato operates only 10 circuits in that part of Italy which has been turned back to the Italian Government and operates with a staff of 350 (286 civilians and

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64 militia men of the Royal Carabineer Army) employees.

The expenses for the operation of the Ispettorato were formerly covered by the state for a maximum of 12,500,000 lire annually. The remaining expenses were covered by contribution paid by various governmental insurance agencies for which the Ispettorato performed inspection and surveillance functions. At the present time the full financial burden is borne by the state and it is estimated that amount will be 16,537,500 Lire for the current fiscal year (1944-1945).

At the present time the functions of the Ispettorato are as follows:

1. To examine and test freight elevators in industrial and agricultural concerns and to insure the safe operation thereof.

2. To control the operation of boilers and steam engines. Examine applicants who wish to become boiler operators and to issue certificates to all successful applicants. Issue certificates to machinists of the Royal Navy, Merchant Marine, railroads, and military establishments.

3. To control flour mills and bakery and macaroni industries with special emphasis on the hygienic conditions thereof. In the case of new flour mills, bakeries and macaroni factories, the Ispettorato determines the public convenience and necessity of such new mills and bakeries.

4. To have technical control of, and collection of statistical data from firms engaged in regeneration of lubricating oils and fats.

5. To collect statistics for the Minister of Labor on national production, regulations and remuneration of labor, and other industrial activities.

6. To make safety and health inspections in all establishments for compliance with the various laws which pertain to them.

7. To gather statistics and make technical and economical inquiries as requested by the ministry or the prefects.

8. To supervise the enforcement of all labor laws in industrial, commercial, and agricultural establishments with special emphasis placed on those dealing with social insurance.

9. To establish technical boards which make decisions on controversies on piece work rates.

b. An inspectional service to be effective must be active. As one effort to reactivate this service two representatives of the Labor Sub-Commission surveyed the field offices of the Ispettorato for the purpose of

a. Determining what its relationship should be to the Regional and Provincial Labor Offices, and,

b. Assisting in the provision of better transportation in order that inspectional work might be carried on outside of the cities where the offices were located.

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9. To establish technical boards which make decisions on controversies on piece work rates.

b. An inspectional service to be effective must be active. As one effort to reactivate this service two representatives of the Labor Sub-Commission surveyed the field offices of the Ispettorato for the purpose of

a. Determining what its relationship should be to the Regional and Provincial Labor Offices, and,

b. Assisting in the provision of better transportation in order that inspectional work might be carried on outside of the cities where the offices were located.

5. Activities of the Statistical Section

a. At the beginning of the month two members of this Division, Drs, Carta and Maani resigned but upon consideration it was decided that there is no need to replace them immediately. It is anticipated however that early in the new year the volume of work of this Division will increase considerably and it will then be necessary for the Division to return to its former size.

b. During the month careful studies have been made of the data concerning cost of living submitted to the Sub-Commission from various Regions.

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It has become obvious that some Regional and Provincial Labor Offices require guidance in this matter and also that it is essential that some uniform method of computing these figures be adopted. A comprehensive scheme, therefore, for determining cost of living throughout Italy has been prepared together with full instructions regarding the compilation of such data. This is almost completed and when ready will be sent to the Regional Labor Offices. This scheme has been prepared after consultation with the Central Statistical Institute, Rome Labor Office and the Camera Confederale del Lavoro.

c. A comprehensive study of the Italian Government proposals for the increase of Salaries of State employees has been made and several modifications were suggested.

d. An enquiry was made into the position of Female Employees of the State in order to determine how far the principle of "equal pay for equal work" operates in Italy. This information was required to support the equal salary scales for both sexes engaged in office work provided for in the new "Armed Forces" wages scales initially prepared by this Division.

e. The proposals of the Italian Government to order increases of salaries and wages of employees of private firms have been examined and numerous tables and statistical data prepared in order to compute exactly the effect of these proposals and of such modifications as were suggested by the Sub-Commission.

f. The Inquiry into "Actual" wages paid throughout liberated Italy indicated by this Division in conjunction with the Central Statistical Institute has now commenced and the first completed questionnaires are now being returned from the Regions.

g. In conjunction with the Social Insurance Division a study is being made of the contributions paid by workers in respect of Social Insurance etc. in order to determine the possibility of some relief.

h. Throughout the month several wage agreements have been submitted for ratification and have been examined and a report furnished to the appropriate Division of the Sub-Commission.

1025

D. SOCIAL INSURANCE, BENEFITS AND TRAINING

1. Continued efforts were made during the month to facilitate the return to normal functioning of the national offices of the five major social insurance institutes - Previdenza Sociale, Malattia and Infortuni (covering workers in private employment); Previdenza Statali and Previdenza Enti Pubblici (covering government employees). All five agencies had inspectors in the field in both Italian Government and in AMG territory. Inspectors going to AMG provinces were furnished form-letters of introduction, to be presented to AMG officers concerned, identifying the bearers, explaining their missions and the extent of their responsibilities, and requesting that they be afforded all possible aid in restoring local social insurance services. Reports of inspectors on their field visits indicate that the plan is working successfully, with the resultant straightening out of a number of local organizational problems, including the improvement of service by Infortuni to Allied Force units in the handling of accident compensation for civilian employees.

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2. A draft decree on family allowances, one of the benefits administered by Istituto Previdenza Sociale, was approved in principle by the Council of Ministers 20 October, 1944, to provide:

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a. A fifty-per-cent increase in average allowances in the industrial and commercial categories combined with a leveling off of allowances for children in all economic categories, thus eliminating the Fascist demographic principle of higher allowances per child as family size increases.

b. A high-cost-of-living (carovita) allowance of 5 lire per day per dependent as a temporary flat addition to the revised regular allowances.

c. Elevation of the maximum salary of office workers (impiegati) subject to contributions for family allowances: at present contributions are levied against only the first L. 1500 monthly of an office workers salary; the new limit against which contributions are levied will be L. 5.000 monthly.

d. Re-definition of what constitutes dependency of parents. A number of technical details, having to do with the rounding off of allowance totals, extent of differentiation between allowances for the wife and for a child in different categories, and the treatment of employees of banks and credit institutions, who have always been in a preferred position, were the subject of conferences and agreement between the Ministry of Industry, Commerce and Labor and representatives of Labor and Finance Sub-Commissions, AC, during the month. A further point still to be decided before issuance of the final decree, involves its applicability to dependents of workers serving in the Italian Armed Forces and entitled to "richiamati" benefits.

3. Although the decree increasing family allowances is still in draft form, the Italian Government's general pay-increase decree for workers in private employment, which was signed 31 October, 1944, pledges adoption of the family allowance measure and specifically guarantees the "carovita" augmentation of L. 5 per day per dependent, retroactive to 16 August, 1944. In view of this fact and the increase in basis allowances approved in principle by the Council of Ministers, the following scale appears certain for workers in industry:

	Manual Workers (operai)	Office Workers (impiegati)
Wife	L. 10 per day	L. 12 per day
Each child	L. 9 per day	L. 11 per day
Dependent parent	L. 7,50 per day	L. 9 per day
Family of wife & 2 dependent children (national average size)	L. 28 per day	L. 34 per day

The present family allowance for a wife and two dependent children is L. 8.70 in the case of operai and L. 12.60 in the case of impiegati. Thus, the increase in average industrial family allowance may be put at approximately L. 19 for operai and L. 21 for impiegati.

4. Objection raised by the Ministry of the Treasury to certain features of the draft decree prepared by the Ministry of Industry, Commerce and Labor to provide social insurance for workers employed directly by the Allied Forces prevented the

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4. Objection raised by the Ministry of the Treasury to certain features of the draft decree prepared by the Ministry of Industry, Commerce and Labor to provide social insurance for workers employed directly by the Allied Forces prevented the hoped-for promulgation by 1 November of the plan which had been given final approval by Local Resources (Italian) Board early in October. Conferences between the two ministries concerned and AC representatives appear to have cleared up the technical and legal points at issue and procedures will be released to Armed Forces units immediately upon adoption of the implementing decree.

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who pays them. That is especially true for civilians working for the military. Some AMG employees are paying insurance from their wages and some are not.

4. General

As yet there has been no widespread sharp clashes of labour. However, there is a definite undertone of malcontent. It is being agitated by the Communist, and by the fact that their earnings will not buy what they need to live on; also they object to their low rations.

SARDINIA REGION

1. No changes have taken place during this month as regards wages or working hours. Working conditions have become harder on account of food, clothing, lodging and trasportation shortage. The above deficiences will be even more seriously felt in the near future on account of the winter and serious repercussions we foreseen on the health of the people in general and of the workers in particular.

2. Unemployment, which - up to now - was localised almost entirely in the commercial field, is spreading. In the agricultural sector, there is seasonal unemployment, and the same applies to the building industry. Several mines such as the SAPEZ, the MONTEPONI and the AMMI have been compelled to dismiss part of their workers for lack of materials such as explosives, fuses and imported coal.

MISCELLANEOUS

1. Publication of Order:

The Temporary Wage Increase Order and the Order on Labor Relations were signed by Gen. HUME and have been published. The effective date of wage increase was October 1.

2. Labor supply (Armed Forces) :

On whole the sfpply has been satisfactory. The demand exceeded the supply on theroads North of Florence. Labor Supply Offices were opened in Florence, Empoli, Borgo S.Lorenzo, Pontassieve, Prato, Vicchio, Rufina, Raticosa, Barberino Mugello, Scarperia, Dicomano, Loiano. By agreement with DADL (British) three labor supply zones set up. The DADL giving special attention to the Road Prato - Bologna and Florence - Borgo S.Lorenzo. The AMG Labor Supply Section is giving attention to Route 65.

3. Labor Relations:

On the whole labor relations were satisfactory except for stoppage involving 200 Ordinance laborers because of dispute over food.

4. Railroad Labor:

Several conferences were held with Officers of the Military Railroad Service and the Italian State Railroads. When we entered the area the railroads were not functioning but about 9000 railroad workers were on the payrolls. The Italian State Railroad Officials issued orders discharging all female employees and a number of male employees. This resulted in strong protest from the workers. The discharge

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agreement. When these were explained all parties expressed themselves satisfied and an agreement is expected for approval very soon. It should be noted that had Avv. Bruni had official legal status and power to enforce his rulings this meeting would not have been necessary.

3. Social Insurance

Agitation grows for the payment of social insurance to Armed Force workers and an early decision is needed. There have also been many requests for suspension of contributions for Cassa Integrazione. The preparation of rolls for 1944 of the Contributi Unificati has been considerably accelerated. In other respects the Agencies continue to function satisfactorily.

4. Unemployment appears to be on the increase in Naples and Salerno. In the South there is very little.

5. Although labour unrest continued throughout the Region conditions in Naples City have been quieter in October. There seem to be three main causes of unrest

a. lack of additional food and clothing with the coming of winter

b. activities of Camera del Lavoro and agitators and

c. delay in application of indennita' carovita and increased family allowances.

Several small requests for issue of shoes have been met by A.C. and others are now under consideration.

Rumours that parcels of shoes, waterproof and suiting lengths were being sold to workers at 3000 lire have caused many enquiries, but no real evidence has been found that any such parcels are being distributed.

ABRUZZI-MARCHE REGION

1. Organisation of Civilian Labour Offices

All Provinces that have been released by the Army now have a civilian labour office. For the most part their staff has been completed, and they are working smoothly. The only two Provinces left unorganised in Abruzzi-Marche Region are Ancona and Pesaro.

2. Wages

Wages to the labourer have been pushed up as far as permisable under existing law. There is a growing dissatisfaction regarding the relationship of wages and what they can purchase. The time has arrived when there is becoming a shortage of fresh fruit, mellons and vegetables. Beans, peas and dried corn are selling in the markets for from five to ten times the "fixed" prices.

The result is that more labour disturbances can be expected within the next month or six weeks.

3. Labour and other agencies

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The result is that more labour disturbances can be expected within the next month or six weeks.

3. Labour and other agencies

There is still some conflict and confusion between the labour office and the Ispettorato dell'Industria e del Lavoro. In Abruzzi-Marche Region they have been absorbed into the labour office. Their work for the most part duplicates the work done by the labour office.

There is some confusion in regard to the various insurances to be paid and

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5. Public Utility Workers:

This group of workers have been under special observation by the Division. Some dissatisfaction appeared in Telephone and Electric Light because it was alleged that fascists were continued in office. But the problem was solved after conference. A co-operative mess has been organized by the Public Utility Workers. It is believed that this mess will have very beneficial effect in keeping the Public Utility Workers of Florence on the job.

6. Social Security:

Conferences have been held with the Inspectors of Infortuni, Previdenza Sociale and Cassa Malattie. All the head offices for Tuscany at Florence have been inspected. "Scheda Personale" have been required of all supervisory personnel. In general officials of secondary rank have been placed in temporary charge of social security. Financial difficulties were encountered by Cassa Mutua and Previdenza Sociale due to failure of Italian Government to distribute tax funds already collected.

7. Labor Organizations:

A branch of the General Confederation of Labor for Tuscany has been organized at Florence with a secretariate of three, one socialist, one demo-christian, one communist. The Confederation has been generally co-operative and was used as a source of Labor Supply before the establishment of Labor Supply Offices. The Camera Confederale del Lavoro has ordered all its subordinate bodies to refrain from displaying party flags or emblems. However the Communist Party is reported to have furnished funds for various purposes and is very active within the Camera Confederale del Lavoro.

8. Provincial Labor Offices:

A Provincial Labor Office has been organized and is functioning in the Province of Florence. Budgets were prepared and approved for Province of Florence, Pistoia, Lucca, Pisa and Arcuania. Temporary Labor Offices are functioning in Pistoia and Lucca. The Labor Office at Pisa is functioning in connection with the Office at Livorno. Conferences were held with the Provincial Commissioners at Livorno, Pisa, Lucca and Pistoia. Conferences have also been held with ACC and PBS Officers at Livorno and at Florence.

Ministers Togliatti and Gronchi - Mr. Togliatti appeared in 5th Army Area and addressed Mass Meetings composed mostly of workers in Florence and in the Provinces. Mr. Gronchi has also been in the 5th Army Area. His contacts here were mostly political. He is reported to have addressed a small group of the Industriali at Florence. He made no official contact with the Provincial Labor Office or with Social Security Offices.

The Florence Conference:

On October 27 eleven officers of the Labor Sub-Commission and AMG 5th Army met together in Florence in an all day session for the purposes of

a. instructing officers who were about to be assigned to forward area

b. exchanging view points on labor problems and

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a. instructing officers who were about to be assigned to forward area

b. exchanging view points on labor problems and

c. providing uniform and basic material in handbook form to all officers.

A temporary plan was outlined calling for from 6 to 8 officers to be alerted on a 24 hour notice to go forward with the Armies as new territory was occupied for the purposes of dealing with labor supply, the publication of orders relating to labor, the coordination of the work of all labor offices, the problem of labor supply and

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labor relations in private industry, and the establishment of wage rates and wage adjustment standards.

High light of the conference was a description of the manner in which emergency labor problems are met in forward areas.

Special Work in Livorno:

During the month representatives of the Labor Sub-Commission spent considerable time in Livorno and vicinity assisting in the solution of labor supply problems and the making of detailed wage studies in forward areas. As result these wage studies a decision has been reached to apply the Italian Government's wage decrees in A.M.G. Territory as quickly as possible after the promulgation of the revised Armed Force Wage scale. On the whole basic contractual wages were found to be higher than in Southern Italy but the many varieties of indemnity applied to the base in Southern Italy had not been applied in these forward areas. The result is that in the end, and after the application of the wage decrees, workers in the Northern and recently occupied territories will have a lower wage than is currently being paid in Southern Italy. This situation will probably require considerable wage adjustment work in order to establish a wage balance between the two areas.

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HEAD QUARTERS
ALLIED CONTROL COMMISSION
LABOR SUB-COMMISSION
APO 394

JRW/ce

12 October 1944

LAB. 091.43=3

SUBJECT: Summary of Monthly Report for September 1944, Labor Sub-Commission.

TO : Economic Section.

1. LABOR RELATIONS, LAWS AND REGULATIONS.

(a) The important news of the month was the visit and tour of Delegates from American and British Labor Unions, the Delegates were Mr. Luigi Antonini, American Federation of Labor; Mr. George Baldanzi, CIO; Mr. Will Lawther, British Federation of Miners Union; Mr. Tom O'Brien, British Trade Union Congress. A tour through Southern Italy and Sicily was followed by a general Trade Union Congress in Rome and afterwards the entire group visited the fighting front.

It was very clearly defined to the Italian Trade Union movement that real progress could be made only through freedom from political influences; but that any possible help, moral or otherwise from the U.S. or Great Britain would be dependant on whether progress was made in line with fundamental principles of democratic free procedures.

(b) This Commission instituted a survey inspection of the Ispettorato dell'Industria e del Lavoro and of the Regional Labor Offices. One person full time has been assigned to deal with problems of the Ispettorato del Lavoro.

(c) The important problem of recognition by the Italian Government of Regional and Provincial Labor Offices set up initially by AMG was pursued with the Minister of Labor.

(d) The Decree-Law on the Suppression and Liquidation of Syndical Organizations has been considered by this Sub-Commission along with the Finance and Legal Sub-Commissions and the position of ACC has been formally forwarded to the Ministry.

2. WAGES, HOURS AND LABOR CONDITIONS.

(a) The Sub-Commission prepared and submitted a proposal to the Wages Sub-Commission of the Labor and Wages Control Committee AAI for the revision of wage scales for the employees of the Armed Forces. After approval by Labor and Wage Control Committee, the Resources Board concurred with the scale becoming operative 1 October 1944.

(b) Action was also taken on wage increases for employees in private industry. Negotiations were carried out between this Sub-

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mission. Economic Section and the Minister of Industry, Commerce & Labor.

(c) This Sub-Commission approved with qualifications, in conjunction with Finance Sub-Commission, the problem of the Italian Government on wage increases for Government employees.

3. SOCIAL INSURANCE, BENEFITS AND THEFTS:

(a) Close liaison has been maintained with the 3 major Social Insurance Institutes and considerable help has been furnished by this Sub-Commission to further the work of Field Inspectors of the Previdenza Sociale, Malattia and Infortuni.

(b) Recommendation was made to the Minister of Industry, Commerce and Labor for the appointment of 2 co-Commissioners for the Cassa Mutua Malattia Meridionale at Naples.

(c) Considerable attention was paid to the problem of tying in the administration and fiscal control of the various Casse Mutue Aziendali (Factory Mutual Assistance Sickness Funds) with the National system of the Istituto Nazionale Assistenza Malattie.

(d) The long discussed plan of providing social insurance covering Italian workers employed directly by the Allied Armed Forces has now been formally approved by the Government Agencies and the Local Resources (Italian) Board of AFHQ.

4. SOUTHERN REGION SUMMARY:

(a) Syndicates are still in existence in Apulia although it is hoped that passage of the new Decree on abolition will correct this situation very shortly.

(b) Several wage increase agreements have been approved by the Labor Sub-Commission.

(c) Estimated surplus of unemployment in Naples for the month of August was 61,835. There is practically no unemployment in the southern part of the Region.

5. UMBRIA-LAZIO REGION SUMMARY:

(a) Nominations have been made for Provincial Labor Directors in the Provinces of Viterbo, Rieti and Perugia.

(b) Tremendous pressure has been brought to bear by organized labor groups on the Italian Government for increased wages.

6. TOSCANA REGION SUMMARY:

(a) Steps have been taken to establish a Regional Labor Office in Florence, Provincial Labor Offices already having been set up in

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Grosseto, Siena, Livorno and Florence.

(b) Constructive work has been done with the aid of the Labor Sub-Commission in the registration of labor and tying in the granting of housing and ration privileges with actual employment in the Leghorn area.

(c) There is considerable evidence of political activity on the part of the Camera del Lavoro in each Province.

Junius R. Smith,
Colonel, AGC,
Acting Director,
Labor Sub-Commission.

4123

HEADQUARTERS
ALLIED CONTROL COMMISSION
LABOR SUB-COMMISSION
APO 394

LABOR 091.4323 12 October, 1944.

SUBJECT: Report of Activities of the Labor Sub-Commission for the Month of September, 1944.

TO : Economic Section.

O U T L I N E

A. STAFF CHANGES.
B. LABOR RELATIONS, LAWS AND REGULATIONS.
C. WAGES, HOURS AND WORKING CONDITIONS.
D. SOCIAL INSURANCE, BENEFITS AND TRAINING.
E. REGION REPORTS, MISCELLANEOUS.

A. STAFF CHANGES.

1. Major Ralph R. Small (A) trfd from this Sub-Commission, Hq ACC and atchd to Region VIII.
2. Captain John A. Moffitt (A) trfd from A.M.G. Lazio Umbria Region to this Sub-Commission on Sept 26.
3. Captain Murray L. Schnee (A) trfd from A.M.G. Lazio Umbria Region to this Sub-Commission on Sept 30.
4. Pfc Walter V. Ruisi (A) trfd from A.M.G. Lazio Umbria Region to this Sub-Commission on Sept 30.
5. T/Sgt Manuel Vieira (A) trfd to A.M.G. 5 Army.

B. LABOR RELATIONS, LAWS AND REGULATIONS.

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1. The Visit of the British and American Labor Delegations.

The following delegates from the British and American Labor Unions arrived in Italy and made an extensive tour throughout liberated Italy and Sicily:

Mr. Luigi Antonini - American Federation of Labor - Vice President, Ladies' Garment Workers' Union of America.
Mr. George Baldanzi - Congress of Industrial Organizations -

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O U T L I N E

A. STAFF CHANGES.
B. LABOR RELATIONS, LAWS AND REGULATIONS.
C. WAGES, HOURS AND WORKING CONDITIONS.
D. SOCIAL INSURANCE, BENEFITS AND TRAINING.
E. REGION REPORTS, MISCELLANEOUS.

A. STAFF CHANGES.

1. Major Ralph R. Small (A) trfd from this Sub-Commission, Hq ACC and atchd to Region VIII.
2. Captain John A. Moffitt (A) trfd from A.M.G. Lazio Umbria Region to this Sub-Commission on Sept 26.
3. Captain Murray L. Schnee (A) trfd from A.M.G. Lazio Umbria Region to this Sub-Commission on Sept 30.
4. Pfc Walter V. Ruisi (A) trfd from A.M.G. Lazio Umbria Region to this Sub-Commission on Sept 30.
5. T/Sgt Manuel Vieira (A) trfd to A.M.G. 5 Army.

B. LABOR RELATIONS, LAWS AND REGULATIONS.

1. The Visit of the British and American Labor Delegations.

The following delegates from the British and American Labor Unions arrived in Italy and made an extensive tour throughout liberated Italy and Sicily:

Mr. Luigi Antonini - American Federation of Labor - Vice President, Ladies' Garment Workers' Union of America.
Mr. George Baldanzi - Congress of Industrial Organizations - Vice President of Textile Workers' Union of America.
Mr. Will Lawther - Member, General Council, British Trade Union Congress - President; Federation of Miner's Unions.
Mr. Thomas O'Brien - Member, General Council, British Trade Union Congress - Secretary, Theatrical Workers' Union.
Mr. Walter Schevenels - International Trade Union Congress (Brit.) representative of Metal Workers' Union.

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The delegates met the Joint Secretariat of the C.G.I.L. and discussed the following fundamental principles on which the reconstructed Trade Union Movement in Italy should be based.

(a) Independence of the Labor Movement from political influence.
(b) Internal democracy through democratic elections in labor organizations.
(c) Mutual respect for political opinions and religious beliefs.
(d) Guarantee of minority representation.

The delegates then met with the Executive Council of the C.G.I.L. Mr. Walter Schevenels; presiding as chairman, spoke of the purpose of the visit; that they had come to collect information and to learn the true picture of conditions in Italy so as to inform their respective governments. Messrs. Antonini and Baldanzi also spoke and reiterated the necessity for throwing aside old Fascist traditions and striving for a new unified Trade Union movement. Mr. O'Brien reminded the meeting that the people of England had also suffered at the hands of the common enemy--the Nazis--and they could understand the Italian problem perhaps more clearly because of that. At this meeting the following labor representatives were present and spoke briefly of the situation in respect of the various industries they represented:

Mr. Marchioto	-	Textile workers
" Canini	-	Tramways
" Bellotti	-	Steel Workers
" Massini	-	Railways
" Zara	-	Building Trades
" Giannitelli	-	Agriculture
" Ortensi	-	State Employees

Soon thereafter the delegation began a tour of Italy, which took them to Naples, Caserta, Foggia, Lucera, Bari, Taranto, and then to Palermo and Catania in Sicily. The delegates met with the various Labor organizations and Labor representatives from the different provinces, and engaged in a most thorough discussion of the existing problems in the Labor field.

The delegates also met with representatives of the Camera del Lavoro in Naples. The meeting was addressed by representatives DeBartolomew and Colesanti, who reviewed historical historical facts in connection with the Italian Trade Union movement and also spoke of the discussions between the "Red" and "White" tendencies and the unity that had been reached and achieved through

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It might here be mentioned that on the occasion of nearly every meeting which the delegation attended in the course of their tour of Italy, a spontaneous tribute was paid to Bruno Buozzi, foremost of the martyrs for the Italian Trade Union cause.

At this meeting in Naples a representative of the railways spoke and recounted the history of his union. He mentioned that

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a decision to adhere to the Confederation in Rome was put aside until a Congress of all railway men could be held to take such action. He stressed the desire of those he represented to proceed cautiously in order to make sure they would give their adherence to a Trade Union movement completely free of political influence.

Following this address, the following representatives spoke, first as a group and then in the person of comrade Russo:

Mr. Russo	-	Metal Workers
" Armino	-	" "
" Jorio	-	" "
" Gentili	-	Texile Workers
" Sciucca	-	Technicians

Representative Russo spoke for the group, considerably in detail, regarding the origin of their particular unit and covering the period up to the present time.

The delegation met with representatives of the various labor groups in Bari, The meeting was addressed by Raffaele Pastore (General Secretary, Federation of Labor) who repeated the desire to break loose from old Fascist elements and form a new Trade Union movement. Mr. Antonini offered a message of courage and hope to those present. The following were also present and spoke at some length:

Mr. Laricchiuta	-	Member, Executive Committee, Confederazione Generale del Lavoro
Mr. Lo Iacono	-	Sindaco of Bari
Mr. De Leonardis	-	Secretary, Camera del Lavoro, Bari

The delegation adopted the policy of avoiding mass meetings with workers, and in general engaging in discussions with the various representatives of the different groups. This policy was agreed upon in order to obtain as much information as possible in a short space of time. However, there was an exception made at Taranto, where a huge mass meeting greeted the delegation upon their arrival. Inasmuch as the arrangements had been made and the workers had left their jobs to attend, the delegation felt itself only justified in recognizing the meeting, and the different delegates spoke to the workers at some length. The meeting was held at the Dockyard foot-ball field, under a blazing sun, and it was deemed by the delegation that the patience and attentiveness displayed by the

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In Sicily, the delegates visited first with representatives from the provinces of Palermo, Agrigento, and Trapani. The meeting was held at the Regional Labor Office, Palermo. In general, the problems discussed at this meeting involved (1) for Palermo, the agricultural and naval dockyard situation (2) for Agrigento, the farm labor and mining situation; and (3) for Trapani, the maritime situation and the problems of the salt industry. The following were present and spoke on behalf of their respective organizations:

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Mr.	Giuseppe Lipari	- Camera del Lavoro, Palermo
"	Salvatore Martinez	- " " " "
"	Dr. Nicola Cipolla	- " " " "
"	Dr. Pasquale Cortese	Member, Regional Executive Council, Unione del Lavoro
"	Domenico Cuffare	- Prov. Secy. Camera del Lavoro, Agrigento
"	Baldassare Ferrante	Prov. Secy. Camera del Lavoro, Trapani

In Catania, the meeting was held with representatives from the provinces of Catania, Messina, Caltanissetta and Siracusa. The problems of the various provinces were discussed in some detail, with special emphasis on the needed reconstruction of the port of Messina, the problem of the sulphur miners in Caltanissetta; and for Siracusa, the lack of electric power for irrigation machines, and the lack of receptacles for wine. The following were present and spoke on behalf of the organizations they represented:

Mr.	Lo Presti	- Camera del Lavoro, Catania
"	Sardella	- Federazione Cooperative Sicilia Or.
"	Carmagna	- Camera del Lavoro, Catania
"	Fiore	- Camera del Lavoro, Messina
"	Davoli	- Unione del Lavoro, Messina
"	Gennuso	- Camera del Lavoro, Caltanissetta
"	Martinez	- Acireale, Confederaz. Auton. del Lavoro
"	Gallo	- Camera del Lavoro, Siracusa
"	Zoffoli	- Ferrovieri, Catania

2. <u>The Trade Union Congress</u>:

Upon returning to Rome, the delegation met with the Trade Union Congress. This Congress was significant in that it was the first meeting of representatives of the Free Trade Unions in Italy after 22 years of Fascism. Representatives from all of liberated Italy were in attendence. The primary objective of this Congress was to reach accord on the establishment of a unified Trade Union Movement in Italy, free of political interference, and having regard to the question of minority representation, democratic elections, and religious preference. To this end, a resolution was adopted unanimously on the last day of the Congress outlining the various points to be set up as a basis for the establishment of this unified Trade Union movement. It was a resolution on democratization and reorganization of the Italian Labor movement, striving for unity and outlining the structure and principles upon which such a movement must be founded.

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" Gallo	-	Camera del Lavoro, Siracusa
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3. Enforcement of Labor Law:

a. The Labor Sub-Commission instituted an inspection survey of two of the agencies operating under the Italian Ministry of Labor: the Ispettorato dell'Industria e del Lavoro and the Regional Labor Offices.

The object of this survey was to determine the future inspection functions and the ways and means of bringing their respective efficiency to its peak. It is noted that the Ispettorato, is functioning only in the area and vicinity of the city where it is located as a result of a lack of transportation. Steps to eliminate this difficulty

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cy have been initiated. A question has arisen on whether the Ispettorato should operate as a branch either of the Ministry or of the Regional Labor Offices. The advocates of both sides have been directed to submit their opinions in the subject.

A comprehensive report covering this subject may be expected next month.

b. During the month the Allied Local Resources Board (Italian) AFHQ, passed a minute, in connection with a wage increase proposal, to the effect that the Inspectional Service of the Italian Government should be re-activated at an early date as one important technique of wage control. Accordingly, the Labor Sub-Commission has assigned one person, full time, to deal with the problems of the "Ispettorato del Lavoro".

4. The Ministry of Labor has been requested to furnish a list of firms doing work for the armed forces of the Allies, where no inspections were made by the Ispettorato del Lavoro.

5. The Labor Sub-Commission has had under discussion with the Ministry of Labor the desirability of appointing co-commissioners for the Casse Marittime Meridionali, putting emphasis on the Casse of Genova and Trieste, in view of the approaching liberation of the northern regions of Italy. It was pointed out by the Labor Sub-Commission that in view of the fact that the three Casse in Italy were based on the Fascist Syndicates which have been abolished by the Allied Command, the Administrative Councils of these Casse have ceased to have a legal basis. Therefore, it has been decided to recommend the appointment of co-commissioners for each Cassa, one to be a representative of the Armatori and one to be a representative of the employees. Both commissioners will have equal power and they will replace the present administrative councils.

6. The various problems in regard to the recognition and regulation of Regional and Provincial Labor Offices in Italian Government Territory were once again reviewed with the Ministry of Labor and a summary of the most urgent of these problems given as follows:

a. Establishment by Italian Law of Labor Offices under the Ministry of Industry, Commerce and Labor;
b. A determination of the question of personnel;
c. A determination of Region and Regional Offices; 4020
d. A determination of the place of the Ispettorato del Lavoro.

7. The Decree Law on the Suppression and Liquidation of Syndical Organization is still under consideration by this Commission. Two questions were referred to the Legal Sub-Commission for clarifica-

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4029

7. The Decree Law on the Suppression and Liquidation of Syndical Organization is still under consideration by this Commission. Two questions were referred to the Legal Sub-Commission for clarification in connection with this Decree (1) Is the Italian Ministry correct in stating that the provisions of Italian law on liquidation of State properties do not apply to the liquidation of Syndical Associations as previously Stated by the Legal Sub-Commission? (2) Is the Italian Ministry correct in stating that sufficient legal provision is made to properly determine the different dates of termination of contributions to Syndical Associations?

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C. WAGES, HOURS AND LABOR CONDITIONS

1. During this month the Labor Sub-Commission prepared and submitted a proposal for the upword revision of wage scales for employees of the Armed Forces.

The Labor Sub-Commission in its monthly and special reports has repeatedly drawn attention to the ever growing disparity between wages and prices. Various studies disclose a rise in the cost of living of between 200% and 500%. With this may be compared the present wage ceiling based upon a gratuated scale starting with 70% on the first 1000 lire based upon wages paid on 1 September 1942. The resulting inability of wage earners to bid for a fair share of available commodities notably foodstuffs is grossly inequitable and has given rise to an undercurrent of unrest.

Since the Armed Forces wage scale has been regarded as a necessary ceiling upon all other wages in Italy, the first step taken was in the direction of increasing the maximum rates permissible under that scale. A new scale with supporting documents was prepared by this Sub-Commission. In addition to the increase in rates, it was also proposed to authorize the payment of a higher rate in Rome than in Naples, which is used as a base rate for all of Italy, on the basis of studies which disclosed a substantially higher cost of living in Rome.

The proposals of this Sub-Commission were accepted with minor modifications by the Wages Sub-Committee of the Labor and Wages Control Committee A.A.I. The following extract from the minutes of this meeting is of importance:

"A. (III) That in view of the adoption of the revised rates, it is necessary to establish immediately a number of controls to insure that the new schedules are effective, i.e.:

a. Prices for all commodities must be held down and rolled back by the authorities charged with the responsibility of price control. Wage control will continue to be ineffective without such price control".

Due to the dissolution of the A.A.I. Local Resources (Italian) Board and all dependent committees some delay was encountered. On 29 September, however, the newly constituted Labor and Wages Control Committee of Local Resources (Italian) Board AFHQ approved the proposed scale and subsequently this scale was made effective as of 1 October by Local Resources (Italian) Board AFHQ.

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2. Action was also taken on the problem of wage increases for employees in private industry. On 3 September the Italian Government submitted its plan for a remedial solution. This proposal contained many defects, inequities and inadequacies which were pointed out by the Labor Sub-Commission. Numerous discussions have been held with the Ministry of Industry, Labor and Commerce to consider various counterproposals of both the Allied Control Commission and the Italian Government to arrive at legislation which will extend the necessary relief and at the same time be in harmony with the economic interests of the worker, the Italian people and the Allied Forces.

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3. After study, the Labor Sub-Commission in conjunction with the Finance Sub-Commission approved with qualifications a proposal of the Italian Government for wage increases for government employees.

At the close of the month final action was not yet taken.

4. Studies more continued for the purpose of securing reliable cost of living and wage data.

D. SOCIAL INSURANCE, BENEFITS AND TRAINING:

1. Close liaison was maintained throughout the month with the five major social insurance institutes in connection with problems of organization and restablishment of national controls, following the assumption of authority by the newly appointed national Commissioners. Working in conjunction with the Insurance Section of Finance Sub-Commission, the Social Insurance Division of Labor Sub-Commission participated in a series of conferences with the Commissioners of the institutes, their subordinates, and the Director of the recently established Direction-General for Assistance and Insurance, in the Ministry of Industry, Commerce and Labor.

2. Arrangements were made and travel passes were secured to facilitate resumption of inspection and supervisory services of the national offices in Rome with respect to territory under AMG control. All of the "Big Three" institutes (Previdenza Sociale, Malattia, and Infortuni) had inspectors in the field, visiting AMG provinces, during the month. A procedure was set up whereby reports on the findings and results of such visits will be submitted regularly to Social Insurances Division, Labor Sub-Commission, for information. Inspectors have been requested to contact AMG HQ. in each province visited to make known their presence and the purpose of their visit.

3. The resumption of inspection services, noted above, is based on ACC recognition (through republication of decrees appointing national social insurance Commissioners) of the administrative jurisdiction of the national offices of the insurance systems over their branch offices in AMG as well as Italian Government provinces. The basic objective is the return to as nearly normal functioning as possible of all of the social insurance programs, in keeping with policies and regulations established nationally and effective in all liberated territory.

4019

4. Following a study of social insurance provisions for

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4019

4. Following a study of social insurance provisions for maritime workers (administered by Casse Marittime operating regionally from offices in Naples, Genoa and Trieste), a recommendation was made to the Ministry of Industry, Commerce and Labor for the immediate appointment of two co-Commissioners, one representing workers and the other representing employers, for the Cassa Marittima Meridionale at Naples. It was indicated that ACC would be prepared to take similar steps, as a temporary military government procedure pending later disposition by the Italian Government, with respect to the Cassa Marittima Tirrena at Genoa and the Cassa Marittima Adriatica at Trieste as soon as these cities are liberated.

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5. Considerable attention was devoted during the month to the problem of tying in the administration and fiscal control of the various Casse Mutue Aziendale (factory mutual sickness assistenza funds) with the national system of the Istituto Nazionale Assistenza Malattia, pursuant to the law of 11 January, 1943, which, because of war conditions and "local autonomy" contentions on the part of the Mutue, has not been effectively put into operation. The obvious impossibility of AMG finance and labor officers in forward provinces dealing individually with these social insurance Funds (there are 130 Casse Mutue Aziendale in Milano alone) and the situation created by AMG dissolution of the Fascist syndicates which formerly controlled them has brought the matter to a head. Most of the Funds are found in northern industrial cities. In preparation for meeting, provisionally, a problem likely to grow in seriousness, agreement has been reached with the national Istituto for issuance of circular to their provincial offices instructing the provincial Directors to assume fiscal control of the Mutue in a manner which will preserve, for the present, the identity of the funds and local administration of assistance at the industrial plants. The Insurance Section of Finance Sub-Commission is preparing an appropriate complementary instruction to AMG Finance Officers regarding the measure and Regional FO's will be requested to confer with their opposite numbers in Labor regarding steps taken and any problems arising. It is felt that this solution, while not final, will provide a legal basis for continued collection of contributions and payment of assistance with some degree of uniformity in administration, pending such further statutory provision as the Italian Government may decide upon.

6. The plan, long under discussion between ACC and interested parties, for providing social insurance coverage to Italian workers employed directly by the Allied Armed Forces has now been finally approved by the Ministries concerned, the social insurance institutes and the Local Resources (Italian) Board of AAI. A draft decree embodying the plan has been received from the Ministry of Industry, Commerce and Labor and it is expected that the decree, with a few minor revisions, can be promulgated shortly. The system can then start operation as soon as the agreed-upon Workers' Social Insurance Card forms are printed and distributed to the Armed Forces, for use in certifying periods of employment.

7. Field trips were made during the month to Naples and to Cagliari (Sardinia) in connection with social insurance and related labor problems.

E. REGIONAL REPORTS:

1. SOUTHERN REGION - SECTARY

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E. REGIONAL REPORTS:

1. SOUTHERN REGION - SUMMARY

(Comprised of former Regions II, III, VII and Campobasso and Foggia provinces)

a. In Apulia the Syndicates are still in existence, with the Camera del Lavoro active and no Labor Offices yet set up.

b. In Naples, there was sit-down strike of five days by workers of the SME and Gas Co. Some concessions were made to the workers to satisfy their grievances, and no further trouble is anticipated. In Catanzaro, there was a half hour strike of Post-Telegraph employees in protest against dealy in adjustment of wages.

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c. Wage control in Naples is a continuing problem. Army units report loss of workers to civilian industry at higher wages than the Military rates, through various guises such as premiums, piece work additional to legal base wage, special indemnities and allowances for cost of living. Several wage increase agreements have been approved by Labor Sub-Commission and the agreement for Lucania Electricity Co. has been submitted for approval as a matter of urgency.

d. Social Insurance is functioning normally in the Region, with the exception that the differences in the "indennità di presenza" and "Assegni familiari" in various parts of the Region continue to cause friction. Corrective action depends on action by the Italian Government.

e. Estimated surplus of unemployed workers in Naples alone for month of August is placed at 61,838, and probably more than that for September. In the southern part of the Region there is virtually no unemployment. Manpower therefore is not in short supply but as indicated previously, the quality of labor available is getting rapidly worse and leading inevitably to a "wage race".

f. It is considered most important that the Italian Government show some interest in the Regional and Provincial Labor Offices, which has been lacking in the past. The offices have been more or less left to themselves, and letters written to the Ministry on labor problems have remained unasnwered. It is also considered advisable that a carefully considered policy be established on the question of appointing a Director for Region V (Campobasso & Foggia only). This matter is being taken up with the Italian Government.

2. REGION IV (LAZIO-UMBRIA)

a. Labor Relations, Laws and Regulations

Labor relations generally are satisfactory. A threetened "demonstration" by the National Institute of Insurance recently was averted by the Provincial Labor Director in Rome. There exists a need for a registration and inspection authority to establish authenticity of a labor organization and its claims as a representative of labor in its respective field.

b. Wages, Hours and Labor Conditions

The precedent for increasing wages established in Brigadier General Hume's Rome order of 13th June 44 is gaining momentum. Been a

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za" and "Assegni familiari" in various parts of the Region continue to cause friction. Corrective action depends on action by the Italian Government.

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The precedent for increasing wages established in Brig. Gen. General Hume's Rome order of 13th June 44 is gaining momentum. Demand continue for increased wages consistent with living costs. There are many complaints by former U.S. Armed Force employees that they were not paid before the particular military unit left.

c. Social Insurance, Benefits and Training

The payment of unemployment benefit is effected independently of collocamento, "unemployed placement office". This should be a "combined operation" and unemployment benefit withheld until evidence is received that the person presented himself as availabl

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employment at the collocamento.

d. Statistic, Manpower and Registration Problem

Placements of unemployed in private enterprises is increasing. Reemployment in private industry is restricted by inability of employers to obtain materials which have been blocked by the military. Greater supervisorial responsibility over the collocamento was extended to the Rome Province Labor Director.

e. Miscellaneous

Attention is directed to nomination by Prefect Decree of Provincial Labor Directors for Provinces of Viterbo and Rieti and the resultant establishment of Provincial Labor Offices in both Provinces. The establishment of Provincial Labor Office in Perugia is pending and will be effected in October.

3. REGION VIII - (TOSCANA)

a. The Regional Labor Office has not yet been established although Dr. Luigi Mauro has been selected as the Regional Director and he has made tentative selection of certain personnel for his office. The Fifht Army Labor Representative in Florence has requested the cooperation of the Regional staff in the establishment of the Regional Office in Florence and as soon as the necessary channel of authority is cleared the establishment of the Regional Office will be accomplished. At that time the Ispettorato del Lavoro will be absorbed by the Regional Labor Office. Provincial Labor Offices in the provinces of Grosseto, Siena and Livorno have been established by Regional authority and the Provincial office in Florence has been established by the Fifth Army Labor Officer. There are four labor exchanges in Florence Province and three or four in Livorno, one in Siena and one in Grosseto. All of these provincial offices are now functioning. The others will be established as soon as administrative authority is given in the respective provinces by the Army.

b. Labor Registration. Some labor shortage has occurred at Livorno occasioned by the fact that the weather has been very bad and the Italians do not want to work in the open during bad weather. Further, many do not wish to work outside their chosen skill even though the Armed Forces do not require their particular skill. There is a large amount of registered labor but difficulty is experienced in filling the Army's demands for the above reasons. Various methods of getting the laborers to work are being worked out. It is hoped the inducement of buying army clothing at low cost will be a help. There is also the proposed wage increase which when and if definitely approved will assist as it will no doubt entice some of the so-called

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c. Trade Union organization. In the Provinces of Grosseto, Siena and Livorno trade unionshave been organized and considerable interest is developing. A more detailed report on trade unions and associations will be made later.

d. Chamber of Commerce exist and function in the three provinces of Grosseto, Siena and Livorno.

e. There is considerable evidence of political activity on the part of the Camera del Lavoro in each province. In Grosseto Province the Camera del Lavoro was very reluctant to relinquish its functions as a collocamento but this has been adjusted.

f. Economic situation. The black market exists in all Provinces but the prices are not exhorbitant in Grosseto and Siena. There is a fair amount of food available legitimately in these Provinces but in Livorno there appears to be an extreme shortage. The civilian wage levels are inadequate and in most places the 70% increase has not been sufficient.

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HEADQUARTERS
ALLIED CONTROL COMMISSION
LABOR SUB-COMMISSION
APO 394

LAB 091.4323

13 Sept 1944

SUBJECT: Report of activities of the Labor Sub-Commission for the month of August, 1944

TO : Economic Section

OUTLINE

A. STAFF CHANGES
B. LABOR RELATIONS, LAWS AND REGULATIONS
C. WAGES, HOURS AND LABOR CONDITIONS
D. SOCIAL INSURANCE, BENEFITS AND TRAINING
E. STATISTICS, MANPOWER AND REGISTRATION PROBLEMS
F. REGION REPORTS, MISCELLANEOUS

A. STAFF CHANGES

1. Col. Thomas A. Lane (A) trfd. from Region IV to 5th Army on 27 August
2. Major S.A. Tanner (A) trfd. to U.S.A.
3. Capt. Jeff A. Robertson (A) trfd. from Region IV t/d Region III to AMG 5th Army
4. 1st Lt. John A.Moffitt (A) trfd. from t/d Rome Region to Region IV

B. LABOR RELATIONS, LAWS AND REGULATIONS

1. The Decree Law concerning suppression of the Fascist Syndical Organizations and liquidation of their respective patrimonies is under consideration by this Commission. This Commission intends to take all necessary steps to see that the assets are protected and that appropriate Commissioners are appointed by joint action of the ACC and the Italian Government.

That the method for administration and liquidation provided in this Decree is a departure from the procedure prescribed by Italian Law in connection with the administration of State funds, in that certain safeguards are omitted. The Labor Sub-Commission considers it extremely important that the Ministry make the necessary provisions to provide the safeguards stipulated by Italian Law and when the Ministry has consi-
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2. In two recent cases the Ministry of Industry, Commerce and Labor submitted Labor Legislation to the Council of Ministers without prior approval of the Labor Sub-Commission.

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Although action by the Council of Ministers does not become law until approved by ACC and printed in the Gazzetta Ufficiale, it appears highly undesirable pratice for the Italian Government to pass Decree Laws and leave the ACC in the position of considering, and sometimes, as in the two above mentioned cases, disapproving of such Laws.

3. A Decree Law on Italian Chamber of Commerce has been proposed and submitted to this Commission by the Italian Ministry of Industry, Commerce and Labor on 5 Aug. 1944. This Sub-Commission has no interest in this legislation, if the contemplated activity does not enter the Labor field. When, however, the final Decree Law proposed by this Decree is submitted for ACC approval, the Labor Sub-Commission will appreciate the opportunity of reviewing it jointly with the Commerce Sub-Commission because of the relationship and possible overlapping of functions.

4. In order fully to comply with the established policy of the Allied Control Commission in regard to Italian Legislation and in order to avoid confusion and expedite action on future legislative proposals of the Ministry of Industry, Commerce and Labor, the Labor Sub-Commission has given instructions concerning "what to submit", "when to submit" and "how to submit".

5. The delegations from the British Trade Unions Congress and the delegation of American Labor Unions are scheduled to view the Italian Labor Field toward the end of August. Every effort will be made to facilitate their mission and to help them get a true and intimate picture of the Labor situation with a view to enable them make the most effective suggestions to the Italian Trade Unions Leaders.

6. No objections were made by the Economic Section to the draft of the Decree Law regarding the appointment of Directors-General in the reorganization of the Ministry of Industry, Commerce and Labor.

7. One of the greatest difficulties common to all the Ministries is that of personnel classification and recruitment, particularly for technical and administrative positions. In the opinion of this Commission, there is great need for immediate action on the part of the Italian Government to improve its activities in the field of personnel administrations for the public service and it has been suggested that there be appointed at once on behalf of the Council of Ministers a non-political commission, somewhat patterned after the United States Civil Service Commission, to study and

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8. This Commission has gone on record and earnestly requested that no assistance of any kind be given to Mr. Dino Gentili by any official in the ACC or AMG. Our protest is based on a series of Labor matters undertaken by Mr. Gentili, ever since his arrival in Naples, and in connection with his labor activities.

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9. This Commission recommends that ACC disapprove the proposed Italian Labor Decree for arbitration and that the Italian Ministry of Industry, Commerce and Labor be so advised by the Economic Section. This Commissionsubmits that policy considerations require disapproval of any plan which would give arbitration functions to an Inspection Service or directly to a Labor Office. Policy considerations require disapproval of the proposed Labor Decree for arbitration of Disputes concerning R.D.L. 7 Dec. 1943 submitted by the Ministry. The Draft Law proposed by the former Ministry contains a much more desirable solution to this problem by authorizing Labor Offices to refer to arbitration boards chosen under established procedures.

10. Four Draft Decrees were submitted by the Ministry to this Commission, and only two of these decrees were approved, as follows:

(a) Decree Law for internal reorganization of the Ministry. This Decree establishes six Directors General to administer the special divisions of Ministry work. One of these Directors deals with all Labor matters and another with Social Insurance. Considerable progress has been made in developing staff and staff assignments within the Labor Directorate.

(b) Decree Law for establishment of a National Commission for Social Insurance. This Decree revises an earlier proposal for Social Insurance reform and constitutes a Commission composed of workers, employees and public representatives from Universities and Ministries to consider reorganization and revision of the entire Social Insurance program.

(c) Decree Law for abolition of Confederations and liquidation of this assets, could not be approved in the form submitted by the Ministry. This law was disapproved as lacking the established legal safeguards for liquidation. A similar law submitted by the former Minister had been approved as a part of a general Labor Law, based on AMG General Order N.28. The Ministry was asked to revise and resubmit.

(d) Decree Law for arbitration disputes on application of wage increase law of 7 December 1943. This law was disapproved as a matter of policy, since it proposed to give arbitration powers to the Inspection Service, and directly to Labor Offices (instead) of giving Labor Offices the power to refer to arbitration).

C. WAGES, HOURS AND LABOR CONDITIONS

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C. WAGES, HOURS AND LABOR CONDITIONS

1. In order to bring about uniformity in the Industrial Family allowance schedules, a proposal for adjustment and a slight increase is now being discussed with the Italian Ministry of Industry, Commerce and Labor, and Finance. Any general increase provisions in either wages or family allowance will be made applicable throughout Italian Territory making appropriate allowances for differences in cost of living and other important factors.

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2. There continues to exist much confusion among workers and employees as to the dates and payments for National Holidays. In the opinion of this Commission prompt action should be taken by the passage of a Draft Decree definitely establishing the National Holidays and clarifying the question of pay for these days. A formal request has been made to the Italian Government to Submit a new Decree Law clarifying this subject.

3. Because of the fact that many Italian Impiegati (clerical help) employed by Armed Services in Rome Area, must travel as far as 6 miles to work under inadequate transportation facilities which makes it impossible for them to return to their homes for lunch and also because of bread and other items in short supply, it has been arranged that soup kitchens are made available for them in Rome and a six miles area surrounding Rome.

4. A wage agreement submitted by the Società Strade Ferrate Secondarie Meridionali has been rejected by this Commission in view of the fact that in some categories the proposed maximum salary is in excess of the Italian State Railway Salaries.
Wage increase agreement submitted by the Lucania Electricity Co. fixing rates equivalent to those in Naples, was not approved. The basis being that it was not in line with the provinces and that it must be below the SME - SEDAC agreement. It should also be kept in mind that the cost of living is a very important item and that positive proof must be shown that the provincial costs are as high as those in the city of Naples.

5. A wage agreement submitted by the Società Generale Pugliese di Elettricità has been approved. An agreement reached between employers and employees of Soc. Idr. Acquedotti Secondari has also been approved.

6. An agreement between the employees and management of several SUlphur Mines in Sicily proposing an upward adjustment in wages has been approved by this Commission subject to final action by the Ministry of Industry, Commerce and Labor.

7. Prices have risen so much more rapidly than have wages and there has been such ineffective control over black market activities that the cost of living is variously estimated as being from 200 to 500 per cent above the general wage level. It is highly doubtful if the ACC can continue indefinitely to withstand the pressure of all labor groups for an adjustment in wages. Still bearing in mind the various principles and the fact that wages for all groups must be kept in balance. This Commission has sub-

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8. The question of vacations for Civilian Employees of ACC will be presented at the next meeting of the Labor and Wages Control Committee together with recommendations based upon Italian experience. Until approval is granted by AAI for some schedule for vacations, the granting of vacations by Headquarters or field establishments

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of ACC would be contrary to the governing authority which stems from AAI.

9. The small Labor Sub-Commission staff was again called upon to perform multitudinous Labor duties of both Headquarters and Field work, with the Armies moving up and new territories being occupied. This Commission has again recorded its lack of competent labor personnel but is carrying on as best as it can under the most trying conditions.

10. In the wage field there are evidences of unauthorized wage increases. This creates situations which soon result in maladjustments and is generally caused by overzealous officials not comprehending the standard rates to be applied. Upon the discovery of such illegal actions prompt action on the part of the limited labor staff generally cope with and result are obtained. Uniform interpretations of wage orders are being applied in general terms. Consistent warnings of proceeding cautiously in wage pay determinations and in the employments of civilians have been generally distributed.

11. Manpower shortages have been reported and are being investigated wherever complaints are made. It has been determined, after some investigations, that full utilization of present employed labor is not made nor used to its fullest extent. Efficent administration is lacking and close supervision is surely needed in many categories. Reports will be made accordingly after further investigations.

D. SOCIAL INSURANCE, BENEFITS AND TRAINING

1. Request for extension of the "Indennith di [illegible]" [illegible] has been approved.

2. This Commission with concurrence of the Finance Sub-Commission has agreed the proposed nominations of Commissioners for various Social Insurance Institutes. It is now desirable that the new nominees take up their duties at the earliest possible date and that the decrees of appointment be expedited. On the basis of the interview and information submitted, all of the nominees were found to be well qualified and the Ministry was notified that ACC was in accord with the nominations. In order to expedite the transfer of authority and minimizing any disrupting effect on the current work of reorganization, the Labor Sub-Commission suggested and the Ministry agreed to the prompt assumption of responsibility by the nominees, as de facto heads pending publication of the decrees of appointment. Representatives of this Commission and of the Ministry attended the formal installations of Messrs. Grandi, Crispolti

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3. On the matter of "epurazione", Dr. Livio Malfettani, functionary and commissioner of the "Istituto Malattie", was suspended pending the outcome of a formal hearing with respect to charges of fascist activity filed against him by the High Commissioner of "Epurazione". The case is covered by the "Epurazione Law" of 27 July 1944 and will be heard by a three men "Commissione di epurazione" to be

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REGION V SUMMARY

a Generally it can be said that the worker himself is making no money to save. Indeed there is a great proportion of them who will be "broke" by December or January at the latest. Unless a family has two or three on pay-roll they must, each day, "dip" into their reserve if they should have one. While the pay of the hardest worker was high, the period of work was short. There are people in this part of Italy who are making money, but generally they are the fascist, landowners who get a high price for his commodities in the legitimate market and a much higher price in the black market where a lot of it goes. Also the people that were on Government pay-roll and got the 10-70% increase were helped. But, even then if they were in the lowest income bracket a 70% was poor compensation, when the cost of consumers goods want 100-200 and 300 higher.

b. If wages are to remain fixed, the price of consumers goods must be fixed; and its of no value to say "our legal price is such" when there is nothing on the legal market to buy. Hurther it is also obvious that the black-market has thrived here. In many instances it seems a little ridiculous to talk about a legal price of a comodity, when the comodity is not and has not been in the legitimate market for six or more months.

REGION VIII SUMMARY

a. No Regional Labor Office exists in Region VIII as yet. The Hq. for Region VIII is still in Siena but just as soon as we move to Florence the Regional Office will be set up. There is no "Ispettorato del Lavoro" in the part of the Region which is now occupied.

b. Reports that the common laborers were receiving wages of 80, 90 and 100 lire per day, were reliable and widespread that the official A.C.C. wage scale was being violated and that the wages would have to be adjusted immediately. That the official A.C.C. wage of 60-65 lire per day for common labor would be adhered to. There is going to be considerable dissatisfaction in the province in the immediate future about the wage for common labor. There are only a few hundred persons involved at present and they will have to accept the reduction, particularly since in the adjoining province of Livorno the military is trying to get some 12.000 laborers at 65 lire per day.

c. In Grosseto province the Trade Union organization movement is making rapid advances and already there are several new organizations. This movement is fostered and aided by the "Camera del Lavoro".

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b. Reports that the common laborers were receiving wages of 80, 90 and 100 lire per day, were reliable and widespread that the official A.C.C. wage scale was being violated and that the wages would have to be adjusted immediately. That the official A.C.C. wage of 60-65 lire per day for common labor would be adhered to. There is going to be considerable dissatisfaction in the province in the immediate future about the wage for common labor. There are only a few hundred persons involved at present and they will have to accept the reduction, particularly since in the adjoining province of Livorno the military is trying to get some 12.000 laborers at 65 lire per day.

c. In Grosseto province the Trade Union organization movement is making rapid advances and already there are several new organizations. This movement is fostered and aided by the "Camera del Lavoro". Evidence of political activity in newly organized Trade Unions, chambers of commerce and Government Labor Offices have come up.

d. In Grosseto province the Finance Officer granted the 70% wage increase some weeks before the Labor Officer arrived in the Region. There is a black market here but it is not flourishing. The Labor situation in Livorno warrants that a Labor Officer be permanently

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An examination of the wages paid by the Armed Forces for civilian labor was made and two new increased scales prepared, one for Rome and the North, the other for Naples ant the South-differentiated by the disparity in the cost of living in these two areas. These proposed new scales are about ready for present consideration.

7. A comprehensive scheme of travel allowances for civilian employees of the Allied Control Commission was prepared and presented for approval.

REGION I SUMMARY

a. A strike occurred at the beginning of the month at the Imera Group of Sulphur Mines Caltanissetta. The miners were impatient because no approval had been given to the wage agreement earlier submitted and the strike was aimed at forcing the issue, after a short talk with the workers, work was resumed. A strike lasting about two hours was called by the employees of the General Electric Society, the demands here made were most unreasonable and upon being told so, the men resumed work. No further trouble is anticipated.

b. The Labour and Wages Control Committee appointed a Sub-Committee to investigate the question of raising the wage of unskilled labor. The Committee's report was submitted to the Allied Forces Local Resources (Sicily) Board and accepted in full.

c. Wage adjustment agreements in respect of Sulphur workers and the "Società Anonima Siciliana Trasporti" have been approved by the Italian Government in conjunction with the Labor Sub-Commission.

d. There is considerable agitation at the N.O.B. Palermo and R.N. Dockyards Messina for social benefits to be extended to civilians in the employ of the Allied Forces. A letter has been addressed to the Labor Sub-Commission on the subject.

REGION II SUMMARY

a. Complaints have been received from all the Provincial Directors that no funds have been provided by the Ministry for salaries and office expenses since the end of June last. This is a serious dereliction of duty leading to grave hardship in many cases. It is strongly recommended that immediate pressure be brought to bear on the Italian Government for the payment of the Labor Offices.

b. A car has at last been provided for the Provincial Director, however, petrol is a difficulty at present but it is believed this will be overcome. It is recommended that an aeroplane be provide

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b. A car has at last been provided for the Provincial Director, however, petrol is a difficulty at present but it is believed this will be overcome. It is recommended that an aeroplane be provided for the sole use of the Regional Labor Officer, as it is [illegible] distance from Campobasso to Reggio, within the Regions Area, [illegible] from Bari to Rome.

c. The Communist Party is very active, particularly in the "Camera del Lavoro". An article appeared in the Bari Communist Weekly endeavouring to stir the Bari Stevedores into action over the retention of the Chief Stevedore (who had been obtained through A.C.C.) The Labor Officer spoke severely to Pastore, Communist head of the "Camera del Lavoro", and De Grecis of the "Sindacato

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Generale" and no further articles are reported.

d. Wage increase agreement for Lucania Electricity Company is still under discussion and is likely to lead to friction before final settlement.

e. As from 28th August 1944 Region II becomes a portion of Southern Region.

REGION IV SUMMARY

a. Four major tasks were in progress in Labor Supply.
(a) Registration and classification of unemployed workers.
(b) The tranfer of placement records from old style Italian forms to the new and improved placement forms.
(c) The carrying on of the study and writing of an occupational dictionary and guide. Twenty industries have been visited and the jobs performed in each industry recorded and analysed.
(d) With the armed service and private Italian employers of employees in many classifications. Approximately 2511 persons were placed during the month.

b. (a) Much difficulty has been experienced because of military units leaving the area before paying civilian employees. No solution to this problem has been found.
(b) Experience in placing workers and knowledge of the cost of living, strengthens our previous opinion that the armed service wage level is 30% too low. In general, private employers are paying wages above those paid by the various armed services.
(c) Contrary to an order published by the Cmd.General R.A.A.C. the D.A.D.L. (British) continues to operate a duplicating employment service.

c. Labor organization. The spread of free unionism is gaining momentum with the Italian General Confederation of Labor, increasing the influence as the recognized voice of organized Labor.

d. Wages rates. The disparity between cost of living and income levels increases. Insufficient supply to serve the demand due to inadequate control of distribution transportation is indicated. Lack of free competition in distribution of basic living needs gives the seller license to dispose of his commodity if, as, and when he sees fit on terms and conditions established by the seller. Two to three persons in a family group must be employed to earn enough for daily requirements of the unit, allowing a little or nothing in excess for relaxing amusements or future contingencies. Organized Labor and pressure groups are clamoring for an "indennità carovita" to augment the higher cost of living due to war,

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e. Labor relations. Have been generally satisfactory. Work stoppage did occur in Società Romana Gas for a period of several hours. Employees Committee stated it was only a demostration and not a strike. The matter was compromised. The employees of Peroni Brewery are agitating for dismissal of 9 fascists and a satisfactory solution is anticipated.

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REGION V SUMMARY

a Generally it can be said that the worker himself is making no money to save. Indeed there is a great proportion of them who will be "broke" by December or January at the latest. Unless a family has two or three on pay-roll they must, each day, "dip" into their reserve if they should have one. While the pay of the hardest worker was high, the period of work was short. There are people in this part of Italy who are making money, but generally they are the fascist, landowners who get a high price for his commodities in the legitimate market and a much higher price in the black market where a lot of it goes. Also the people that were on Government pay-roll and got the 10-70% increase were helped. But, even then if they were in the lowest income bracket a 70% was poor compensation, when the cost of consumers goods want 100-200 and 300 higher.

b. If wages are to remain fixed, the price of consumers goods must be fixed, and its of no value to say "our legal price is such" when there is nothing on the legal market to buy. Hurther it is also obvious that the black-market has thrived here. In many instances it seems a little ridiculous to talk about a legal price of a comodity, when the comodity is not and has not been in the legitimate market for six or more months.

REGION VIII SUMMARY

a. No Regional Labor Office exists in Region VIII as yet. The Hq. for Region VIII is still in Siena but just as soon as we move to Florence the Regional Office will be set up. There is no "Ispettorato del Lavoro" in the part of the Region which is now occupied.

b. Reports that the common laborers were receiving wages of 80, 90 and 100 lire per day, were reliable and widespread that the official A.C.C. wage scale was being violated and that the wages would have to be adjusted immediately. That the official A.C.C. wage of 60-65 lire per day for common labor would be adhered to. There is going to be considerable dissatisfaction in the province in the immediate future about the wage for common labor. There are only a few hundred persons involved at present and they will have to accept the reduction, particularly since in the adjoining province of Livorno the military is trying to get some 12.000 laborers at 65 lire per day.

c. In Grosseto province the Trade Union organization movement is making rapid advances and already there are several new organizations. This movement is fostered and aided by the "Camera del Lavoro".

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c. In Grosseto province the Trade Union organization movement is making rapid advances and already there are several new organizations. This movement is fostered and aided by the "Camera del Lavoro". Evidence of political activity in newly organized Trade Unions, chambers of commerce and Government Labor Offices have come up.

d. In Grosseto province the Finance Officer granted the 70% wage increase some weeks before the Labor Officer arrived in the Region. There is a black market here but it is not flourishing. The Labor situation in Livorno warrants that a Labor Officer be permanently

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stationed there. The Regional Labor Officer will devote as much time as possible to the provinces, but it is impossible to stay there permanently in view of the fact that this is such a large Region.

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

Declassified E.O. 12356 Section 3.3/NND No. 785016

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HEADQUARTERS
ALLIED CONTROL COMMISSION
LABOR SUB-COMMISSION
APO 394

LAB. 091.4323 13 September 1944

SUBJECT: Summary of Monthly Report for August 1944, Labor Sub-Commission.

TO : Economic Section (Att. Lt. Col. Sharp)

1. LABOR RELATIONS, LAWS AND REGULATIONS:

a. The Decree Law concerning suppression of the Fascist Syndical Organizations and liquidation of their respective patrimonies is under further consideration.

b. This Commission has given instructions concerning "what to submit", "when to submit" and "how to submit" to the Italian Ministry in regard to future legislation proposals.

c. The delegations from the British Trade Unions Congress and the delegation of American Labor Unions are now viewing the Italian Labor Field.

d. This Commission earnestly requested that no assistance of any kind be given to Mr. Dino Gentili by any official in the ACC or AMG.

2. WAGES, HOURS AND LABOR CONDITIONS:

a. To bring about uniformity in the industrial family allowance schedules, a proposal for adjustment and a slight increase is now being discussed with the Italian Ministry.

b. Much confusion exists among workers and employees as to the dates and payments for National Holidays. A formal request has been made to the Italian Government for a clarifying new Decree Law.

c. Prices have risen so much more rapidly than have wages and there has been such ineffective control over black market activities. Some suggestions and the course of action that should be taken in the wage adjustment field have been submitted.

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c. Prices have risen so much more rapidly than have wages and there has been such ineffective control over black market activities. Some suggestions and the course of action that should be taken in the wage adjustment field have been submitted.

d. The small Labor Commission staff was again called upon to perform multitudinous Labor duties at Headquarters and Field, with the Armies moving up and new territories being occupied, and has again recorded its lack of competent labor personnel but is carrying on under the most trying conditions.

e. Manpower shortages have been reported and are being investigated wherever complaints are made.

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3. SOCIAL INSURANCE, BENEFITS AND TRAINING:

a. This Commission with the concurrence of the Finance Sub-Commission has agreed the proposed nominations of Commissioners for various Social Insurance Institutes.

b. On the matter of "epurazione", Dr. Livio Malfettani, functionary and commissioner of the "Istituto Malattie" was suspended pending the outcome of a normal hearing with respect to charges of fascist activity filed against him by the High Commissioner.

4. STATISTICS, MANPOWERS AND REGISTRATION PROBLEMS:

a. The commencement of a Labor Statistical Service has been inaugurated and will provide useful information for the future.

b. Tentative plans for an enquiry into unemployment have been prepared. A report was also prepared on cost of living in Italy.

c. The proposals for the increase of salaries of State employees presented by the Italian Government have been under study, alternative proposals are being prepared.

d. Several wage agreements, the most important being that of the Sicilian Sulphur Mines, were examined and reports prepared upon them.

5. REGION I SUMMARY:

a. A strike occurred at the beginning of the month at the Imera Group of Sulphur Mines Caltanisetta, after a short talk with the workers, work was resumed.

b. The Labour and wages Control Committee investigated the question of raising the wage of unskilled Labor, a report was submitted to the Allied Forces Local Resources (Sicily) Board and accepted.

6. REGION II SUMMARY:

a. Complaints have been received from all the Provincial Directors that no funds have been provided by the Ministry for salaries and office expenses since the end for June last.

b. The Communist Party is very active, particularly in the "Camera del Lavoro".

7. REGION IV SUMMARY:

a. Registration and classification of unemployed workers continued (Approximately 2511 persons were placed during the month).

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b. Much difficulty has been experienced because of military units leaving the area before paying civilian employees.

c. The disparity between cost of living and income levels increases. Insufficient supply to serve the demand due to inadequate control of distribution transportation is indicated.

8. REGION V SUMMARY:

a. There are people in this part of Italy who are making money but generally they are the fascist landowners who get a high price for their commodities in the legitimate market and a much higher price in the black market. If wages are to remain fixed, the price of consumers goods must be fixed, and its of no value to say "our legal price is such" wher there is nothing on the legal market to buy.

9. REGION VIII SUMMARY:

a. Reports that the laborers were receiving wages of 80, 90 and 100 lire per day, were reliable and widspread. A few hundred persons are involved at present and they will have to accept the reduction, particularly since in the adjoining province of Livorno the military is trying to get some 12.000 laborers at 65 lire per day.

b. In Grosseto province the Trade Unions organization movement is making rapid advences.

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/lmc

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HEADQUARTERS
ALLIED CONTROL COMMISSION
LABOR SUB-COMMISSION
APO 394

LAB. 091.43.x3

Date 13 Sept. 1944

SUBJECT: Summary of Monthly Report for August 1944, Labor Sub-Commission.

TO : Economic Section (Alt. Lt.Col. Sharp)

1. LABOR RELATIONS, LAWS AND REGULATIONS:

a. The Decree Law concerning suppression of the Fascist Syndical Organizations and liquidation of their respective patrimonies is under further consideration.

b. This Commission has given instructions concerning "what to submit", "when to submit" and "how to submit" to the Italian Ministry in regard to future legislation proposals.

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a. To bring about uniformity in the industrial family allowance schedules, a proposal for adjustment and a slight increase is now being discussed with the Italian Ministry.

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c. Prices have risen so much more rapidly than have wages and there has been such ineffective control over black market activities. Some suggestions and the course of action that should be taken in the wage adjustment field have been submitted.

d. The small Labor Commission staff was again called upon to perform multitudinous labor duties at Headquarters and Field, with the Armies moving up and new territories being occupied, and has again recorded its lack of competent labor personnel but is carrying on under the most trying conditions.

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J. T. P. BAIN,
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HEADQUARTERS
ALLIED CONTROL COMMISSION
LABOR SUB-COMMISSION
APO 394

LAB 091.4323

Date 13 Sept 1944

SUBJECT: Report of activities of the Labor Sub-Commission for the month of August, 1944

TO : Economic Section

OUTLINE

A. STAFF CHANGES
B. LABOR RELATIONS, LAWS AND REGULATIONS
C. WAGES, HOURS AND LABOR CONDITIONS
D. SOCIAL INSURANCE, BENEFITS AND TRAINING
E. STATISTICS, MANPOWER AND REGISTRATION PROBLEMS
F. REGION REPORTS, MISCELLANEOUS

A. STAFF CHANGES

1. Col. Thomas A. Lane (A) trfd. from Region IV to 5th Army on 27 August
2. Major S.A. Tanner (A) trfd. to U.S.A.
3. Capt. Jeff A. Robertson (A) trfd. from Region IV t/d Region III to ANG 5th Army
4. 1st Lt. John A. Moffitt (A) trfd. from t/d Rome Region to Region IV

B. LABOR RELATIONS, LAWS AND REGULATIONS

1. The Decree Law concerning suppression of the Fascist Syndical Organizations and liquidation of their respective patrimonies is under consideration by this Commission. This Commission intends to take all necessary steps to see that the assets are protected and that appropriate Commissioners are appointed by joint action of the ACC and the Italian Government.
That the method for administration and liquidation provided in this Decree is a departure from the procedure prescribed by Italian Law in connection with the administration of State funds, in that certain safeguards are omitted. The Labor Sub-Commission considers it extremely important that the Ministry make the necessary provisions to provide the safeguards stipulated by Italian Law and when the Ministry has considered these points, the Labor Sub-Commission will be glad to give consideration to a new Draft Decree on this subject.

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A. STAFF CHANGES
B. LABOR RELATIONS, LAWS AND REGULATIONS
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2. In two recent cases the Ministry of Industry, Commerce and Labor submitted Labor Legislation to the Council of Ministers without prior approval of the Labor Sub-Commission. Although action by the Council of Ministers does not become law until approved by ACC and printed in the Gazzetta Ufficiale, it appears highly undesirable practice for the Italian Government to pass Decree Laws and leave the ACC in the position of considering, and sometimes, as in the two above mentioned cases, disapproving of such Laws.

3. A Decree Law on Italian Chamber of Commerce has been proposed and submitted to this Commission by the Italian Ministry of Industry, Commerce and Labor on 5 Aug. 1944. This Sub-Commission has no interest in this legislation, if the contemplated activity does not enter the Labor field. When, however, the

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final Decree Law proposed by this Decree is submitted for ACC approval, the Labor Sub-Commission will appreciate the opportunity of reviewing it jointly with the Commerce Sub-Commission because of the relationship and possible overlapping of functions.

4. In order to fully comply with the established policy of the Allied Control Commission in regard to Italian Legislation and in order to avoid confusion and expedite action on future legislative proposals of the Ministry of Industry, Commerce and Labor, the Labor Sub-Commission has given instructions concerning "what to submit", "when to submit" and "how to submit".

5. The delegations from the British Trade Unions Congress and the delegation of American Labor Unions are scheduled to view the Italian Labor Field toward the end of August. Every effort will be made to facilitate their mission and to help them get a true and intimate picture of the Labor situation with a view to enable them make the most effective suggestions to the Italian Trade Unions Leaders.

6. No objections were made by the Economic Section to the draft of the Decree Law regarding the appointment of Directors-General in the reorganization of the Ministry of Industry, Commerce and Labor.

7. One of the greatest difficulties common to all the Ministries is that of personnel classification and recruitment, particularly for technical and administrative positions. In the opinion of this Commission, there is great need for immediate action on the part of the Italian Government to improve its activities in the field of personnel administrations for the public service and it has been suggested that there be appointed at once on behalf of the Council of Ministers a non-political commission, somewhat patterned after the United States Civil Service Commission, to study and recommend as to the establishment of a permanent and inclusive Civil Service administration for all Statali and Para-statali employees.

8. This Commission has gone on record and earnestly requested that no assistance of any kind be given to Mr. Dino Gentili by any official in the ACC or AMG. Our protest is based on a series of Labor matters undertaken by Mr. Gentili, ever since his arrival in Naples, and in connection with his labor activities.

9. This Commission recommends that ACC disapprove the proposed Italian Labor Decree for arbitration and that the Italian Ministry of Industry, Commerce and Labor be so advised by the Economic Section. This Commission submits that policy considerations require disapproval of any plan which would give arbitration functions to an Inspection Service or directly to a Labor Office. Policy considerations require disapproval of the proposed Labor Decree for arbitration of Disputes concerning R.D.L. 7 Dec. 1943 submitted by the Ministry. The Draft Law proposed by the former Ministry contains a much more desirable solution to this problem by authorizing Labor Offices to refer to arbitration boards chosen under established procedures.

10. Four Draft Decrees were submitted by the Ministry to this Commission, and only two of these decrees were approved, as follows:

(a) Decree Law for internal reorganization of the Ministry. This Decree establishes six Directors General to administer the special divisions of Ministry work. One of these Directors deals with all Labor matters and another with Social Insurance. Considerable progress has been made in developing staff and staff assignments within the Labor Directorate.

(b) Decree Law for establishment of a National Commission for Social Insurance. This Decree revises an earlier proposal for Social Insurance reform and constitutes a Commission composed of workers, employees and public representatives from Universities and Ministries to consider reorganization and revision of the entire Social Insurance program.

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(c) Decree Law for abolition of Confederations and liquidation of this assets, could not be approved in the form submitted by the Ministry. This law was disapproved as lacking the established legal safeguards for liquidation. A similar law submitted by the former Minister had been approved as a part of a general Labor Law, based on AMG General Order No. 28. The Ministry was asked to revise and resubmit.

(d) Decree Law for arbitration disputes on application of wage increase law of 7 December 1943. This law was disapproved as a matter of policy, since it proposed to give arbitration powers to the Inspection Service, and directly to Labor Offices (instead of giving Labor Offices the power to refer to arbitration).

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C. WAGES, HOURS AND LABOR CONDITIONS

1. In order to bring about uniformity in the Industrial Family allowance schedules, a proposal for adjustment and a slight increase is now being discussed with the Italian Ministry of Industry, Commerce and Labor, and Finance. Any general increase provisions in either wages or family allowances will be made applicable throughout Italian Territory making appropriate allowances for differences in cost of living and other important factors.

2. There continues to exist much confusion among workers and employees as to the dates and payments for National Holidays. In the opinion of this Commission prompt action should be taken by the passage of a Draft Decree definitely establishing the National Holidays and clarifying the question of pay for these days. A formal request has been made to the Italian Government to submit a new Decree Law clarifying this subject.

3. Because of the fact that many Italian Impiegati (clerical help) employed by Armed Services in Rome Area, must travel as far as 6 miles to work under inadequate transportation facilities which makes it impossible for them to return to their homes for lunch and also because of bread and other items in short supply, it has been arranged that soup kitchens are made available for them in Rome and a six miles area surrounding Rome.

4. A wage agreement submitted by the Società Strade Ferrate Secondarie Meridionali has been rejected by this Commission in view of the fact that in some categories the proposed maximum salary is in excess of the Italian State Railway Salaries.
Wage increase agreement submitted by the Lucania Electricity Co; fixing rates equivalent to those in Naples, was not approved. The basis being that it was not in line with the provinces and that it must be below the SME - SEDAC agreement. It should also be kept in mind that the cost of living is a very important item and that positive proof must be shown that the provincial costs are as high as those in the city of Naples.

5. A wage agreement submitted by the Società Generale Pugliese di Elettricità has been approved. An agreement reached between employees and employees of Soc. Idr. Acquedotti Secondari has also been approved.

6. An agreement between the employees and management of several Sulphur Mines in Sicily proposing an upward adjustment in wages has been approved by this Commission subject to final action by the Ministry of Industry, Commerce and Labor.

7. Prices have risen so much more rapidly than have wages and there has been such ineffective control over black market activities that the cost of living is variously estimated as being from 200 to 500 per cent above the general wage level. It is highly doubtful if the ACC can continue indefinitely to withstand the pressure of all labor groups for an adjustment in wages. Still bearing in mind the various principles and the fact that wages for all groups must be kept in balance. This Commission has submitted some suggestions and requested the Economic Section to assist as to the course of action that should be taken in the wage adjustment field.

8. The question of vacations for Civilian Employees of ACC will be presented at the next meeting of the Labor and Wages Control Committee together with recommendations based upon Italian experience. Until approval is granted by AAI for some schedule for vacations, the granting of vacations by Headquarters or field establishments of ACC would be contrary to the governing authority which stems from AAI.

9. The small Labor Sub-Commission staff was again called upon to perform multitudinous Labor duties of both Headquarters and Field work, with the Armies moving up and new territories being occupied. This Commission

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9. The small Labor Sub-Commission staff was again called upon to perform multitudinous Labor duties of both Headquarters and Field work, with the Armies moving up and new territories being occupied. This Commission has again recorded its lack of competent labor personnel but is carrying on as best as it can under the most trying conditions.

10. In the wage field there are evidences of unauthorized wage increases. This creates situations which soon result in maladjustments and is generally caused by over-zealous officials not comprehending the standard rates to be applied. Upon the discovery of such illegal actions prompt action on the part of the limited labor staff generally cope with and results are obtained. Uniform interpretations of wage orders are being applied in general terms. Consistent warnings of proceeding cautiously in wage pay determinations and in the employments of civilians have been generally distributed.

11. Manpower shortages have been reported and are being investigated wherever complaints are made. It has been determined, after some investigations, that full utilization of present employed labor is not made nor used

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to its fullest extent. Efficent administration is lacking and close supervision is surely needed in many categories. Reports will be made accordingly after further investigations.

D. SOCIAL INSURANCE, BENEFITS AND TRAINING

1. Request for extension of the "Indennità di bombardamento" in Rome has been approved.

2. This Commission with concurrence of the Finance Sub-Commission has agreed the proposed nominations of Commissioners for various Social Insurance Institutes. It is now desirable that the new nominees take up their duties at the earliest possible date and that the decrees of appointment be expedited. On the basis of the interview and information subritted, all of the nominees were found to be well qualified and the Ministry was notified that ACC was in accord with the nominations. In order to expedite the transfer of authority and minimizing any disrupting effect on the current work of reorganization, the Labor Sub-Commission suggested and the Ministry agreed to the prompt assumption of responsability by the nominees, as de facto heads pending publication of the decrees of appointment. Representatives of this Commission and of the Ministry attended the formal installations of Messrs. Grandi, Crisafulli and Carbone, at their respective offices.

3. On the matter of "epurazione", Dr. Livio Maifettani, functionary and commissioner of the "Istituto Malattie, was suspended pending the outcome of a formal hearing with respect to charges of fascist activity filed against him by the High Commissioner of "epurazione". The case is covered by the "Epurazione Law" of 27 July 1944 and will be heard by a three man "Commissione di epurazione" to be appointed by the Minister of Industry, Commerce and Labor. Considerable publicity appeared in various party newspapers prior to Dr. Maifettani's suspension.
It is expected that "Commissari di epurazione" will be named for all of the Social Insurance Agencies in the near future to consider the cases of personnel suspended since 5 June 1944 on ground of fascist activity, as well as the cases of certain employees seeking to be resumed in service.

E. STATISTICS, MANPOWERS AND REGISTRATION PROBLEMS

1. The comparative study of the wages of selected industries and grades of workers throughout Italy, planned last month was commenced. After consultation with experts of the Central Statistical Institute, Rome Labor Office, and representatives of the Trade Unions, the necessary questionnaires were prepared and the exact scope of the enquiry determined upon. It was completed for Rome and after the experience there gained slight modifications were introduced. The documents necessary for this statistical enquiry are now being printed.

2. The commencement of a regular Labor Statistical Service (at present lacking in Italy) which will provide useful information for the future and in the task of reconstruction, will be continued in the form of studies.

3. Tentative plans for an enquiry into unemployment have been prepared. Discussions have been held with several Statistical Institutions in the same connection. This Commission will await the results of other Commission's investigations in order to take advantage of the information thus gathered in organizing a more specialized enquiry into the subject.

4. A report was prepared on cost of living in Italy based on this Commission's investigations. More elaborate projected enquiries into this subject and into family budget have been temporarly postponed until after completion of the census and further investigations. Information has also been obtained of black market prices in Rome and Naples during 1943-4 and a comparison of the data established. A study of the family budget of a family of "impiegati" living in Rome from 1935 to 1944 has also been made after investigations.

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5. The proposals for the increase of salaries of State employees presented by the Italian Government have been under study and based on these studies alternative proposals are being prepared. These present a reformed and simplified wage structure with a more just proportion between senior and junior grade salaries. In addition tentative suggestions are made for a democratization of the Italian Civil Service in which more scope is given to individual initiative and less attention paid to academic qualifications.

6. Several wage agreements, the most important bei , that of the Sicilian Sulphur Mines, were examined and reports prepared upon them. An examination of the wage paid by the Armed Forces for civilian labor was made and two new increased scales prepared, one for Rome and the North, the other for Naples and the South - differentiated by the disparity in the cost of living in these two areas. These proposed new scales are about ready for present consideration.

7. A comprehensive scheme of travel allowances for civilian employees of the Allied Control Commission was prepared and presented for approval.

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REGION I SUMMARY

a. A strike occurred at the beginning of the month at the Imera Group of Sulphur Mines Caltanissetta. The miners were impatient because no approval had been given to the wage agreement earlier submitted and the strike was aimed at forcing the issue, after a short talk with the workers, work was resumed. A strike lasting about two hours was called by the employees of the General Electric Society, the demands here made were most unreasonable and upon being told so, the men resumed work. No further trouble is anticipated.

b. The Labour and Wages Control Committee appointed a Sub-Committee to investigate the question of raising the wage of unskilled labor. The Committee's report was submitted to the Allied Forces Local Resources (Sicily) Board and accepted in full.

c. Wage adjustment agreements in respect of Sulphur workers and the "Societá Anonima Siciliana Trasporti" have been approved by the Italian Government in conjunction with the Labor Sub-Commission.

d. There is considerable agitation at the N.O.B. Palermo and R.N. Dockyards Messina for social benefits to be extended to civilians in the employ of the Allied Forces. A letter has been addressed to the Labor Sub-Commission on the subject.

REGION II SUMMARY

a. Complaints have been received from all the Provincial Directors that no funds have been provided by the Ministry for salaries and office expenses since the end of June last. This is a serious dereliction of duty leading to grave hardship in many cases. It is strongly recommended that immediate pressure be brought to bear on the Italian Government for the payment of the Labor Offices.

b. A car has at last been provided for the Provincial Director, however, petrol is a difficulty at present but it is believed this will be overcome. It is recommended that an aeroplane be provided for the sole use of the Regional Labor Officer, as it is a greater distance from Campobasso to Reggio, within the Regions Area, than from Bari ~~and~~ to Rome.

c. The Communist Party is very active, particularly in the "Camera del Lavoro". An article appeared in the Bari Communist Weekly endeavouring to stir the Bari Stevedores into action over the retention of the Chief Stevedore (which had been obtained through A.C.C.) The Labor Officer spoke severely to Pastore, Communist head of the "Camera del Lavoro", and De Grecis of the "Sindacato Generale" and no further articles are reported.

d. Wage increase agreement for Lucania Electricity Company is still under discussion and is likely to lead to friction before final settlement.

e. As from 28th August 1944 Region II becomes a portion of Southern Region.

REGION IV SUMMARY

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REGION IV SUMMARY

a. Four major tasks were in progress in Labor Supply.
   (a) Registration and classification of unemployed workers.
   (b) The transfer of placement records from old style Italian forms to the new and improved placement forms.
   (c) The carrying on of the study and writing of an occupational dictionary and guide. Twenty industries have been visited and the jobs performed in each industry recorded and analysed.
   (d) With the armed service and private Italian employers of employees in many classifications. Approximately 2511 persons were placed during the month.

b. (a) Much difficulty has been experienced because of military units leaving the area before paying civilian employees. No solution to this problem has been found.

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(b) Experience in placing workers and knowledge of the cost of living, strengthens our previous opinion that the armed service wage level is 30% too low. In general, private employers are paying wages above these paid by the various armed services.

(c) Contrary to an order published by the Cmd. General R.A.A.C. the D.A.D.L. (British) continues to operate a duplicating employment service.

c. Labor organization. The spread of free unionism is gaining momentum with the Italian General Confederation of Labor, increasing the influence as the recognized voice of organized Labor.

d. Wages rates. The disparity between cost of living and income levels increases. Insufficient supply to serve the demand due to inadequate control of distribution transporation is indicated. Lack of free competition in distribution of basic living needs gives the seller license to dispose of his commodity if, as, and when he sees fit on terms and conditions established by the seller. Two to three persons in a family group must be employed to earn enough for daily requirements of the unit, allowing a little or nothing in excess for relaxing amusements or future contingencies. Organized Labor and pressure groups are clamoring for an "indennità caroviteri" to augment the higher cost of living due to war, over established wage scales.

e. Labor relations. Have been generally satisfactory. Work stoppage did occur in Società Romana Gas for a period of several hours. Employees Committee stated it was only a demonstration and not a strike. The matter was compromised. The employees of Peroni Brewery are agitating for dismissal of 9 fascists and a satisfactory solution is anticipated.

REGION V SUMMARY

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a. ~~Regione~~ Generally it can be said that the worker himself is making no money to save. Indeed there is a great proportion of them who will be "broke" by December or January at the latest. Unless a family has two or three on payroll they must, each day, "dip" into their reserve if they should have one. While the pay of the hardest worker was high, the period of work was short. There are people in this part of Italy who are making money, but generally they are the fascists, landowners who get a high price for his commodities in the legitimate market and a much higher price in the black market where a lot of it goes. Also the people that were on Government payroll and got the 10-70% increase were helped. But, even then if they were in the lowest income bracket a 70% was poor compensation, when the cost of consumers goods want 100-200 and 300% higher.

b. If wages are to remain fixed, the prices of consumers goods must be fixed, and its of no value to say "our legal price is such" when there is nothing on the legal market to buy. Further it is also obvious that the black-market has thrived here. In many instances it seems a little ridiculous to talk about a legal price of a comodity, when the comodity is not and has not been in the legitimate market for six or more months.

REGION VIII SUMMARY

a. No Regional Labor Office exists in Region VIII as yet. The Hq. for Region VIII is still in Siena but

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REGION VIII SUMMARY

a. No Regional Labor Office exists in Region VIII as yet. The Hq. for Region VIII is still in Siena but just as soon as we move to Florence the Regional Office will be set up. There is no "Ispettorato del Lavoro" in the part of the Region which is now occupied.

b. Reports that the common laborers were receiving wages of 80, 90 and 100 lire per day, were reliable and indespread that the official A.C.C. wage scale was being violated and that the wages would have to be adjusted immediately. That the official A.C.C. wage of 60-65 lire per day for common labor would be adhered to. There is going to be considerable dissatisfaction in the province in the immediate future about the wage for common labor. There are only a few hundred persons involved at present and they will have to accept the reduction, particularly since in the adjoining province of Livorno the military is trying to get some 12,000 laborers at 65 lire per day.

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c. In Grosseto province the Trade Union organization movement is making rapid advances and already there are several new organizations. This movement is fostered and aided by the "Camera del Lavoro". Evidence of political activity is newly organized Trade Unions, chambers of commerce and Government Labor Offices have come up.

d. In Grosseto province the Finance Officer granted the 70% wage increase some weeks before the Labor Officer arrived in the Region. There is a black market here but it is not flourishing. The labor situation in Livorno warrants that a Labor Officer be permanently stationed there. The Regional Labor Officer will devote as much time as possible to the Provinces, but it is impossible to stay there permanently in view of the fact that this is such a large Region.

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

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HEADQUARTERS
ALLIED CONTROL COMMISSION
LABOR SUB-COMMISSION
APO 394

LAB 091.4323 13 August, 1944

SUBJECT: Summary of Monthly Report for July 1944, Labor Sub-Commission

TO : Economic Section (Att. Lt.Col. Sharp)

1. LABOR RELATIONS, LAWS AND REGULATIONS:

a. Petitions and threats of work stoppage received by this office on the following: Postal Telegraph, railways, tobacco, provincial employees. The above were presented to the Ministry with policy that such could be considered by A.C.C. when presented properly by the Italian Government.

b. Agreement reached for sulphur mine wage and working conditions in joint conference with Industry Sub-Commission and the Ministry.

c. A request for approval of unauthorized wage increases in the Post Dockyards was left with this Sub-Commission at a conference held in the office of the Minister. The following regulations or procedures were offered: (1) uniform interpretation of wage increase order; (2) required procedure for submission or requests for wage changes; (3) plan for the uniform study of wages throughout Italy.

d. The following laws in draft were submitted to this Sub-Commission for approval: (1) Suppression and Liquidation of Fascist Confederations; (2) arbitration by Labor Offices or Inspectorate of disputes arising from wage increase order of 7 December, 1943.

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e. The general "Labor Charter" was found not acceptable by the new Ministery.

2. WAGES AND HOURS AND WORKING CONDITIONS:

a. Food ration in Rome Area was increased, still not satisfactory.

b. Price of wheat and cost of bread held to a minimum.

3. SOCIAL INSURANCE, BENEFITS AND TRAINING:

a. Desire indicated by the Ministry for new appointment of Commissario of Previdenza Sociale, Malattia and Infortuni.

b. Provision of Proclamation No.4 prohibiting payment of family

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allowances to dependents of the military, P.O.W.'s and workers in Germany rescinded by A.C.C., and only allowances to the dependents of those working for the enemy were prohibited.

4. STATISTICS, MANPOWER AND REGISTRATION PROBLEMS:

a. A tentative plan was approved and is being put into force in Rome for the comparative study of industrial wages in Italy.

b. A collection made of weekly budgets of 12 families; later extended to 100 families for a period covering several weeks.

5. REGION II SUMMARY:

a. The following disputes were settled satisfactorily; (1) sit down strike at S.C.F.E. Bari; (2) political strike of a few hours duration in Taranto dockyard.

6. REGION IV SUMMARY:

a. Order issued in Rome by SCAO 5 Army recognising increases over collective wages in effect 1 September, 1942.

b. Social security agencies established in Rome under policy of Labor Sub-Commission.

7. REGION VII SUMMARY:

a. Labor dispute pending involving the Societa' Elettricita' delle Calabrie. The employees demanding same adjustment as in S.M.E.

J. T. R. BAIN 3993

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

HEADQUARTERS
ALLIED CONTROL COMMISSION
LABOR SUB-COMMISSION
APO 394

LAB 091.4323

10 August, 1944

SUBJECT: Report of Activities of the Labor Sub-Commission for the Month of July, 1944.

TO : Economic Section

OUTLINE

A. STAFF CHANGES
B. LABOR RELATIONS, LAWS AND REGULATIONS
C. WAGES, HOURS AND LABOR CONDITIONS
D. SOCIAL INSURANCE, BENEFITS AND TRAINING
E. STATISTICS, MANPOWER & REGISTRATION PROBLEMS
F. REGION REPORTS, MISCELLANEOUS

A. STAFF CHANGES:

1. Colonel J. T. R. Bain (B) from Naples Hq. to Rome Hq.
   Major J. C. Babcock (A) " " " " " "
   Major R. M. Albright (A) " " " " " "
   Capt. J. Topliss (B) " " " " " "
   Capt. M. Adams (B) " " " " " "
   Capt. Alfred L. Dorf (A) " " " " " "
   Capt. E.J. Scicluna (B) " " " " " "
   Lt. M. L. Schnee (A) " " " " " "
   Lt. J. Giammaroc (A) " " " " " "

2. Capt. Lee Williams (A) trfd from Region III to Headquarters, Labor Sub-Commission; trfd from Headquarters, Labor Sub-Commission to 2nd Replacement Depot.

3. Capt. Ned Holsten (A) trfd from Headquarters, I.B.S. to Headquarters, Labor Sub-Commission; trfd from Headquarters, Labor Sub-Commission to Region IV Labor Office.

4. Capt. C.W.H.G. Buckwell (B) trfd from B.M.A., Eritrea to Headquarters, Labor Sub-Commission

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A. STAFF CHANGES
B. LABOR RELATIONS, LAWS AND REGULATIONS
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5. Capt. Robert Frazer (A) trfd from Region II to Region VIII Labor Office

B. LABOR RELATIONS, LAWS AND REGULATIONS:

1. The numerous actions of the Labor Sub-Commission were somewhat

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curtailed by reason of the division of the office and its small staff between Naples and Rome. The lack of transportation was a serious handicap.

2. Civilian personnel employment was stopped due to the movement to Rome. It is hoped that the following month will show an improvement in transportation and in the attention of civilian personnel.

3. Several functions of this office continued unabated, and more complete report will be rendered for August, 1944.

4. Numerous petitions and threats of work stoppage by State and Para-Statal employees (Postal Telegraph, railways, tobacco monopoly, provincial employees, etc.) were received by the Sub-Commission. These were presented to the Italian Minister of Industry, Commerce and Labor, with a definite policy statement that such matters could be considered by A.C.C. only when presented in proper form from the Italian Government.

5. Sulphur mine wage and working conditions was the subject of joint conference with Industry Sub-Commission and the Ministry, whereby an agreement was reached on procedure to be followed.

6. A conference was held with the Office of the Minister in regard to the Tosi Dockyards, and a request for approval of unauthorized wage increases was left with the Sub-Commission.

7. The following regulations or procedures were offered:

a. Uniform interpretation of wage increase order;
b. Required procedure for submission of requests for wage changes;
c. Plan for the uniform study of wages throughout Italy.

8. In addition, the following laws in draft were submitted to the Sub-Commission for approval:

a. Suppression and liquidation of Fascist Confederations;
b. Arbitration by Labor Offices or Ispettorato of disputes arising from wage increase order of 7 December, 1943.

9. The general "Labor Charter" Law has been the subject of several conferences. Having been submitted by the former Minister and approved by A.C.C., it is now found not acceptable by the new Minister of Industry, Commerce and Labor.

10. The Ministry of Industry, Commerce and Labor was transferred to Rome. In view of the occupancy by Headquarters, A.C.C. of the former offices of the above Ministry, considerable assistance in obtaining new quarters, equipment, passes, etc., was given by the Sub-Commission.

C. WAGES AND HOURS AND WORKING CONDITIONS:

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C. WAGES AND HOURS AND WORKING CONDITIONS:

1. Several conferences with A.A.I. Labor and Wages Committee, Wages Sub-Committee, and other committees were held. Studies were undertaken for wage rates in the steel workers, merchant marine and military railways. Other studies and investigations under way proceeded unabated under trying circumstances. Full liaison with several committees having to do with this subject continued to the satisfaction of all concerned.

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2. A great deal of attention was centered on the promulgation and revision of wage rates for Italian civilians, especially in the Rome Area and the areas about to be occupied by the Allied Forces.

3. Investigation in several wage fields were made, and especially in some private industries where complaints were made that unauthorized wage increases were being paid.

4. Food ration in the Rome Area was increased, and was received well by labor, however, it is a far cry from complete satisfaction.

5. Investigations were continued in the cases of labor agitators and persons that were undermining the labor structure.

6. After much harange, the price of wheat was held to a minimum as well as the cost of bread to civilians which temporarily avoided a very serious labor question involving cost of living.

7. Cost of living studies are continuing in the several cities. Comparisons are being made of legitimate and black markets. Determinations of living costs directly influencing labor prove that they are both of great importance.

8. The Minister has also submitted proposals for simplification and increase of State wage structures which are not complete, and is receiving due consideration.

9. A detailed procedure for the submission of "hardship or ine-[illegible]ity" cases in private employment has been given some study.

D. SOCIAL INSURANCE, BENEFITS AND TRAINING:

1. Following surveys in June, which revealed that all three of the big national social insurance offices in Rome (Previdenza Sociale, Malattia, Infortuni) has been "split" by the transfer of funds and personnel to the North during the Fascist Republican regime, and that what remained of the National Offices here was under control of functionaries and commissarios designated by the Rome Liberation Committee, steps were taken successfully during July to reconstitute the offices as National Headquarters of the three insurance systems under control of the legally appointed commissarios, named by Italian Government decress in Salerno.

2. The Minister of Industry, Commerce and Labor indicated a desire to make new Commissario appointments for all three agencies, but names of candidates have not as yet been submitted. With the Minister's agreement and the concurrence of Finance Sub-Commission, the national

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2. The Minister of Industry, Commerce and Labor indicated a desire to make new Commissario appointments for all three agencies, but names of candidates have not as yet been submitted. With the Minister's agreement and the concurrence of Finance Sub-Commission, the national offices have meanwhile been officially reconstructed by consolidation of personnel from temporary national seats previously established in Bari and Naples with personnel in Rome.

3. The temporary "commissarios" appointed by the Liberation Committee and provisionally recognized by the A.M.G. Labor Officer for Rome Area during the first weeks after liberation of the city, have been kept on as advisers in the Previdenza Sociale and Malattia national offices. In the case of Infortuni, the locally appointed "commissario" absented himself from the office after the first few days

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and consequently no problems of jurisdiction arose in the consolidation.

4. The provision of Proclamation No. 4 prohibiting payment of family allowances to dependents of the military, prisoners of war, and of workers in Germany was rescinded by order of the Acting Chief Commissioner, 1 July, 1944, and a policy permitting payments except in cases of men known to be cooperating with the enemy was substituted. Detailed instructions were issued to the Previdenza Sociale national office and provincial offices (through provincial A.M.G. finance officers) for controlling social insurance benefits in such cases.

5. In agreement with the Ministry of Industry, Commerce and Labor and the Finance Sub-Commission, social insurance benefits for families of men in Italian regular Armed Forces and those held as prisoners of war were resumed, effective 1 July, in Sicily (where they were suspended last year by A.M.G. order) and instructions based on the policy laid down in the order of the Acting Chief Commissioner, referred to above, were prepared for other provinces under the Italian Government to insure national uniformity.

6. A procedure was approved and put into effect in Rome for retroactive unemployment compensation payments by the Previdenza Sociale in the cases of men who were unable to claim benefits due them during German occupation of the city because of the German policy of seizing for forced labor all able-bodied males who registered. The procedure calls for full normal documentation of claims and rigid investigation of cases subject to doubt, prior to payment.

7. A tentative procedure for extending social insurance coverage to direct employees of the Allied Armed Forces was worked out with social insurance officials and representatives of some of the Armed Force units concerned. Formal presentation of the plan to the Labor and Wages Control Committee of A.A.I. is pending formal clearance with the Italian Ministries concerned.

8. In addition to arrangements for social insurance for Armed Force employees, the following matters are among those which have previously been taken up with the Ministry of Industry, Commerce and Labor and which it is hoped to reach agreement on, with concurrence of Finance Sub-Commission, at an early date:

a. Increase in Family Allowances to parallel increase in contributions by employers combined with elimination of "demographic increments" in allowance scale.

b. Adoption of national policy with respect to Wage Integration Fund (Cassa Integrazione) for workers employd less than normal week.

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c. Decree to eliminate reimbursement of part of Presence Indemnity payments by Previdenza Sociale.

E. STATISTICS, MANPOWER AND REGISTRATION PROBLEMS:

1. Using to the fullest extent the Istituto Centrale di Statistica, the following studies were made:

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a. The daily cost of food for a hypothetical family of four in Rome was calculated;

b. A collection was made of the weekly budgets of twelve families. At the end of the month a study was commenced for examination of budgets of one hundred such families and for the period of several weeks.

c. Began a study of the salaries paid to managers and responsible officials of large financial and industrial concerns in Rome and its environs.

d. A special study was started of the income of Ufficiale Giudiziari or "Court Bailiffs".

e. A comparative study of special statal and public employees was made during the month.

f. The pre-war "index numbers" of industrial wages in Italy have been determined, and work proceeds on a comparison of pre-war cost of living and wages in the various provinces of the country.

g. One of the important activities in the matter of wages was the preparation of a plan for the comparative study of industrial wages throughout Italy. A tentative plan was approved, and is being put into force in Rome. Later, it is planned that it will be extended with any modifications found necessary to the remainder of Italy.

h. Wages paid to agriculturists and statistics concerning unemployment were begun, but because of limited staff and the recent move to Rome, no studies were completed.

F. REGION REPORTS, MISCELLANEOUS:

1. REGION II SUMMARY: 3995

a. The activities of the Region II office were seriously handicapped by the lack of communications with Rome during the recent move of both Headquarters.

b. An Italian decree relating to salaries paid in Labor offices engaged after February 11th has caused many anomalies.

c. A sit down strike occurred at S.C.P.E. Bari and was settled satisfactorily through close relation with Headquarters, Labor Sub-Commission.

d. There was also a purely political strike of a few hours duration in Taranto dockyard arising out of the defascistisation of one official.

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e. Fascist Syndicates continue to exist in Apulia although there is slight evidence that they have heard of the intention of the Government to dissolve them. Certain of them appear to have changed their name to "Free" Syndicate, and the Electrical Syndicate appears to be dormant and several "Free" Syndicates to have been formed by the various political parties. Enquiries are proceeding with a view to conservation of property and also to try to prevent their formation on a political basis, but it is nearly impossible to do anything concrete

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until the decree becomes law.

2. REGION IV SUMMARY:

a. Placement of unemployed persons in Regions with both of the Armed Forces and civilian employers was great --3,358 persons have been so placed.

b. The registration of workers was another matter, and the issuing of certificates of registration so that these persons could claim unemployment benefits -- 41,391 persons were so registered.

c. The institution of a new system of placement records was made.

d. Study of zone offices was initiated.

e. Preparation of an occupational guide and dictionary was undertaken.

f. The issuance of an order in Rome by the S.C.A.O., 5th Army, recognizing certain increases over collective wages in effect on 1st September, 1942, without previous examination of existing collective labor contracts with their employees prior to our occupancy, are paying, in good faith and with legal justification, wages in excess of the scale laid down in A.F.H.Q. Administrative Instruction No. 24. As a result, the employing units of the Armed Services are experiencing a heavy labor turnover with a resultant loss of efficiency.

g. The Telephone Company and Italian Cable Company have evidenced some friction, but in both cases, the dispute was purely of a political nature.

h. Social Security Agencies have been established in Rome and are operating under established policies of the Labor Sub-Commission.

3. REGION VII SUMMARY:

The Regional Labor Officer reports an increasing number of labor controversies which do not involve wage increases, but rather violations of the provisions of collective labor contracts, including refusal to pay the wages specified by such contracts, refusal to pay for overtime work, refusal to pay the dismissal indemnity, etc. Such disputes were formerly resolved by the Fascist Union organization, or by the dissolved labor magistracy, and in some cases by the courts., He urges that legislation by the Italian Government is essential in order to clarify the juridical powers of the Labor offices with respect to mediation, conciliation and arbitration. The only regional labor dispute of an inter-provincial nature now pending involves the Società

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4. REGION VIII SUMMARY:

Due to the fact that at the close of the month, all of Region VIII was under Army supervision, there is nothing to report on that Region. The Labor Officer, however, under authority of the Fifth Army, made investigations of labor in the mines of Grosseto Province and other places in preparation for the turnover.

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

File

HEADQUARTERS
ALLIED CONTROL COMMISSION
LABOR SUB-COMMISSION
APO 394

LAB 091.4323 10 July, 1944

SUBJECT: Report of Activities of the Labor Sub-Commission for the Month of June, 1944.

TO : Economics Section

OUTLINE

A. STAFF CHANGES

B. LABOR RELATIONS, LAWS AND REGULATIONS

C. WAGES, HOURS AND LABOR CONDITIONS

D. SOCIAL INSURANCE, BENEFITS AND TRAINING

E. STATISTICS, MANPOWER & REGISTRATION PROBLEMS

F. REGION REPORTS, MISCELLANEOUS

A. STAFF CHANGES:

1. Colonel J. R. Smith (A) to Rome Adv. Hq., A.C.C. -- Permanent change of station.

2. Lt. John H. Moffitt (A) Region I to Rome Adv. Hq., A.C.C. -- Permanent change of station.

3. Lt. C. F. Mason (B) transferred from Economics and Supply Division, Region I to Regional Labor Office, Region I, vice Lt. Moffitt.

4. Lt. W. E. Solenberger (A) to Rome Adv. Hq., A.C.C. -- Permanent change of station.

5. Capt. Robert Frazer (A) transferred from Region II to Region VIII.

6. Capt. D. L. Botham (B) now in charge of Region II Labor Office vice Capt. Frazer.

7. Capt. J. A. Robertson (A) transferred from Region III to Region IV.

8. Major S. C. Tanner (A) transferred from Hq., A.C.C. to Region VII.

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B. LABOR RELATIONS, LAWS AND REGULATIONS:

1. Labor Unrest - General Comment: There is a growing spirit of discontent among all classes of workers. There has been at least one act of violence and subsequent applause of the act in the local press. The workers are becoming more and more vocal, but are still irresponsibly led and organized. Some of the irresponsible labor leaders have been successful in getting some officials in A.C.C. to sponsor their activities with most unfortunate results. Work stoppages are more frequent than ever before. Negotiation means little to the workers if they feel that a "strike" will dramatize their issues and achieve results. All too frequently they have achieved success by these techniques in Bari, Taranto,

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and Naples, which may well be termed the hottest spots". Demands for wage increases are frequently accompanied by a veiled threat of a strike. Controls and enforcement are lacking. The general labor field picture is very serious.

2. The month ahead: The spirit of unrest will grow, public servants, a poorly paid group, are demanding action on wages. Two groups are especially vocal and have been putting on a pressure campaign. They are: (a) The State Tobacco Monopoly workers, and (b) the Post and Telegraph workers. The latter group may go out on strike at any time. The whole problem is tied in with the Public Service wage structure and the Labor Sub-Commission is awaiting a plan from the Italian Government. A conference will be held with them before this report is submitted. Armed Force installations are complaining increasingly about the lack of workmen and more especially, about the workers unwillingness to work for the Armed Forces for the wages offered.

3. Examples of Strikes:

a. Sulphur Mines in Sicily: Wages are low in this sweated industry. In May a line of action was adopted which was implemented during June. Since the Industry is not organized, a "Trade Board" was established whereby the Regional Labor Office (Civil) created a committee composed of workmen, mine owners, and representatives of the Labor Office to deal with the wages and hours problem. While negotiations were under way, some miners went out on strike. Negotiations were stopped and the Regional Labor Director asked all Provincial Directors concerned to tell the workmen to go back to work before any further negotiations would be resumed. Meetings of the Committee were arranged for July 4, and a completed wage adjustment proposal is expected soon. The strike was terminated when the workmen found out what was being done for them.

b. Tosi Dock Yards near Taranto: A three day "sit down" strike or "white strike" occurred here in which the workmen decided to protest their treatment, but without any attendant acts of violence. The main bone of contention was wages, so far as the workmen were concerned. The Prefect and the Italian Marine Officer in charge, accompanied by the Under-Secretary of Marine, settled the strike. The conditions of settlement gave the workmen 30 lire per day increase if over 18 years of age and 15 lire per day under 18 years of age. The Tosi yards began paying the increased wage at once. The Region II Labor Officer and representatives of the Ministry of Labor received the information too late to stop this illegal action. Immediate representations were made to the Italian Government by the Labor Sub-Commission with the result that: (1) A strong letter was sent to the Ministry of Marine from the Ministry of Labor telling them that their action was illegal; (2) a wage study was instituted by the Italian Government which will be presented to the Labor Sub-Commission for review, and (3) a procedure for regularizing wage control and wage adjustment was outlined in conference with Italian officials. This matter will be further reported on in the July report.

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3. Examples of Strikes:

a. Sulphur Mines in Sicily: Wages are low in this sweated industry. In May a line of action was adopted which was implemented during June. Since the Industry is not organized, a "Trade Board" was established whereby the Regional Labor Office (Civil) created a committee composed of workmen, mine owners, and representatives of the Labor Office to deal with the wages and hours problem. While negotiations were under way, some miners went out on strike. Negotiations were stopped and the Regional Labor Director asked all Provincial Directors concerned to tell the workmen to go back to work before any further negotiations would be resumed. Meetings of the Committee were arranged for July 4, and a completed wage adjustment proposal is expected soon. The strike was terminated when the workmen found out what was being done for them.

b. Tosi Dock Yards near Taranto: A three day "sit down" strike or "white strike" occurred here in which the workmen decided to protest their treatment, but without any attendant acts of violence. The main bone of contention was wages, so far as the workmen were concerned. The Prefect and the Italian Marine Officer in charge, accompanied by the Under-Secretary of Marine, settled the strike. The conditions of settlement gave the workmen 30 lire per day increase if over 18 years of age and 15 lire per day under 18 years of age. The Tosi yards began paying the increased wage at once. The Region II Labor Officer and representatives of the Ministry of Labor received the information too late to stop this illegal action. Immediate representations were made to the Italian Government by the Labor Sub-Commission with the result that: (1) A strong letter was sent to the Ministry of Marine from the Ministry of Labor telling them that their action was illegal; (2) a wage study was instituted by the Italian Government which will be presented to the Labor Sub-Commission for review, and (3) a procedure for regularizing wage control and wage adjustment was outlined in conference with Italian officials. This matter will be further reported on in the July report.

c. The Electric Workers Strike in Naples: This was also a "white strike" poorly led and without reason. The workers demanded the immediate restitution of certain deductions made from their wages. The demand made, when not met in the afternoon, caused the workers to go out on strike the following morning. The amount involved was little and did not exceed 300 lire. The strike came only a few days after a generous wage adjustment had been granted. The strike lasted part of one day and the workmen were careful to see that no electric power was cut off. They expertly labeled their action "a demonstration" and not a "strike". Their basic demand was proper but an immediate answer could not have been given since considerable accounting and statistical work was involved on the part of the company, and financial arrangements had to be completed. At no time

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was there a refusal of their claims and proposals. It is the conviction of the Labor Sub-Commission that such "strikes" are being systematically instigated in limited quarters because "easy and soft management" has, in effect, assured the workers and their opportunistic leaders that strikes and demonstrations bring immediate results.

d. There was one act of violence reported which was not related to any strike. An Italian civil official of the Naples Gas Works was bodily thrown out of the plant by the workmen. The act was applauded in the Communist weekly press.

4. Progress on Labor Legislation: A draft decree incorporating all legislation in the labor field was submitted by the old Minister of Industry, Commerce and Labor. The Director of the Sub-Commission forwarded the draft decree with his recommendations to the Chief Commissioner. The draft decree was accepted substantially and is now in the hands of the new Minister of Industry, Commerce and Labor, who has been asked to submit it to the Italian Government. If no substantial amendments are proposed by the Italian Government, the decree will then be promulgated in both Italian Government and A.M.G. territories. This labor act, in addition to abolishing the Fascist Syndical Corporative System in all its aspects, aims at re-instituting freedom of Trade Union organization, authorized the institution of labor offices as the State machinery in the labor field and sets up a democratic system of governing labor relations.

5. Labor Organization Trends: Trade Union organization remains in a more confused situation than ever as a result of the action taken in Rome by the three popular parties, the Communist, the Socialist, and the Social Democrats. Their platform would set up a triumvirate to cooperate in:

a. Achieving a unity of Trade Union movement, by eliminating party politics from the Trade Union field, and

b. Creating a central Confederation of Labor with a national objective, incorporating the "Red and White" Federations.

The "Confederazione Generale del Lavoro" appears to have taken exception to this move, particularly because the "Party of Action" elements led by Dino Gentile objected to the Partito d'Azione being left out of the Central Committee of three. The plea is put forward that the actiontaken in Rome was arbitrary -- an argument that could be well applied to the members of the Confederazione Generale del Lavoro in respect to the method they adopted in the creation of the Confederation. The new situation calls for intervention of the Labor Sub-Commission, and the Minister of Industry, Commerce and Labor has already been consulted in order to evelve a scheme for the election of representatives of Trade Unions and the creation of Federations and Confederations on democratic lines.

6. A specific study is now under way to establish and promulgate the legislation necessary for a "Trade Board", and which would particularly aid

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6. A specific study is now under way to establish and promulgate the legislation necessary for a "Trade Board", and which would particularly aid the sulphur mining industry in Italy. This industry, because of its low level of wages, poor living conditions, impoverished housing accommodations and numerous other social and economic factors, necessitates a Trade Board review. The main function of this Trade Board will be to alleviate these unwarranted working and living conditions and plan for the proper participation of workmen in the income accruing to mine operators as a result of recent "official" price rise. The Trade Board will consist of workers, management and a number of impartial members selected by the Minister. Staff will be supplied by the Labor Office.

C. WAGES, HOURS, AND WORKING CONDITIONS:

1. Several conferences with A.M.I. Labor and Wages Committee, Wages Sub-Committee, and other committees were held, and the majority of all items

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on the agenda of those meetings involved matters concerning the Labor Sub-Commission. Wage rates issued were presented for civilian steel workers, a number of Armed Force jobs, glass factory workers, merchant marine, and others. The Labor Sub-Commission, representing A.C.C., was also asked, in addition to its numerous functions, to make special reports on unauthorized publications affecting labor matters and the shortage of unskilled labor in the Naples Area. The Labor Sub-Commission had several studies and investigations under way and met the several problems as completely as possible in view of its limited staff. Satisfaction of this Sub-Commission's activities, including full liaison, was noteworthy and highly commented upon by the several members of the Labor and Wages Committee.

a. Report on Glass Workers: A.C.C. representative pointed out the illegal character of recent wage increases and the fact that the new agreement entered into was not being honored. The rejected agreement was drafted and approved by the Provincial Labor Officer without approval of authority, on his own initiative, and in full knowledge that it was definitely contrary to A.C.C. labor policy and legislation. The A.C.C. representative also recommended that the illegal January rates of pay, having now been in effect six months, be allowed to stand pending further investigation.

b. Report on Steel Workers: The issue of higher and possibly illegal wages held over to a future meeting. Reports covering this industry are not yet completed.

c. Report on Marine Rates of Pay: Careful study revealed that rates of pay proposed, while much higher than previously in force, were conservative when compared with legal rates of pay normally received by Italian Merchant Marine personnel. A.C.C. recommendation to approve proposed rates of pay was accepted by the Committee.

d. REPORT ON UNAUTHORIZED PUBLICATIONS: This is a matter of deep concern to all those interested in labor control problems. A.C.C. outlined the controls of vetting that have been set up, but pointed out that most local papers were not censored until after publication. Any damage done by these unvetted publications on the labor front was done before it could be stopped by A.C.C., and the only discipline possible in such cases was not under control and authority of the A.C.C. The A.A.I. rightfully takes a very serious view of the situation and want a revision in the present policy which will require a pre-censoring of all labor and food news releases. This problem requires immediate as well as forceful direct attention from higher authority.

e. Report on Shortage of Unskilled Labor in the Naples Area: A.C.C. representative reported as per the attached Exhibit "A".

f. A.C.C. representative presented a revised administrative wage scale and proposed the establishment of new positions to meet problems unique to A.C.C. The proposals provided for an overlapping series of administrative and executive grades, business analysts, exporters, etc. After some debate

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f. A.C.C. representative presented a revised administrative wage scale and proposed the establishment of new positions to meet problems unique to A.C.C. The proposals provided for an overlapping series of administrative and executive grades, business analysts, exporters, etc. After some debate the Committee accepted the proposal, thus giving A.C.C. much greater freedom to employ well-qualified and expert Italian civilians to assist it in its work. Opposition to the new positions arose chiefly from P.B.S., who felt that A.C.C. was attempting to establish "chiseling grades". The P.B.S. representative was informed that A.C.C. did not, and would not, engage in such practices and that if P.B.S. took action along the lines indicated, that such action would be completely out of harmony with, and contrary to, the spirit in which A.C.C. made its recommendation. Hence, it is imperative that A.C.C. establish high standards for the new grades and strictly enforce and police appointments to them.

2. Wage decisions were rendered during the month in the case of S.M.E. and S.E.D.A.C. (Electric Companies), two water companies, and the Gas Company

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for the Naples Area. The wage adjustments allowed were kept under the Armed Force wage scale, were substantial in amount, and, more important, corrected a long-standing Fascist injustice. Public utility wage rates had been kept at an unusually low level for a number of years and little recognition had ever been given to the essential and important public service character of the labors of the workmen.

3. All wage studies were continued, with particular emphasis on utilities, dockyards, steel industry, glass industry, beer brewing industry, and a few others where unrest was prevailing. Attention was also directed in the clerical and administration fields of civilian wage rates which were increased in a certain few categories.

4. During the month a uniform interpretation of the "wage increase order" as applied to public servants was issued. The interpretation was based on careful studies made in the several provinces. The application of orders had been confused for some time with the result that persons doing the same kind of work in similar offices, frequently received different salaries. This interpretation not only corrected this situation, but has also made it possible to establish a uniform base for planning any new wage rates or needed wage adjustments.

5. Part of the small Labor Sub-Commission staff moved on as an advance forward echelon to Rome. Plans were made to move the officer and civilian personnel on the wage study staff to Rome as the month closed, with the balance of the inadequate staff to follow later.

6. In the wage field there are many evidences that unauthorized wage increases are being granted in private industry. This creates situations in which public servants demand higher wages and the Armed Forces complain, with proper validity, of manpower shortages. The Italian Government has no effective wage control enforcement machinery, and the size of the Labor Sub-Commission staff precludes its doing more than making strong protests to appropriate and higher authority when such violations are discovered. Even the discovery of the illegal action is difficult because of the limited staff of labor officers and the inability of the Italian inspectorial staff to travel and make inspections. Notwithstanding, plans are being formulated and developed which will regularize the technique for making wage adjustments. A trial statement of the plans is attached as Exhibit "B". This has been circulated to all Labor Officers and has been the subject of informal discussions with officials in the Italian Government. While it is admitted that this is a "left-handed" technique of achieving wage control, nevertheless, it will bring some results. It will also open the door and allow for the correction of present injustices which are causing some labor unrest.

7. The advance party that proceeded to Rome will endeavor, in addition to its many duties, to study the wage situation in the forward areas and of North Italy. As this report goes in, the A.A.I. Labor and Wages Sub-Committee will meet with the advance party to consider wage scale revision for that area. The results will be covered in the [illegible]

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8. As stated earlier and repeatedly, the present labor situation is most serious. The Labor Sub-Commission, with great reluctance, but with the full approval of higher authority has admitted the principle of wage adjustment in those circumstances where past injustices can be proven and where the proposed adjustment of wages are kept under the Armed Force Wage Scale. This is the only deviation in the "hold the line" policy so consistently followed by the Labor Sub-Commission.

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How much longer this policy can, in justice to laboring people, be followed is open to serious question. There is one big reason why this is so. There is an obvious and close relation between prices and wages. The A.C.C. has consistently given way on prices in a manner that reflects a degree of weakness in dealing with crooked black marketeers. This problem was made the subject of a special memorandum, to the Chairman of the Price Committee, during the month of June. If the A.C.C. continues to permit official and unofficial prices to rise, the disparity between wages and prices would become so great that public demand for wage increases could not be successfully resisted. If the demands are resisted, unrest will result. We cannot afford unrest until the battle is over. The Labor Sub-Commission has, is, and intends to continue to stand fast, but in the interest of social justice as well as for military considerations, it is believed that something must be done to keep prices and wages more nearly in a parity position.

The increased food ration for July was received well by Labor, but it has not answered all labor problems. Working people have not, do not, and will not, live on bread and pasta alone. Progress has been made in reference to food, but much more remains to be done especially on the general price front.

Put in still another way, the A.C.C. is in an untenable position if it attempts to do at one and the same time the following things:

Hold the line on wages.

Give way on prices.

Maintain Industrial Labor Peace.

Provide bread alone for the people at low prices.

Satisfy the Military requirements, as far as labor is concerned in the rear areas.

9. Uniform interpretations of all A.M.G. Regional Wage Adjustment Orders, as applied to public employees, was finally made after much study. The original wage adjustment orders were first promulgated for Sicily, but due to the emergency and necessity of putting the order into effect, it was made in general terms. This left many questions of interpretation open and unanswered. Since that time, innumerable cases have come up from all regions and the solutions to problems of unification and uniformity were required. Hence, since a single and uniform ruling would be necessary and its effect felt in all of Italy, this important factual study was undertaken by the small Labor Sub-Commission staff, augmented by dire necessity by the employment of Italian civilian economists, finally to complete this plan.

10. Numerous calls have been received by the Labor Sub-Commission for a Labor Staff in forward areas, which was beyond the ability of this office to fill. Having been working with almost a skeleton staff, it was inevitable that an available staff for such desired forward areas would be next to impossible. This office appreciates the difficulties surrounding this lack

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10. Numerous calls have been received by the Labor Sub-Commission for a Labor Staff in forward areas, which was beyond the ability of this office to fill. Having been working with almost a skeleton staff, it was inevitable that an available staff for such desired forward areas would be next to impossible. This office appreciates the difficulties surrounding this lack of labor personnel, for it has been ever known that labor troubles usually start by the application of poor policy immediately on the heels of occupation.

11. Increased rations to civilians was the outstanding item assisting in holding the line on wages -- beginning 1 July. This may tend to relieve the many requests for wage increases proposed on the basis of high costs of food. As has always been held, food, and not wage increases has always been the answer to the Italian working man's problem.

12. Inspectorial work involving wage studies continued in the hemp industry, public utilities industry, steel industry and glass industry.

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13. Full liaison continued with the Labor Ministry at Salerno, even though change of Ministers took place and contact was difficult.

14. Investigations were undertaken in several cases of labor agitators and persons that were reputed to be undermining the Italian labor structure.

15. Where competent and trained officers are unavailable at Regions, this Sub-Commission has advised policy and procedure. Some of the important measures and standards to follow were: (1) to proceed cautiously -- not entertain upping of wages in any respect, for retreat of wages once drawn was most difficult; (2) to employ civilians at the lowest rate possible under the minimum, or the minimum, and not the maximum; and (3) that food and the cost of living were important items to take into consideration in any wage study.

16. The Labor Sub-Commission has consistently held that the price of wheat should be held to the minimum and in no event should to beyond 700 lire per quintal. Notwithstanding, a higher rate was set and granted, which this Sub-Commission feels will bring on labor repercussions in the not-too-far distant future. Assurances were freely given by several members of the Price Control Committee and some Sub-Commissions that while the price was set high the results of amassing would be a worthwhile compensation. It was also said that the price of bread would definitely not be increased beyond five lire by the higher wheat price, for that would certainly add chaos to the cost of living scales, and bring immediate demands for wage increases.

D. SOCIAL INSURANCE:

1. During the month there was continued close cooperation with Italian officials on all Social Insurance problems. Many administrative matters of importance were settled and close liaison with the situation at the National Headquarters in Rome was established. Much assistance was rendered the Italian National Headquarters in the furthering of activities of social insurance with constant liaison an ever important factor.

2. All Social Insurance work progressed according to schedule. This field is very complicated, but lends itself to easier control than wages.

3. Pension work progressed favorably. Parallel pension orders for all A.M.G. territory and continued efforts toward the abolition of certain Fascist pensions in King's Italy is proceeding slowly in full cooperation with the Finance Sub-Commission.

E. STATISTICS, MANPOWER, AND REGISTRATION PROBLEMS:

1. Little progress was made in registration during the month, except in Sicily where the work progressed steadily.

2. Labor shortages (see Exhibit "A" attached).

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1. Little progress was made in registration during the month, except in Sicily where the work progressed steadily.

2. Labor shortages (see Exhibit "A" attached).

3. Another of the many important functions performed by the already burdened Labor Sub-Commission was the study of costs of living in relation to the possible upward adjustment of Army Wage Scale. This analysis was undertaken with the aid of professional Italian civilian economists on living costs prevailing in Naples and Rome, in relation to wage scale and its attendant problems.

F. REGION REPORTS, MISCELLANEOUS

1. REGION I SUMMARY: a. An agreement between employers and employees of the General Electric Society was reached, and submitted to the Ministry of Labor and the Labor Sub-Commission

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b. A strike occurred at the ABCD Mines, Ragusa, early in June and lasted for a few days. The high cost of living in relation to wages was the prime grievance. The High Commissioner informed the workers of the proposed increased bread ration to be given as of 1 July, 1944. The Company agreed to pay a sum of money into its cooperative store to permit workers to purchase the necessities of life at the reduced cost of about 20 lire per man per day.

c. Pro mpt action on the part of the High Commissioner averted a strike by State Employees, when the Finance Ministry ordered the stoppage of payment of the indemnity of Bombardment. The details are being investigated by the Labor Sub-Commission.

d. A one-week strike occurred at the Trabonella Sulphur Mines, Caltanissetta, late in June. Negotiations were immediately undertaken to reach an early agreement as stated elsewhere in this report; the answer to this problem is "Trade Boards" for adjusting the demands of this depressed industry.

2. REGION II SUMMARY: a. A strike occurred in the Tosi Dockyards at Tarento, but was quickly settled. The instructions received from Labor Sub-Commission, A.C.C. Hq., of the minimum requirements to be followed when a wage increase is demanded proved to be of invaluable help to both British and Italian Naval representatives.

b. Harvest labor was an item of great disturbance caused mainly by the uncertainty as to what wages were to be paid. The presence of Italian Army Labor troops kept the wages down below the 200 lire mark and the average was about 160 lire per day. Ample labor is now available throughout the area.

c. Having no Provincial Labor Office in Apuglia has proved a hardship on A.C.C. labor activities, especially in handling labor disputes. The Italian Government has neglected to revoke the Fascist Labor Syndicates. Political activities on the part of labor syndicates has been noted. There is a strong communistic trend in the area.

d. The Italian Regional Labor Director is in dire need of transportation, and, hence, badly handicapped in supervising the Regional area. All means have been exhausted to furnish the Director with transportation. A final appeal is now recorded to avoid his being entirely immobile by the move of Regional Headquarters from Matera to Bari.

e. A general movement in Bari is developing for the upping of wages, with utility workers providing the opening wedge. This office still feels the effect of the Bari Brewery Company (both at Bari and at Naples) irregular wage increase which has caused the Labor Sub-Commission no end of trouble in more than one area.

3. ROME SUB-REGION SUMMARY: a. The A.C.C. Labor Section, headed by

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gated by the Labor Sub-Commission.

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4. ROME SUB-REGION SUMMARY: a. The A.C.C. Labor Section, headed by Lt. Col. Lane, has done a magnificent piece of work in Rome, (1) applying labor policy developed to date; (2) revising the German labor exchange system; (3) abolishing of the Fascist Corporative System, (4) establishing the Free Union and Collective Bargaining; and (5) the promulgation of a wage scale which increased wages in some categories.

b. Considerable discussion and controversy followed a proposal on the part of Rome Area Command to inaugurate a revision upward of the Army Wage Scale. Supporting data was furnished out of a brief study of collective contracts, currently prevailing rates, and cost of living fig-

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Ltr LAB 091.4323 dtd 10 July 44 (Cont'd)

ures. Action on this matter has been postponed pending further study.

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

2 Incl :
Appendix "A"
Appendix "B"

DISTRIBUTION :

Lord Stanegate, Vice-President Administrative Section	1
Lt. Col. Lane, AMG 5th Army	1
Regional Commissioners, all Regions (Att: LAbor Off)	1 ea
Major Morse (SHAEF)	1
AMG 8th Army	1
Colonel Lawley, Hq A.A.I.	1
Major Albright, Liaison Officer Labor S/C	1
Information Branch	

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EXHIBIT "A"

JOB/mv

HEADQUARTERS
ALLIED CONTROL COMMISSION
LABOR SUB-COMMISSION
APO 394

LAB 091.4611 29 June, 1944

SUBJECT: Shortage of unskilled Labor in Naples Area
TO : Chairman, Labor and Wage Control Committee

1. This report is in response to Para. 6 of the Minutes of the Labor and Wage Control Committee, 3 June, 1944.

2. The Labor Sub-Commission, based on such limited information as is available, reports as follows:

a. There is no shortage of manpower in the Naples Area. By this it is meant that there are enough persons available to more than occupy all jobs available so far as the Armed Forces are concerned;

b. There is a definite shortage of skilled and semi-skilled workmen. This shortage arises out of the following facts: that many skilled workmen were forced out of the area by the Germans prior to our occupation; that the Armed Forces demand a type and number of skilled and unskilled labor such as never existed inthe Naples Area and that there is no Civilian Mobilization Law by means of which such workers can be forced out of private industry to work for the Armed Forces;

c. In addition to this occupational shortage of skilled and semi-skilled workers, there is, undoubtedly, a certain amount of geographic shortage in that workers are available in surplus in some areas, but are not readily available for jobs in other areas. This lack of availability is due largely to two facts. First, that the Italian worker frequently refuses to leave his family to go into another area to take a job, and second, the scarcity of transportation;

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d. While it is true that are a sufficient number of people to fill all jobs, from a manpower point of view, it must be stated that there is in fact a shortage of all classes of workers who are unwilling to work for the Armed Forces, under the terms laid down in Administrative Instruction NO. 24. Wages are not high enough to meet the cost of living and there is undoubtedly real competition from private industry. This statement is made in full recognition of the fact that there are several thousand workers registered as unemployed in the Naples Area. We are, therefore, faced with the anomalous situation of there being enough persons to fill all jobs, but a shortage of workers in fact.

3. The reason for the situation outlined above is obvious. There in an old Fascist Mobilization Law which is entirely dependent upon certain Fascist party structures for enforcement. These structures have been abolished. Hence, the Mobilization Law is inoperative.

4. The Mobilization Law could be amended in such a way as to become

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2. The Labor Sub-Commission, based on such limited information as is available, reports as follows:

a. There is no shortage of manpower in the Naples Area. By this it is meant that there are enough persons available to more than occupy all jobs available so far as the Armed Forces are concerned;

b. There is a definite shortage of skilled and semi-skilled workmen. This shortage arises out of the following facts: that many skilled workmen were forced out of the area by the Germans prior to our occupation; that the Armed Forces demand a type and number of skilled and unskilled labor such as never existed inthe Naples Area and that there is no Civilian Mobilization Law by means of which such workers can be forced out of private industry to work for the Armed Forces;

c. In addition to this occupational shortage of skilled and semi-skilled workers, there is, undoubtedly, a certain amount of geographic shortage in that workers are available in surplus in some areas, but are not readily available for jobs in other areas. This lack of availability is due largely to two facts. First, that the Italian worker frequently refuses to leave his family to go into another area to take a job, and second, the scarcity of transportation;

2988

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3. The reason for the situation outlined above is obvious. There in an old Fascist Mobilization Law which is entirely dependent upon certain Fascist party structures for enforcement. These structures have been abolished. Hence, the Mobilization Law is inoperative.

4. The Mobilization Law could be amended in such a way as to become operative if the Italian Government would approve a new labor law which has been submitted to it by the A.C.C. This new law provides for machinery which would make it possible to enforce a Mobilization Law.

5. Some time ago, the Ministry of Industry, Commerce and Labor did issue a Ministerial Circular attempting to revive the old Italian Mobilization Law. This Ministerial Circular never became operative because there was no basic operative machinery provided.

6. The Labor Sub-Commission has presented to the new Ministry its basic Labor Law and as soon as this is passed, is prepared to submit a revision of the existing Italian Mobilization Law.

/s/ James O. Babcock
/t/ JAMES O. BABCOOK
Major, Spec. Res.
Ass't. D/Director
Labor Sub-Commission

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EXHIBIT "B"

HEADQUARTERS
ALLIED CONTROL COMMISSION
LABOR SUB-COMMISSION
APO 394

JOB/tw

LAB 091.461

30 June 1944

SUBJECT : Minimum Requirements for the Establishment of an Individual Wage Rate and for the Submission of a Proposed Wage Rate Adjustment for any individual Job or for any Industrial Establishment. (Non-military Installations).

1. The Labor Sub-Commission, Allied Control Commission has submitted to it on frequent occasions requests for the Adjustment of individual wage rates and requests for the adjustment of collective contracts governing private employment. These requests are frequently contained in letters which give very inadequate information. This memorandum is proposed for the purpose of regularizing the manner in which such requests for adjustments should be made.

2. The outline below is presented for consideration to all parties concerned. Please review it and comment on it to the Labor Sub-Commission Hq. A.C.C. the provisions are not mandatory at this time but it will be most helpful if they can be followed as closely as possible. By complete cooperation of all parties it is believed that a document can be finally produced which will speed up action and regularize all wage adjustment activity, satisfactory to all.

3. It is proposed that whenever it is necessary to establish a new wage or to propose an adjustment the procedure outlined below should be followed.

1. GENERAL REQUIREMENTS

1. Job Description: For each individual job with which the proposal is concerned, there shall be submitted a complete job description including specific statements concerning the following:

a. Actual work performed
b. Kind and type of work performed
c. Time spent on each phase of operation
d. Amount of skill required
e. Amount of training required
f. Amount and kind of machinery and equipment used
g. Amount of supervision of this job and over other jobs.

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2. The present salary or wage for each job shall be shown, including the following information:

a. Base Salary (Stipendio)
b. Active Service Supplements
c. Temporary War Allowance (Assegno Temporaneo di Guerra)
d. Family Allowance (Aggiunta di Famiglia)

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a. Base Salary (Stipendio)
b. Active Service Supplements
c. Temporary War Allowance (Assegno Temporaneo di Guerra)
d. Family Allowance (Aggiunta di Famiglia)
e. All items of indennita'
f. Bonuses, Gifts, etc.
g. Deductions for social Insurance Tax and food, etc.
h. Net Wage (items a, b, c, d, e, and f, less item g.)

3. There shall be submitted a general statement concerning the following:

a. Hours of employment
b. Working conditions including such things as requirements for special clothing, hazards of employment, living conditions, transportation facilities, etc.

4. Proposed salary or wage for each job with complete justification for the proposal of any change from the previously established rate.

5. It is important that the relation of the job or jobs under

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consideration to certain other jobs be shown as follows:

a. The relationship of the particular job to other jobs in the same establishment.

b. Comparison of the particular job or jobs to the same or similar jobs in related trades or industries.

c. Comparison of the particular job or jobs to the same or similar job in Armed Force installations.

d. In each of the circumstances outlined in a, b, and c, the proposal must show a list of the jobs to which comparison is made together with a statement of the total salaries or wages paid and the number of persons currently employed in those jobs.

II. CHANNELS FOR SUBMITTING INFORMATION

1. In territory under Italian Government Control: All proposals originating in territory under the control of the Italian Government shall be submitted through the following channels:

a. First, through the competent Regional and or Provincial Labor Office (Civilian), depending upon the place of origin or the geographic scope of the proposal.

b. Second, from the competentRegional Labor Office (Civilian) to the Italian Ministry of Industry, Commerce and Labor.

c. Third, from the Italian Ministry of Industry, Commerce and Labor to the Labor Sub-Commission, Hq. A.C.C.

2. In territory under AMG/ACC control: All proposals originating in territory under the control of the AMG/ACC shall submitted through the following channels:

a. First, through the competent Regional and or Provincial Labor Office (Civilian).

b. Second, from the competent Regional Labor Office (Civilian) to the Regional Labor Officer (Military)

c. Third, from the Regional Labor Officer to the Labor Sub-Commission, Hq. A.C.C. through the Regional Commissioner.

III. REQUIREMENTS AS TO FORM OF SUBMISSION

1. It is essential that all comparative facts an figures be submitted wherever possible in chart and table form. There will not be, for the present, any set of prescribed forms to be followed, but such forms will be issued in the near future. In the meantime, any wage submission that is made should be drafted so that it may be read quickly and with understanding..

2. At least five copies of all documents are required. The distribu-

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b. Second, from the competentRegional Labor Office (Civilian) to the Italian Ministry of Industry, Commerce and Labor.

c. Third, from the Italian Ministry of Industry, Commerce and Labor to the Labor Sub-Commission, Hq. A.C.C.

2. In territory under AMG/ACC control: All proposals originating in territory under the control of the AMG/ACC shall submitted through the following channels:

a. First, through the competent Regional and or Provincial Labor Office (Civilian).

b. Second, from the competent Regional Labor Office (Civilian) to the Regional Labor Officer (Military)

c. Third, from the Regional Labor Officer to the Labor Sub-Commission, Hq. A.C.C. through the Regional Commissioner.

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2. At least five copies of all documents are required. The distribution will be as follows:

a. In territory under control of the Italian Government
   (1) One copy to Provincial Commissioner, if originated in the Provincial Office
   (2) One copy to Regional Labor Office (Civilian)
   (3) One copy to Regional Commissioner, or Regional Labor Officer
   (4) One copy to Italian Ministry, Ministry of Commerce Industry and Labor
   (5) One copy to Hq. A.C.C. Labor Sub-Commission

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LAB. 091.461 dated 30 June 1944 (Cont'd)

b. In territory under ~~A.M.G./A.C.C.~~ control -
(1) Same as above
(2) Same as above
(3) Two copies for AMG/ACC Regional Office
(4) One copy to Hq. ACC Labor Sub-Commission

c. Additional signed copies of Management labor wage adjustment agreements may be required whenever proposals are originated by the joint action of Management and Labor and presented to the competent Provincial or Regional Labor Office for review, recommendation, and transmittal to higher authority.

IV. REQUIRED CERTIFICATIONS

1. For wage adjustment proposals in territory under control of AMG/ACC.

a. The appropriate Labor Office will review, check up and certify in a written statement, the accuracy of the proposals submitted.

b. All documents must bear the signature of representatives of Labor or management, or both, depending on the nature of the submission. It is particularly important in general industrial wage adjustment agreements that the agreement be signed by authorized representatives of both management and Labor.

c. The competent Regional Labor Office (Civilian) will review wage adjustment proposals and attach a statement with appropriate remarks and recommendations to all proposals submitted through its office. The competent Regional Labor Office will then forward the file to the Regional Labor Officer (Military) in the proper Region.

2. For wage Adjustment Proposals in territory under control of the Italian Gov't.

(a) Same as above
(b) Same as above
(c) The competent Regional Labor Office (Civilian) will review wage adjustment proposals, attach a statement with appropriate remarker and recommendations to all proposals submitted through its office. The competent Regional Labor Office will then forward the file to the Ministry on Industry, Commerce and Labor, and notify the Regional Labor Office of the action by forwarding a copy of the file to him.
(d) The Ministry of Industry, Commerce and Labor will review and make proper recommendations and forward the file to Hq A.C.C.Labor Sub-Commission for final action.
(e) The Labor Sub-Commission when a decision is finally reached will notify the Ministry of Industry, Commerce and Labor whose responsability it will be to notify the parties concerned.

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3. The Regional Labor Officer will submit to Hq. A.C.C. Labor Sub-Commission, through proper military channels, the entire file with his recommendations.

4. The Labor Sub-Commission, when a decision is finally reached will notify all parties concerned of the decision through channels, i. e. through

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3996

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4. The Labor Sub-Commission, when a decision is finally reached will notify all parties concerned of the decision through channels, i. e. through the Regional Labor Office.

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

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File

HEADQUARTERS
ALLIED CONTROL COMMISSION
LABOR SUB-COMMISSION
APO 394

JOE/mv

10 June 1944

LAB 091.4323

SUBJECT: Report of Activities of the Labor Sub-Commission for the Month of May, 1944.

TO: Executive Officer, Economic Section.

A. STAFF CHANGES:

1. Captain Alfred L.Dorf (A) assigned to Headquarters, Labor Sub-Commission.

2. Captain L. Hewitt-Taylor (B) assigned to Italian Refugees Branch.

B. LABOR RELATIONS, LAWS AND REGULATIONS:

1. 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.

2. The revised draft of the basic labor law was re-submitted by the Italian Government and is now being considered by the higher echelons of A.C.C.

3. Thelabor situation remained fairly static. The continued threat of strike persisted and "sit-downs" of short duration were not uncommon. Unrest was more marked than in any previous month and the Labor 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. For a further statement on this subject, see Appendix "A" attached.

C. WAGES, HOURS AND WORKING CONDITIONS:

1. All special wage studies continued.

2. Wage studies were instituted in:

a. Public Utilities

b. Public conveyances

c. Steel industries

d. Glass industries

e. Agriculture

f. Clerical and administrative employees

g. Drydock

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h. Sulphur Mines

i. State Railway Wage Rates

3. Wage structure adjustments in the public utilities companies continued with negotiations getting on satisfactorily to all concerned and nearing its final stage.

4. Inspectional work continued in:

a. Hemp Industry

b. Musical and Entertainment industry

5. Rendered many minor decisions in regard to rates of pay and involving interpretations of the Armed Force Wage Schedule.

6. Representatives of this Sub-Commission attended three meetings of the Wage Sub-Committee, three meetings of the Labor and Wages Control Committee, one meeting of the Local Resources Board (AAI). In all of these meetings the main topics were problems within the immediate sphere of labor work.

7. Special intensive study is being made in the clerical and supervisory grades with an eye to the American and British public service classification system in a simplified form.

8. Food remains an important point in wage adjustments. Extra weekly food allowances for Allied Armed workers were made beginning 1 June.

9. Vetting of all labor news especially referring to wages and salary in Italian newspapers will henceforth be submitted to this office by P.W.B.

10. Full liaison with the Labor Ministry has been going on successfully.

11. Request for much longed-for office personnel discussed and tabled.

12. Revision and consolidation of general orders discussed at general conference of Legal Sub-Commission. Essential factors involving this Sub-Commission was accordingly presented to the Legal Sub-Commission.

13. Italian pension decree work continuing in draft form. An effort is being made to secure the abolition of certain Fascist pensions in King's Italy and to draw parallel pension orders for A.M.G. territory.

14. A representative from the Labor Sub-Commission arranged for employer - employee negotiations to begin in the case of the public utility companies in Sicily. The result of these negotiations will be submitted to the Regional Labor Office (Civil), thence to the Ministry of Labor and for final approval to the Labor Sub-Commission, A.C.C. As this report is being written, no report has, as yet, been submitted through the Ministry. The workers have threatened strike, but every effort has been made by both civil and military authorities to open up democratic lines of action to them.

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whether or not the workers are capable of intelligent use of such democracy is still a matter of speculation.

15. For a long time, it has been known that the wages in the Sulphur Mines in Sicily were low. Several successful efforts have been made in the past to force the Management to treat the workers more fairly along lines provided for by the AMG/ACC wage orders. Even with these adjustments applied, the workers were still in a greatly disadvantaged class. Lifting a page from the British trade board experience, a representative from the Sub-Commission arranged for the appointment of a committee of Italian civilians representing management, labor, and the Civilian Regional Labor Office, to study the wage structure in the Sulphur mines, and propose a wage adjustment through Civilian Channels. Laborers in the mines have no organization and are not represented by any organized body. In addition to this wage adjustment plan, arrangements were made to feed the heavy workers on the job. The objective of both these actions was to not only maintain industrial peace, but also to assure a step-up in the production of the vital military product.

16. A representative of the Labor Sub-Commission, at the invitation of the British Admiralty, looked into the matter of a long and disturbing labor dispute of dockyard workers at Taranto, Italy, who had asked for increased wages and extra rations.

After much discussion and a formal conference with labor leaders and representatives of all drydock workers, a satisfactory solution on the basis of supplementary rations was reached. Arrangements were accordingly made with the Italian Admiralty for the establishment of an efficient system of distribution for the supplementary ration and the extension of the Cooperative Society advantages to all dockyard workers.

D. SOCIAL INSURANCE, BENEFITS AND TRAINING:

1. Clarification and determination of all means of state, provincial and communal salary and wage compensations are being reviewed for early stabilization. Numerous types and classes of indemnities were uncovered. This public service study was being made in close cooperation with the Italian Authorities who, while wanting something done for the public servants, have no idea of the wage and insurance structure involved. Such information as they now have they have received though A.C.C. Labor Sub-Commission sources.

2. Drafting of Social Insurance plan in close collaboration of the Italian Minister is proceeding slowly. The social Insurance structure, like the wage structure, is most complex and has never been systematically analised 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 fact.

3. A social insurance program is being drafted for direct employees

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of the Armed Forces in conformity with sound labor policy. The extension of social insurance to this large group of workers has been approved in principal by the A.A.I. Local Resources Board upon the insistence of the Labor Sub-Commission.

J.F.R. BAIN,
Colonel,
Director, Labor Sub-Commission

1 Incl: Appendix "A"

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APPENDIX "A"

LAB 091.4323
10 June 1944

CONFERENCE HELD BY COLONEL J. F. E. BAIN, DIRECTOR, LABOR SUB-COMMISSION, AT MONTHLY CONFERENCE, A.C.C., ON 30 MAY 1944:

1. During the month our main energies have been directed to labor disputes, allegedly impending stoppages and the consequent examination of wage structures to ascertain what are the facts in each alleged grievance. Reasonably satisfactory progress has been made.

2. The answer on the labor front is food, not wages. A general increase in wages will merely inflate the cost of commodities that are available.

3. Unfortunately, we find that whenever workers ask for an increase, even ACC officers, under pressure, urge, "Give them something." The result is that the Labor Sub-Commission has the appearance of being the only body to say "No".

4. Always there is the implied threat of a strike. I don't believe we will have a strike, and even if we did, it would not last, and perhaps a trial of strength is necessary. We cannot continue wages because of pressure.

5. The Italian is good at "back door" methods, often the easy way; but he should be stopped and made to face the facts honestly.

6. There is an absence of respect for the authority of the Italian Government.

7. The answer is more food. There can be no general increase in wages. The food position is improving.

8. A few examples of what we have found may be of interest, and help indicate that things are not as they appear on the surface and that there appears to be sabotage of our effort to preserve the economy of the country:

a. Always the "base wage" is quoted, but there is in addition Temporary Increase, Family Allowances, and about 5% Indemnities.

b. L. 1000 boss when told NOT to; 150% increase on one indemnity; British officer 'approved' wage increase on his own.

c. Wholesale upgrading to get into higher wage group; 'forgetting' important elements in wages; 'forgetting' advances in kind result at ridiculously low rates; 70% on each item NOT on total.

9. We must not go to bed with a mental or actual preconception of wages higher than the Army scale. The nation, it is believed, will be the

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10 June 1944

same; only after a period of trial will examination of the wage situation be considered.

FOLLOWING ARE COMMENTS MADE BY THE CHIEF COMMISSIONER ON THE ABOVE:

The work of the Labor Sub-Commission is one of the most difficult and tankless jobs to carry out.

Regarding the increase of food, this matter is more important than currency, inflation, and labor wage problems.

The chief Commissioner stressed working together as a team. This crops up frequently in the work of the Labor Sub-Commission, because people are apt to forget that we have one authority to control labor and wage questions, and quite naturally there is a tendency to deal with these questions as they arise. The proper court is to consult the Labor Sub-Commission before deciding them. This applies mostly to the services, who should work in close collaboration with this Sub-Commission.

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HEADQUARTERS
ALLIED CONTROL COMMISSION
LABOR SUB-COMMISSION
APO 394

LAB 091.4323 — 9 May 1944

SUBJECT: Report of Activities of the Labor Sub-Commission for the Month of April, 1944.

TO: Executive Officer, Economic Section.

A. STAFF CHANGES:

1. Capt. M. ADAMS (B) transferred from Labor, 5th Army to Headquarters, Labor Sub-Commission.

2. Capt. J. TOPLISS (B) assigned to Headquarters, Labor Sub-Commission.

3. Capt. A. L. DORF (A) TD pending assignment to Headquarters, Labor Sub-Commission.

4. Capt. D. L. BOTHAM (B) transferred from Headquarters to Labor Division, Region II.

B. LABOR RELATIONS, LAWS AND REGULATIONS:

1. Continued work on a decree to increase pensions.

a. The Italian Government issued an unsatisfactory decree that must be amended.

b. A parallel order is being drafted, embodying the proposed amendments, to be issued in A.M.G. Territory.

2. Continued work on a decree providing for Manpower Mobilization.

a. The Labor Minister issued a Ministerial Circular reviving the old Italian civilian mobilization law. Its provisions cannot be fulfilled because:

(1) Most of the Fascist structure, on which it depends, no longer exists.
(2) Basic legislation establishing the functions of civilian labor ministry has been held up. No mobilization law can be made effective without this basic labor decree.

3979

3. Submitted, through channels, a draft decree authorizing the establishment of Trade Unions and of Labor Offices, and governing Labor

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(1) Most of the Fascist structure, on which it depends, no longer exists.
(2) Basic legislation establishing the functions of civilian labor ministry has been held up. No mobilization law can be made effective without this basic labor decree.

3979

3. Submitted, through channels, a draft decree authorizing the establishment of Trade Unions and of Labor Offices, and governing Labor Relations. So many items of important labor legislation hinge upon this draft decree, that until it is accepted in some form, preserving certain very essential elements, little progress can be made in other legislation. The issuance of a "Magna Carta" for free labor in Italy is an imperative with the Labor Sub-Commission.

4. The Director met with representatives of the Royal Italian Dockyard Workers, two Italian Admirals, the Prefect and Staff at Taranto concerning the claims of dockyard workers in the Taranto area. A strike was threatened and the whole labor situation tense. As usual the issue

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was food and not wages. As a result of the meeting, there was no strike before the close of the month.

5. The labor situation remained tense in thePublic Utility field throughout the month. Threats of strikes were prevalent, but no major strikes occurred. Only by the close of the month had the Sub-Commission been able to render a decision in favor of the wage increase demands. The results of the decision are still awaited. The workers demanded a flat 50 lire per day increase for everyone. This demand was denied, but a decision permitting wage negotiation was rendered, as stated elsewhere in this report.

C. WAGES, HOURS AND WORKING CONDITIONS:

1. All special wage studies continued.

2. Instituted wage studies in:
   a. Public Utilities;
   b. Public administrative services;
   c. Printing Trades;
   d. Sulphur Mines -- Italian Mainland and Sicily;
   e. Leather goods.

3. Rendered wage decision in the case of a wage dispute in seven public utility companies and their subsidiaries, viz:

a. Negotiation for wage adjustment between employers and employees was permitted.

b. Wages could approach the Armed Force Wage Scale by within 5 lire, but no more.

c. All proposals for adjustment to be submitted through A.M.G. Region III.

4. Continued inspectional work in:
   a. Printing industry;
   b. Hemp industry;
   c. Breadmaking industry.

In all this inspectional work, confined to the Naples Area, the Sub-Commission worked closely with Region III.

5. Rendered many minor decisions in regard to rates of pay for employees of the Armed Forces, involving an interpretation of the Armed Force Wage Schedule.

6. Instituted a study of civilian administrative, executive needs of the A.C.C. for the purpose of presentation of a plan for the establishment of a wage schedule by the A.A.I. which would meet the needs of A.C.C.

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7. Selected a staff of three civilians, to begin work as of May 1, 1944, to make special wage studies. The staff will be expanded when required. The projected work of this staff will augment officer strength, provide needed factual material in the wage field, develop plans for the simplification of the Italian wage structure, and train civilian experts for the Italian Government.

8. Issued orders prohibiting wage decisions without clearance with the Sub-Commission. "Wildcat" decisions by civilians and officers alike were creating an uncontrollable wage situation.

9. Representatives attended three meetings of the Wage Sub-Committee, six meetings of the Labor and Wages Committee, and two meetings of the Local Resources Board of the A.A.I. All meetings dealt with problems of immediate and primary concern to the A.C.C.

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10. Report made to the Education Sub-Commission concerning wage rates in the printing trade in Naples and Palermo.

11. Agreement reached with General Grey to study the entire wage structure of the Italian State Railways in conjunction with the needs of the Military Railway Service.

12. Decision, permitting increase of 70% in the Indennita' di Missione throughout Italy, issued. This indennita' is a travel allowance and not a wage. Decision conforms to the wage increase order.

D. SOCIAL INSURANCE:

1. Agreement reached with the Italian Government to extend social insurance to the direct employees of the Armed Forces. The plan will be presented to A.A.I. in May.

2. Plan developed for the increasing of family allowances, but at the same time destroying the Fascist demographic features of the present family allowance system.

3. Approved the establishment, by the Italian Government, of a Royal Commission to study the forms of Social Insurance now existing in Italy. The aims of the commission will be:

a. simplification;
b. unification;
c. coordination.

E. FIELD SUPERVISION, ACTIVITIES AND CONTROL:

1. Region I: Sicily

a. Prepared wage information for Headquarters on dockyards, printing trades, and coastwise shipping.

b. The labor situation in the sulphur mines remained tense during the month, and some owners were encouraged to permit legally authorized increases up to the maximum permitted under the Wage Increase Order. Again, food proved to be the real issue, and adequate supplies of food at reasonable prices will undoubtedly relieve much of the tension.

2. Region II:

a. Fascist labor syndicates, still in existence in Apulia are being used for political purposes in some cases. They are responsible for illegal wage increases, intimidation of management, and coercion of employees. If the new labor decree were in effect, this situation could be remedied quickly.

b. Part of Region was made into the new Region VII, but it

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a. Fascist labor syndicates, still in existence in Apulia are being used for political purposes in some cases. They are responsible for illegal wage increases, intimidation of management, and coercion of employees. If the new labor decree were in effect, this situation could be remedied quickly.

b. Part of Region was made into the new Region VIII, but it was impossible for the Labor Sub-Commission to assign a trained labor officer to the new region.

c. The Regional Labor Officer has now made contacts with D.A.D.L.'s in the Region and is holding wage conferences with them.

d. At the close of the month four provinces of the present Region II are still without labor offices. This fact is largely caused by the absence of the basic decree giving recognition to the plan for labor offices.

3. Region III:

a. Supervision of Provincial Offices is almost impossible because of the lack of transportation. Army officials have, in one instance, requisitioned the only typewriter available in one communal office.

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This failure to recognize the value of a labor office has also made supervision more difficult.

b. Labor unrest was present in the Tufo Sulphur Mines and in the Cirio Plant in San Giovanni where strikes were threatened. The Tufo situation is being investigated, and the Cirio situation has been settled by a proper interpretation of the Wage Increase Order.

c. Labor unrest, without strikes, was evident on every hand. This was due chiefly to the failure to issue additional rations to heavy and extra-heavy workers. The absence of sufficient food and not low wages is invariably the real cause of unrest.

d. Suspension of repayments for advances made in salaries of certain statal and para-statal employees prior to occupation was ordered during the month. High costs of food and low wages motivated the order.

4. Region V:

a. The most serious problem arising during the month was the preparation for the supply of labor for the coming wheat harvest. Possible manpower competition with the Armed Forces, inadequate supply of manpower, and security restrictions were the chief problems standing in the road of final solution at the end of the month.

5. Region VI (Sardinia):

a. There is no labor officer available for assignment to Sardinia, but the great need for attention to labor problems can be seen from the following quotation:

"On April 19th the first shift of Bacu Abis and Sirai went out on strike. Presumably they were striking for more food and more pay, but actually the strike had been agitated by representatives of the Labor Syndicate who have been actively engaged in organizing all industrial workers in Sardinia. The strike was of short duration and effected only a small percentage of the workers but it resulted in an estimated loss of 400 tons production.

"We have been told unofficially that these Labor Syndicates are to be abolished by the Italian Government and a substitute plan is to be provided. This is extremely desirable because the present Syndicates follow the Fascist pattern and would tend to perpetuate an undesirable system. The only difference being that the Syndicates are now headed by political opportunists who are endeavoring to convince the miners that the Syndicate can and will secure adequate food and more pay for all the workers.

"Following the announcement that the Italian Government (Sardinian) planned an active and immediate investigation of all known Fascists or Ex-Fascists, the more militant members of the local Communist Party took it upon themselves to physically remove all whom they thought to be

Declassified E.O. 12356 Section 3.3/NND No. 785016

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"Following the announcement that the Italian Government (Sardinian) planned an active and immediate investigation of all known Fascists or Ex-Fascists, the more militant members of the local Communist Party took it upon themselves to physically remove all whom they thought to be Fascists. Unfortunately any individual not too sympathetic to the Communists beliefs and principles became a recognized Fascist. This has resulted in some disorder and violence."

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F. FOOD:

1. Following agreement reached at a special meeting of the A.A.I. Local Resources Board, 10 April, 1944, presided over by Major General Robertson, this Sub-Commission in conference with the Economic Section and the Food Sub-Commission, prepared a supplemental food ration scale for Italian heavy workers (see attached Exhibit "A"). This plan was subsequently approved by A.A.I. to go into effect June 1.

J. T. M. BAIN,
Colonel,
Director, Labor Sub-Commission

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Appendix "B" to Minutes of
Labour & Wages control Committee
Meeting - 3 April 44

COPY

CONFEDERAZIONE DEI LAVORATORI DEL COMMERCIO

Direzione dei Servizi
Economici Corporativi

Roma, 21 Febbraio 1941

Circolare n. 38

Enclosed to the Circular letter n. 38

List of Male Workers' Qualifications Displaying Hard Works

(Heavy Works - "Lavori pesanti")

Premise: The following list points out, for each industry's category, the specific qualifications of workers displaying hard works. Then the workers belonging to following categories must be considered displaying hard work even if they work near Commercial, Agricultural or State concerns and independently of Firm of worker's syndical settlement.

General qualifications: Persons displaying work for the conveyance, loading and unloading of weighty goods and fatiguing works of cleanness.

Specific qualifications in industry's various actors:

1. Millers, Soup-paste makers, rice-workers and threshers: Kneading workers, wheat-washers, kneading machine workers, drivers of engines for cereal's threshing and for agricultural mechanical works (season-works).

2. Agriculture and foodstuffs: (milk, its derivatives and meat working) Cellar workers, can-distributors, cheese-makers, slaughterers, regrigerator-workers, flying workers.

3. Soda waters, beer, ice, malting: Refrigerator-workers.

4. Wine and liquors: Packing-workers.

5. Wood: Hand-sawyers.

6. Paper and printing: Driver and Firemen Steam Roller, Engine, wood hands, machine workers.

7. Chemistry: pyrites furnaces feeding workers, carbide of calcium furnaces feeding and casting workers, phosphates packing workers, oily seeds pressing workers, pressing filters workers.

8. Tanning: Hand cleaning workers, soles refining workers, pressing machine workers, pile makers.

9. Building: Masons, Road workers, carpenters, unskilled labourers, "Dimazzatori" miners, iron workers.

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10. Lime, cement, plaster, handmade works in cement and brick: digging workers, miners, kiln-man, unskilled labourers, packing into sacks workers, small tile layers, fireman, putting into the oven workers, taking out of the oven workers, layers, wheel barrow drivers.

11. Glass and ceramics: Blowers, culders and in general all fire workers.

12. Extractive industry: Miners, diggers, piercers, "dingagiatori" "armatori" "imboscatori" "disarmatori" (inside and outside). Trackers (inside) road workers "Docauville" lines layers, asst. miners, pushers, unskilled, labourers (inside and outside) masons, blacksmith (inside) fillers, wheel barrow drivers (inside and outside), furnaces loaders and unloaders, "lizzatori", stone hand cutters, "modellatori", squarers, and in general all sulphur mine workers.

13. Metallurgy and mechanics: All foundry workers and belonging to auxiliary services, Furnace workers, core makers hand and machine "staffatori" "shavatori" sanding workers, forging workers, blacksmith, metallic carpenters, railway cars makers and repairers mechanical workers, galvanizing workers, ship demolition workers, ship makers, ship equipping or repairing workers.

14. Gas, electricity, pipelines: Firemen, driver engine loco, steam turbine workers, furnace and boiler, loading and unloading workers, gas depurating machine workers, furnace masons, blacksmiths, linamen (electricity, water and gas), electricians and water workers in mountains higher than 1000 meters, coal loading and unloading workers, road workers, masons.

15. Trucks, Railways and tramways: Drivers engine loco, firemen, armature workers, cars cleaning workers, drivers trucks.

16. Fishing: All workers in little fishing in sailing rowing boats inferior to 10 tons of tonnage - tunny fishing workers (season works).

17. Postmen

18. Printing Trades

Extra Heavy Workers (Lavori pesantissimi)

Quarry Workers' Miners, sappers labourers over 1000 meters in height, handlers of freight over 100 kg., all port labourers, timber jacks.

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4 April 44

WDM

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

JRS/tbw

LAB 091.467

13 April, 1944

SUBJECT: Increase in Food Ration to Italian Heavy Workers

TO : HQ., A.A.I. (Adm.Sch), Allied Force Local Resources (Italian) Board

1. In compliance with agreement reached at special meeting of your Board, 10 April, 1944, the Allied Control Commission suggests the following plan for increasing the present food ration to Italian heavy workers in a manner which definitely gives the worker for the Armed Forces a food advantage and incentive over other workers:

"A" SCALE (Applicable only to heavy workers directly employed by the Armed Forces or by contractors operating exclusively for the Armed Forces.)	"B" SCALE (Applicable only to heavy workers in other industries essential to the war effort.)
Part I : Present basic ration of 200 grams of bread daily retained.	Part. I : Present basic ration of 200 grams of bread daily retained.
Part II : Present mid-shift meal on the job retained unchanged.	Part. II: Where approved, present mid-shift meal on the job continues unchanged.
Part III: At weekend, worker entitled to supplemental weekly allowance ration card for 700 grams of paste and 200 grams of dehydrated soup.	Part.III: At weekend, worker entiled to supplemental ration card for weekly allowance of 350 grams of pasta.

(Part III entitlement based on 6 continuous days' work or just cause shown for absence).

2. A study of the two scales reveals that under the "A" Scale, Army workers are put into a preferred position by receiving a week-end bonus of 200 grams of dehydrated soup and 700 grams of pasta. Other essential heavy workers receive only 350 grams of pasta as a bonus, but not the extra weekly soup allowance.

3. Workers are privileged to increase their pasta allowance by converting their basic 200 gram daily bread ration into 150 grams of bread and 40 grams of pasta. In such event, the Army worker would receive a total of:

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Daily	(285 grams bread (23 grams dehydrated soup (Vegetables (1 oz. meat or cheese (if available)
Weekly	(980 grams pasta (200 grams dehydrated soup

4. This plan will apply only to the Mainland of Italy, and will be adopted only wherever it represents an increase. It is not intended to decrease present scales established above these levels at places such as Taranto, Brindisi and Bari, nor will increases above such levels in these special instances be permitted. Any further deviation from the plan will be possible only in areas of operational emergency as determined by the Commander-in-Chief Allied Armies in Italy.

5. At no point will flour be issued. It must be furnished the worker in the form of either bread or pasta.

6. It is suggested that the present price scale set forth in signal No. 44952 from AFHQ signed CINC, 30 January, 1944, on bread at L. 1.28 per 1/3 lb., be revised to make such bread available at the standard ration rate of L. 3.60 per kilo; and that the price set on fresh vegetables at L. 4.5 for 6 oz. be revised to make such such vegetables available at prevailing market prices.

7. It should be clearly set forth that complete compliance with the above regulation by all units must be enforced to insure uniformity of action.

8. Definition of heavy workers shall be restricted to categories listed in Appendix "B" to Minutes of Labour and Wages Control Committee meeting of 3 April, 1944. Since the phrase in 5 (j) under amendment made to Para. 5 (see Minutes of Allied Force Local Resources (Italian) Board, Labour and Wages Control Committee, 3 April, 1944), viz: "..... or to others jointly at the discretion of Base Section or Area Commanders and the local ACC authorities, provided that the total workers involved receiving the increased ration do not exceed 10% of the population of the Province or Region concerned", was predicated on the elimination of the mid-shift meal, such amendment can no longer be valid under this new plan. In effect therefore, the plan herewith presented concerns only "pesanti" and "pesantissimi" and does not apply to "impiegati" or "operai" "leggeri".

D.S. ADAMS,
Colonel, C.E.,
Executive Officer,
Economic Section.

1 Incl:
Copy of Appx B to Minutes of
Labour & Wages Control Committee
Meeting - 3 April 44.

3977

Labour Sub Cm

4323

Major Babcock
Room 15
27/4/44

HEADQUARTERS
ALLIED CONTROL COMMISSION
RC. & ME. Section
APO 394

Ref/497/44/CA.

25 April 1944.

SUBJECT: Monthly Reports.

TO : Regional Commissioners, All Regions.
S.C.A.O's 5th and 8th Armies.

1. Commencing with the report for April 1944 the following procedure for the preparation and submission of monthly reports will be adopted.

2. The Regional Commissioners and S.C.A.O's report will consist of a summary of the salient activities of the region during the period under review, condensed into not more than 6 pages of single-typed foolscap. The summary should cover the following points in the order and under the headings shown :

(a) Political reactions and popular opinion.
(b) Local Government - Provincial.
(c) Economic Resources and Supply, with special reference to the Food situation.
(d) Agriculture, Forestry and Fisheries.
(e) Labour.
(f) Public Works and Utilities.
(g) Public Safety and the functioning of :

(i) Allied Courts.
(ii) Italian Courts.

(h) Public Health to include the Welfare and condition of the population.
(i) Education.
(j) Refugees.
(k) Communications to include.

(i) Road.
(ii) Rail
(iii) Telecommunications.
(iv) Posts.

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(l) Property Control.

3. In general copies of Divisional Reports will not accompany this summary except where special reference is made or the report is of special significance.

4. The report will be submitted (in quintuplicate) so as to reach this HQ (R.C. & M.G. Section - Civil Affairs Branch) not later than 1200 hrs on the 10th day of the month succeeding that covered by the report.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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4. The report will be submitted (in quintuplicate) so as to reach this HQ (R.C. & M.G. Section - Civil Affairs Branch) not later than 1200 hrs on the 10th day of the month succeeding that covered by the report.

5. Divisional Reports will be submitted to the Sub-Commission (or Sub-Commissions) concerned, each in duplicate and not later than the 5th day of the month succeeding that covered by the report.

6. Reports will be factual and relate only to the situation prevailing during and at the end of the period under review. They will not contain proposals, or recommendations, which should form the subject of separate communications.

7. Reports on personnel, where not already covered by those called for by G-1 Branch this HQ should be submitted separately to R.C. & M.G. Section (Establishments Branch).

8. Para.6 and Appendix "D" of AMG 519.1 of 4 January 1944 and any other orders in conflict with the above instructions are hereby cancelled.

T-15/102.

M. S. LUSH,
Brigadier,
Executive Commissioner.

Copy to: Sub-Commissions
Sections (2)
Sec'y Gen.
} For information.

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HEADQUARTERS
ALLIED CONTROL COMMISSION
LABOR SUB-COMMISSION
APO 394

13 April 1944

LAB 091.4321

SUBJECT: Report of Activities of the Labor Sub-Commission for the Month of March, 1944.

TO: Secondo Section

A. STAFF CHANGES:

1. Major D.A. Duncan transferred from temporary duty Region III to permanent duty in Region I.

2. Major Thomas Fisher transferred from Headquarters to Region V.

3. Lt. Col. Thomas A. Lane transferred from Region III to Region IV.

4. Major Sheldon C. Turner transferred from Region V to AAC 5th Army.

5. Major Polen transferred out of the Labor Sub-Commission to Public Works and Utilities Sub-Commission.

6. Major David A. Morse transferred to MTOUSA.

7. Captain Pottle transferred to MTOUSA.

8. Captain J. Robertson transferred from Headquarters to Region III.

9. 1st Lt. J. Giammarco transferred from Hq. Supply to Labor Sub-Commission.

10. Lt. Fleming transferred to MTOUSA.

11. 2nd Lt. Salzberger transferred from Region III to Headquarters.

33-0

B. LABOR RESOURCES AND MANPOWER ACTIVITIES:

1. The Director of the Sub-Commission went to Palermo to inspect the progress of the registration of workers in Sicily.

2. Further representations were made during the month to the Italian Government for the creation of a civilian mobilization law.

C. LABOR RELATIONS LAWS AND LABOR DISPUTES:

1. Strong representations were made to Marshal Badoglio to assure the continuing validity in King's Italy of AMG/ACC Labor Pronouncements and Acts from 11 February 1944, until such time as substitute Royal Decrees could be issued. Agreement was reached accordingly.

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2. A representative committee of the newly consolidated Naples-Bari Confederation of Labor made formal call on the Labor Sub-Commission to state their problems and offer their services in the resolution of general Italian labor problems.

3. During the month electric workers in S.M.E. threatened strike unless their basic wages were adjusted. Numerous conferences were held with employers and employees in cooperation with the Public Works and Utilities Sub-Commission and representatives of Region III. There was no strike and no wages were adjusted.

4. During the month basic legislation was prepared in draft form concerning the establishment of Labor Offices and setting forth basic regulations for collective bargaining.

D. PENSIONS AND TRAINING.

1. One officer in the Sub-Commission was given full-time responsibility for Social Insurance work and much basic material was assembled the results of which will be reflected in the April Report.

2. A Royal Decree on pension adjustments was issued during the month.

E. WAGES, HOURS AND WORKING CONDITIONS.

1. Representatives of the Sub-Commission attended a joint conference with PMS officials concerning the composition of wages to be paid to employees of contractors working for the Armed Forces. A plan was devised and submitted to the Labor and Wages Committee of A.A.I.

2. All meetings of the Labor and Wages Sub-Committee were attended by representatives of the Labor Sub-Commission. More than 50% of the items on the agenda at these meetings involved the direct participation of the representatives of this sub-Commission.

3. Representatives of this Sub-Commission attended, with Colonel Evans, each meeting of the Allied Forces Local Resources Board. The majority of the items on the agenda were labor problems.

4. Numerous wage studies were instituted during the month.

5. An officer of the Labor Sub-Commission was given full-time duties in the inspectional field, and inspections have been started in the following industries:

a. The Hemp Industry.
b. The Printing Trades in Naples.
c. The bread manufacturing establishments in Naples.
d. Contractors employed by the Armed Forces.

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F. MISCELLANEOUS:

1. Food: A general meeting on food was held in General MacFarlane's office which was attended by members of the Labor Sub-Commission. Applesauce discussed arose out of reported dissatisfaction on the part of electrical workers over wages and food. Since it was the consensus that food adjustment was the only justifiable solution a committee was appointed by the General comprised of Colonel Adams, Colonel Lage, Lt. Col. Smith to study and make recommendations for an increase of the food ration.

2. During the month a meeting was held with A.M.I. on the proposed food ration increase.

J. T. H. HAIN,
Colonel,
Director, Labor Sub-Commission.

JTH/cw

J.C.B.

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HEADQUARTERS
ALLIED CONTROL COMMISSION
LABOR SUB-COMMISSION
APO 394

091.432

10 March, 1944

SUBJECT: Report of Activities of the Labor Sub-Commission for the Month of February, 1944.

TO : Economic Section

A. STAFF CHANGES:

1. On 18 February, Capt. W. E. Levy (B) was permanently assigned to this office as Liaison Officer on labor matters between A.F.H.Q. Adv. Adm. Sch. and this Sub-Commission. This assignment was accomplished at the instance of Brigadier Lush, who for some time has recognized the importance of keeping A.F.H.Q. in daily contact with our activities.

B. LABOR RESOURCE AND MANPOWER ACTIVITIES:

1. See para. 2 7(a) below. Further work was done this month, in cooperation with the Labor and Wages Control Committee of the Allied Forces Local Resources (Sicilian) Board, in reference to the rehabilitation of existing Italian laws regarding civilian mobilization. If rehabilitated, certain articles which placed executive responsibility in the hands of the Fascist Party and the "Cooporazioni" would have to be amended. Later the problem was referred to the Minister of Industry, Commerce and Labor who maintained that:

a. The old law should be rescinded, and a new law enacted;
b. That the promulgation of this law can only be considered after the Italian Government has issued the decree "instituting" the offices of Labor" to whom the responsibilities would be largely transferred. The Sub-Commission submitted, subsequently, a report to the Minister indicating the substantial and formal amendments which would be required to rehabilitate the old law.

C. LABOR RELATIONS, LAWS AND LABOR DISPUTES:

1. Trade Union Ordinance: A fourth draft of the fundamental principles that this Sub-Commission intends to include in a Trade Union Ordinance has been submitted and discussed.

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2. In the field of trade union organization, a close check of and contact has been maintained with two men who have injected themselves into the picture for reasons which on the whole might prove beneficial to the movement. The first of these men is Paul Pano, on whom a separate report was initially submitted in December, 1943. Pano is an Italian, former resident of Rome, and exiled by the Italian Government in 1938 for political reasons. He went to London where he is alleged to have been employed by the British Foreign Office in the Political Intelligence Division. Pano appeared in Naples in December, 1943, carrying a British passport and a letter signed

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by the General Secretary of the International Transport Workers' Federation (London) designating him as Italian representative of said Federation. He has been, and still is, actively engaged in advising and assisting the labor unions which have been, and are being, organized in the transport field. He is a socialist; Italian subject; married; and considers Oxford, England, where his wife and children reside, as his home.

The second man is a Mr. Gentile (also known as Casparini), who is an Italian subject, formerly resident in Milan. He was exiled by the Italian Government in 1938 for political reasons, and went to London where he engaged in anti-fascist activities. It appears that he spent some time in the United States as well in connection with his anti-fascist activities. He arrived in Naples from London in November, 1943, and became connected with P.W.B. (a connection which has since been severed). Gentile has been active in the political and labor fields. He is not a member of any party at this moment, but may be classified as belonging to the "Justice and Liberty" movement. His main effort has been in helping to organize the Italian General Federation of Labor (Naples) in which organization he now holds an official post; and in aiding Trade Unions in their organizational move. A good percentage of his time is also spent in analysis of local economic conditions and preparation of plans and lines of action calculated to relieve situations which he and his associates deem serious. While Gentile is active in the Labor field, his interests very definitely tie in with the current political development. He may be classified as a "Liberal".

D. BENEFITS AND TRAINING:

1. Temporary pension Adjustment plan still under discussion.

E. WAGES, HOURS AND WORKING CONDITIONS:

1. Agricultural Wage Structure: Additional material on agricultural wages, especially for the Naples area was collected, and is being combined with the Sicilian wage material.

2. Special Wage Information was received during the month for the following:

a. Electric power industry in the Naples area;
b. Hemp and hemp processing industries;
c. Military wage scales;
d. Wages scales of civilians employed by the Italian Army.

3. Wages Control Committee activities of A.F.H.Q. Adv. Adm. Sec.:

a. Labor Sub-Commission representative attended all meetings of the Wages Control Committee and one meeting of the Wage Sub-Committee during the month.

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b. The Wage Sub-Committee agreed upon wage scales for about 100 different and additional occupations to be employed by the Armed Forces.

c. Reports were given to the Wage Control Committee on
(1) Instructions issued by Region III in reference to the preferential hiring of hemp workers in the Naples area.

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(2) Employment of civilians by the Italian Army

4. Representatives attended one meeting of the Allied Local Resources Board (Italian) to consider problem of the techniques of setting wages for the Armed forces.

5. A special comparative study of Armed forces wages to civilian employees on the Italian Mainland and in Sicily was made and copies provided as a guide to officials in Sardinia as well as to interested A.F.H.Q. officers.

6. Action was taken, in cooperation with the Wage Control Committee and the Economic Section, to ensure that all communications and representations from A.M.G./A.C.C. be submitted through proper channels regardless of the point of origin.

7. Regional representative and Sub-Commission representative attended two meetings of the Labor and Wages Control Committee of the Allied Force Local Resources (Sicilian) Board, participating in discussions concerning:

a. Amendment to Italian labor laws to assure priority of labor for Armed forces.

b. Setting of wage scales for civilians employed by the Armed forces.

c. Recruiting of Italian Air force personnel in Sicily.

8. Reported on a special survey made of wage and production problems in the hemp industry, to the Commerce and Industry Sub-Commission.

F. FIELD SUPERVISION, ACTIVITIES AND CONTROL:

1. Region I: See paras. 2 7(a), (b) and (c) below.

2. Region II:

a. Meeting at Matera on 18 February with the Calabrian Civilian Directors of Labor for purpose of discussing office organization, procedure, and problems of policy.

b. Report submitted to the A.C.C. regarding problems facing the labor program in Calabrian provinces. Report covered problems of slow mail service, complete absence of transportation for the conduct of official labor business, poor office space and working conditions in provincial Labor offices, political activities, and Trade Union organizations.

c. Regional Labor Officer attended conference in Naples regarding salaries of personnel in the provincial Labor offices.

d. A plan was developed whereby courts were permitted to hear small claims cases involving labor-wage adjustments.

3. Region III:

3405

a. Provincial Labor offices now organized and functioning in Naples, Avellino and Benevento Provinces.

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b. The inspectorate, a part of the Regional Labor office, began functioning during the month, especially with reference to wage scales and compliance with social insurance laws.

c. Employment exchanges in the Region now number more than 100, and they have met all demands of the Armed Forces during the month.

d. A planned 'march' on the prefect's office for the purpose of asking relief from a food situation, wherein wages were considered to be worthless at black market prices, was averted.

e. Clarification was given to the wage Increase Order after the finance section had denied an increase upon a base which included indemnity of bombardment. The increase based upon the inclusion of the indemnity was found to be legal, and a satisfactory answer to certain statal and para-statal employees, who had posted an open letter on the problem, was thus provided.

f. Regional order No. 3 bolstered Regional Order No. 1 further defining Trade Union Organizations' principles.

g. The food supply in the Naples area is still inadequate and gives rise to many daily problems in the Regional Labor Office.

h. Accurate statistics on unemployment are being assembled. There are now about 10,000 male professional and factory workers unemployed. There are also about 10,000 female professional, manual and factory workers unemployed in the Naples area.

i. Drive conducted during the month for the enforcement of the payment of social insurances by contractors and other employers.

4. During the month, a special trip was taken by Colonel Bain, Lt. Colonel Smith, Captain Morse, and Captain Levy to 5th Army Headquarters at Caserta in order to appraise the labor agency facilities of both the American and British 5th Armies. It was found that the British A.D.L. Office in charge of Lt. Col. Bostock was functioning in an active and successful manner. In company with Col. Bostock the party visited the offices of 5th Army Deputy G-4, Lt. Colonel d'Orsa, and his newly appointed Labor Assistant, Captain Foster. It was agreed at this conference that the two offices be combined using the British facilities, so that all labor requirements in the area would be screened and filled by one agency.

5. A conference in Naples was called by this Sub-Commission of the Regional and Provincial Directors of Regions II and III to synchronize with the transfer of territory to the Italian Government. The Minister of Industry, Commerce and Labor and his assistant, as well as the Regional Director from Region I attended the meeting. The purpose of the meeting was to exchange views on all major problems of the organization of the Labor offices and on labor problems in general.

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G. RELATIONS WITH THE ITALIAN GOVERNMENT

1. The Labor Liaison Officer at A.C.C. Near Headquarters, had maintained office at the Near Headquarters and also with the Italian Ministry of Industry, Commerce and Labor.

2. Three trips were made to Main Headquarters, Labor Sub-Commission.

3. Continuous contacts in labor matters were maintained with the Italian Ministry of Labor, and with the other Sub-Commissions at Near Headquarters, including Legal, Finance, Industry, Interior, Welfare and Agriculture. Contacts were also made with the Provincial A.C.C. Headquarters (Lt. Col. Robinson), the Provincial Labor Office, and the U.A.N.L. for Salerno Province.

4. The Labor Liaison Officer also participated in the meetings of the Sub Area Labor Committee, and attended, as an observer, the meetings of the Administrative Section under Lord Stansgate.

5. The following papers and reports were submitted to the Labor Sub-Commission, Main Headquarters:

a. Report on conditions of agreement for transfer of territory to Italian control.

b. Report and interpretation of procedure for arbitration and litigation of labor disputes.

c. Report and survey of labor liaison problems.

d. Outline of duties of Labor Liaison Officer.

e. Report of meeting of sub-area Labor Committee.

6. The following reports were received from or developed in conjunction with members of the Italian Ministry and submitted to the Labor Sub-Commission, Main Headquarters:

a. Draft decree and explanatory statement on the abolition of Syndicates, establishment of Labor Offices and statement of the freedom for labor organization.

b. Statement on the status of Indemnities in the four Provinces and proposal for remedy.

c. Program for reform of Social Security Program.

d. Statement on appointment of new Director of Istituto di Malattia.

e. Statement of requested action in four pending matters, i.e., Indemnities, Insurance, "Labor Charter" decree, and labor mobilization decree.

f. Statement on legislation for compulsory mobilization of workers.

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II. MISCELLANEOUS ACTIVITIES:

1. An important development during the month was a meeting called, at the initiation of the Labor Sub-Commission, of various units in the Naples area including both American and British, Army and Navy. The purpose was to achieve complete coordination in the procedure to be set up to handle the distribution of the midday meal authorized by A.F.H.Q., Algiers, made available to certain civilian workers of the Armed Forces. The meeting was a success, and details of the agreement arrived at are covered in the attached minutes of the meeting (Exhibit "A").

2. The Chiefs of this Sub-Commission were called into a conference on 9 February attended by Major General Friend, D.L. of the British Armies, from the London War Office; Brigadier Hilary, D.L. for this Theater of Operations; Brigadier Lush; Colonel Bain; Lt. Colonel Smith. Discussion brought out the large scope and purposes of the Labor Sub-Commission's program as well as intimate data regarding current labor problems. A copy of special statement prepared at General Friend's request for his use in London is herewith attached (Exhibit "B").

3. On 23 February, at the call of Colonel Upjohn, Director of the Legal Sub-Commission, a meeting was held in the office of Brigadier Lush, attended by Brigadier Lush, Colonel Bain, Col. Upjohn, Lt. Col. Smith, Lt. Col. Wilmer (Assistant to Col. Upjohn), Lt. Col. Lewis (British S.L.O., 5th Army), and Capt. Morse. A number of questions and misconcepts in the minds of both the Legal Sub-Commission and the S.L.O. of British 5th Army relative to orders on labor matters which had been issued through the initiation of the Labor Sub-Commission in various occupied Areas, were clarified, and the meeting ended in complete agreement that the Labor Sub-Commission had proceeded correctly in every instance. Commendation was given on the excellent progress made in formulating the various basic principles of the Labor Sub-Commission's program into decree form for adoption and issuance by the Italian government in the territories recently turned over. A number of conferences have already been held with Dr. Corbino, Italian Minister of Industry, Commerce and Labor, relative to the exact language of these decrees.

JOH/thw

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

EXHIBIT "A"

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

1. Conference called by Lt. Col. J. R. Smith, D/Director, Labor Sub-Commission, A.C.C. HQ., to discuss A.F.H.Q. signal dated 31 January, 1944, reference 310940A, FATIMA (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, Wages Control Committee, A.F.H.Q., Adv. Adm. Sch.; Lt. Col. W. Lyde, Labor, A.F.H.Q., Adv. Adm. Sch.; Lt. Col. I. Lax, Labor, P.B.S.; Lt. Col. Brown, Q.M., P.B.S.; Capt. A. J. Platt, S.T. Branch, A.F.H.Q., Adv. Adm. Sch.; Capt. David A. Morse, Labor Sub-Commission, A.C.C. HQ.; Lt. P. R. Grindle, Pay Section, R.N.V.R.; Lt. J. Viscusi, Supply, Military Railroad Service, NATOUSA; Lt. Col. T. Lane, Labor Officer, Region III, A.C.C.; (Q.M. 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.B.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 Base Section, Area, or District Commanders to H.Q. 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 2 pound army loaf form and cut into 1/3 pound rations. Workers will pay for the food at prices indicated in A.F.H.Q. signal. Price will be 1.28 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 0 a.m.

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Pay Section, R.N.V.R.; Lt. J. Viscusi, Supply, Military Railroad Service, NATOUSA; Lt. Col. T. Lane, Labor Officer, Region III, A.C.C.; (Q.M. 5th Army invited, but unable to attend).

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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 zones.

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 act 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.

Junius R. Smith

DAM/tbw

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

DISTRIBUTION: (OVER)

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DISTRIBUTION:

A.F.H.Q., Adv. Adm Sch (Control Wages Committee)	2
A.F.H.Q., Adv Adm Sch (Labor - Lt. Col. Lyde)	2
PBS (Labor - Lt. Col. Lee)	2
RNVR (Commander Watkins)	2
MFS (Lt. Viscusi)	2
5th Army, G-1 and Labor	2
8th Army, G-1 and Labor	2
PCAO's - All Regions (Att: Labor Officers)	1 each
Food Sub-Commission	2
Economic Section	2
Col. Spofford	2

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EXHIBIT "H"

COPY

COPY

HEADQUARTERS
ALLIED CONTROL COMMISSION
LABOR SUB-COMMISSION
APO 394

9 February, 1944

091.432

MEMORANDUM:

TO : Brigadier Lush

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 frozen 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 ration 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.

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amount, and charge to individual worker. (Minutes of a food-wage conference attached -- Ex. F.)

g. 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 PRINCIPLES 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 or organization must be adequate, and care taken to provide appropriate rank for officers and EM/CR'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/tbw

/s/ J. T. R. Bain
J. T. R. BAIN
Colonel.
Director, Labor Sub-Commission.

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HEADQUARTERS
ALLIED CONTROL COMMISSION
LABOR SUB-COMMISSION
APO 394

091.432

10 February. 1944

SUBJECT: Report of Activities of the Labor Sub-Commission for the Month of January. 1944.

TO : Economic Section

A. Staff Changes:

1. Lt. J. H. Moffitt (A) detailed by the Labor Sub-Commission to Region I. Palermo. to (1) supervise labor activities in the Region. and (2) continue work on the installation of the system for the registration of workers. in the employment exchanges throughout Sicily.

2. a. Capt. Zemple (A) in charge of Labor activities in Region I until late in January. was assigned to another theater of operations.

b. Lt. H. L. Criley (A) transferred to another theater.

3. Col. J. T. R. Bain (B). Major J. O. Babcock (A). and Capt. E. J. Scialuna (B) together with EM transferred their headquarters from Palermo to Naples.

B. Labor Resources and Manpower Activities:

1. During the month the form to be used for the registration of workers through the Employment Exchanges was approved and ordered for printing.

2. Allied Forces Local Resources (Sicilian) Board indicated to this Sub-Commission in conference that it might be necessary in the future when Sicily was turned back to the Italian Government to develop some technique by means of which certain classes of labor could be retained as long as necessary by the Armed Forces. It was further pointed out that the Armed Forces might find it necessary to require certain civilians to work on projects having a high military priority. This Sub-Commission has undertaken a revision of Italian law which would, in law, meet the problems raised by the Resources Board. The report will be made to the Board in Sicily at its February meeting.

C. Labor Relations, Laws and Labor Disputes:

39.8

1. A study was made of desirable amendments to General Order No. 8.

2. In cooperation with the civilian Labor Office in Sicily, a member of the staff worked on an ordinance for trade union organization. Such an ordinance would in effect compliment General Order No. 17, which permits trade union organization.

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3. Prepared and issued General Order No. 17, dated 18 January, 1944, providing for right of employees to organize, hold meetings, and select representatives of their own choosing for purposes of collective bargaining. Said Order issued for Regions I and II. Steps will be taken to assure issuance and uniformity in Regions III, IV and forward areas when practicable. General Order No. 17 was authorized in principle by signal from Combined Chiefs of Staff, received 26 December, 1943, in response to request for advice from this Sub-Commission dated October, 1943. (See below; C (1).)

4. Report submitted to Chairman, Wages Control Committee, A.F.H.Q., Adv. Adm. Sch., at his request, on status of labor organizations in Italy.

D. Benefits and Training:

1. Committee appointed with representative of this Sub-Commission as Chairman, to study and report on the problem of Social Security and Social Insurance. The work 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 Public Health Sub-Commission.

2. Plan for temporary Pension Adjustment has been submitted, and is now the subject of discussion. Final action not yet taken.

E. Wages, Hours and Working Conditions:

1. Agricultural Wage Structure: In cooperation with representatives of the Agricultural Sub-Commission and the Regional Labor Office, a special study of the wage structure for agricultural workers was conducted. The majority of the material for Sicily has now been collected, and the report is in progress of preparation.

2. The Latifondo: At the root of many of the problems of agricultural labor in Sicily will be found the Latifondo. An intensive study of the economic aspects of the problem of the Latifondo is being made at the present time in the belief that many aspects of the problems of agricultural labor can be solved only by careful attention to and full understanding of the land tenure structure.

3. Salaries of Employees of Regional and Provincial Labor Offices are also being studied. During the month a careful review of the entire legal basis of the wage structure under the old statutory structure was studied and plans laid for the possible revision of the old wage structure revised to meet (a) the rising cost of living, and (b) avoid the complexities of the old basic wage plus indemnities system.

4. Final approval and distribution of Uniform Conditions of Employment and Wage Scale for Civilians employed by the Allied Armed Forces in Italy. Representative of Labor Sub-Commission sat on Wages Control Committee, A.F.H.Q., Adv. Adm. Sch., which recommended the conditions and scale. Issued 24 January, 1944, as A.F.H.Q., Adv. Adm. Sch.,

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Administrative Instruction No. 24.

F. Field Supervision and Control:

1. The Director of the Sub-Commission, together with other officers and the Regional Director of Labor for Sicily, completed their inspection of the Provincial Offices in Sicily, which was started in December. This activity was briefly summarized in item (10) of the December report from this office. It is now believed that each Provincial Office is being organized along the lines intended in General Order No. 8, and that each Provincial Director of Labor understands his real relationship to the Regional Director of Labor. The series of inspections has resulted in bolstering the supervisory and administrative powers of the Regional Director over the activities in the Provinces.

G. Relations With Italian Government:

1. Liaison with Italian Government so that the program of this Sub-Commission and its Order 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 (King's Italy).

2. Requested Legal Sub-Commission to protect legal position of all legislation of Labor Sub-Commission in event of turn-over of territory and jurisdiction of said territory to Italian Government.

H. Miscellaneous Activities:

1. Representative of this Sub-Commission released from temporary duty with Central Economic Committee due to dissolution of said Committee. Unfinished labor matters pending before C.E.C. referred to Sub-Commission for advice and necessary action.

2. Representative of this Sub-Commission relieved from temporary duty with 15 AG. Civil Supply Committee because of dissolution of said Committee.

3. Conference conducted January 10-12 by Labor Sub-Commission, of all Regional Labor Officers (ACC/AMG), P.W.B., and Dr. Corbino, Minister of Industry, Commerce and Labor for the Italian Government. Conference agenda attached.

JOH/tbw

J. T. R. BAIN, 39-6
Colonel,
Director, Labor Sub-Commission

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HEADQUARTERS
ALLIED MILITARY GOVERNMENT
LABOR SUB-COMMISSION
APO 394

6 January 1944

SUBJECT: Progress Report Labor Sub-Commission for Month of December 1943.

TO : Economic Directorate, A.C.C.

1. During December the following changes in station of personnel were made:

Major James O. Babcock, Rear Echelon at Tizi Ouzou, reported for duty at Palermo;
Capt. Jeff Robertson was transferred to Naples and temporary duty in Region II to assist Capt. Fraser, Regional Labor Officer;
Capt. Morse has remained in Naples since the conference of 20 November, and Lt. Briley was permanently transferred to Naples late in November.
Lt. Col. Smith was permanently transferred from Palermo to Naples on 26 December.

2. Paragraph 10 of the November report mentions the action of the Island Base Section, Sicily, regarding the sale of Army rations and bread to selected groups of heavy workers. Authority for this action was obtained directly from Algiers by I.B.S. without coordinating with A.M.G. At the time this matter was called to our attention, I.B.S. was already selling 2 loaves of bread and 12 cans of "C" rations to each of these workers daily. Under conditions of the general food shortage, of a surplus labor market, of a recently promulgated wage increase order, and of a current increase of bread ration to the public of 50%, it was obvious that this procedure was unjustified and dangerous. The immediate result was a wave of strikes and threatened strikes by other groups demanding the same opportunity of purchase. After conference and clearance with General McSherry and Colonel Sears of I.B.S., an order was issued from A.F.H.Q. prohibiting the use of Army rations for such sale purposes. Over the protest of the writer, the arrangement now in effect is the sale of 100 grams of bread daily to a selected group of 636 heavy workers hired by I.B.S. in Palermo Province, plus about 350 additional workers employed by the Air Corps and the Navy. The bread sold is made from civilian flour stocks.

This matter is specifically mentioned because similar procedures using Army and Navy stocks are now in effect or are being contemplated on the Mainland. Consideration should be given to the immediate cancellation of all such arrangements as leading to unhealthy disturbances in the labor field.

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3. As a result of the Naples Conference of the Italian Resources Board, a Wage Control Committee was formed which in turn appointed a Wage Sub-Committee. Colonel Bain was appointed a member of this Sub-Committee with Capt. Morse as alternate. After several weeks of intensive study, a Uniform Wage Scale governing civilians employed by Allied Armed Forces in Italy has been prepared and submitted to the Board for approval, following which A.F.H.Q. will be asked for approval and issuance as a directive.

4. As a result of the issuance of General Order No. 14 in Sicily, the following actions have been taken on the mainland to extend a similar scale to Government and private employees:

a. Regional Order No. 6 (Temporary Wage Adjustment) issued by R.C.A.O., 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.O., Region III on 10 December 43 pursuant to verbal order of Major General Rennell. The order followed Sicily General Order No. 14 in detail.

c. No wage order has yet been issued by R.C.A.O., Region IV. The problem is being studied by Labor Officer Region IV who is to submit recommendations to R.C.A.O. R.C.A.O. has verbal instructions from General Rennell to submit recommendation to 15 Army Group before action taken.

d. Wage Order issued by Italian Government, Brindisi on 7 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.

5. Action was also taken by various areas on the Mainland with respect to General Order No. 8 which abolished the Corporative Syndical System in Sicily, and as follows:

a. Regional Order No. 5 issued by R.C.A.O., 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.O., Region III on 10 December 43 pursuant to written directive to R.C.A.O. from Major General Rennell signed on 7 December 43. The Order followed Sicily General Order No. 8 in detail.

c. 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.

d. Region IV is about to issue a similar order and instruction pursuant to written directive from Major General Rennell.

e. No action has yet been taken by Italian Government in its area though it reported to Major General Rennell on 6 December 43 through A.C.C. (Brindisi) Liaison Officer that it had no objection to issuance of Order on mainland similar to General Order No. 8 (Sicily) as long as uniformity was achieved. (It has been recently reported that Italian Government has tentatively agreed to adopt the Order.)

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f. Result of foregoing is uniformity among all Regions and on Mainland in labor action taken and contemplated.

6. Representative of Labor Sub-Commission was assigned to 15 A.G., C.A.O. to act as liaison with A.M.G. HQ. and aid in achieving uniformity in labor matters among all regions. As result of this liaison the uniform results described in 4 & 5 above were achieved.

7. Representative of Labor Sub-Commission has been assigned to Central Economic Committee on Temporary Duty. He is presently engaged in preparation of report and recommendations on Railroad Wage Rates. This work is being done in close collaboration with the Sub-Commission.

8. Because of the unhealthy labor and political situation in Catania Province, Capt. Scicluna was ordered to that area for an exhaustive investigation (see attached mimeographed copy of report).

9. Since 9 November 1943, Capt. Robert M. Albright of this office has served as full time representative with HQ. A.C.C. (Brindisi). He has acted as Labor Liaison Officer with the Italian Ministry of Industry, Commerce and Labor, and has maintained continuous contact and assisted and controled the handling by that Ministry of both current and future programs dealing with Trade Unions, wages, and reorganization of social security and labor agencies.

He has acted as Labor Officer for the four Apulian Provinces of Bari, Brindisi, Lecce and Taranto, and in cooperation with the British Assistant and Deputy Assistant Directors of Labor and with individual employing units of both British and U.S. Armed Forces, has handled a number of labor matters involving wage disputes, labor recruitment and benefit payments. Similar problems have been handled by him with civilian industries and local Italian agencies.

Capt. Albright has attended regular staff meetings of the Deputy President, and has submitted a number of constructive reports dealing with the Italian Social Security System, recommended changes for Italian Employment Exchanges, and interpretations of the application of the Wage Increase Order in Apulia.

One of the most important problems which Capt. Albright resolved for the Italian Ministry of Labor was the possible elimination of the Corporative Syndical System, and the acceptance by that Government of the principle of free Trade Unions.

10. Many disturbing reports coming in from the Sicilian Provinces indicated that the setting up and functioning of the Provincial Labor Offices, as provided for by General Order No. 8, were not proceeding along satisfactory lines; that Provincial labor matters were becoming enmeshed in the local politics of the Prefect's office; and that the restrictive powers of the Regional Labor Office Head prevented corrective action. As a result, a tour of the Island was made by Colonel Bain, Lt. Col. Smith, Capt. Scicluna and

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Dr. LaLoggia (Head of the Regional Labor Office). Investigations and discussions held in Caltanissetta, Trapani, Agrigento, Enna and other places confirmed reports, and substantiated the conclusions already arrived at that the only realistic solution lay in an amendment to General Order No. 8 which would place complete authority, both as to function and appointment of personnel, in the Regional Labor Office, over the Provincial Offices.

11. Important studies have been carried on covering the questions of temporary increase for Government Pensioners and the broad field of agricultural labor. These items together with events leading to the Conference of Labor Officers in Naples in January, will be described in the January report.

JRS/tbw

JULIUS R. SMITH,
Lt. Col., A.G.D.,
D/Director, Labor Sub-Commission.

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
LABOR SUB-COMMISSION
APO 394

File 427

6 December 1943

SUBJECT: Progress Report, Labor Sub-Commission, for the Month of November 1943.

TO: Director, Economic Directorate, A.C.C.

1. A summary report of the Labor Division activities in Sicily from 10 July 1943 to 26 October 1943, plus a supplementary report of the Labor Sub-Commission activities from 26 October 1943 to 1 November 1943 have heretofor been submitted. This report will therefore cover the activities of the Labor Sub-Commission from 1 November 1943 to 1 December 1943.

2. The following officers of the Labor Sub-Commission arrived in Palermo to continue their duties originally assigned them at Tizi Ouzou, on the following dates: Lt. Col. Junius R. Smith, Deputy Director, 21 October 1943, Col. J.T.R. Bain, Director, 22 October 1943, Captain R. H. Albright, Captain J. Robertson and 1st Lt. J. H. Moffitt, 6 November 1943; on 10 November 1943, Captain Albright was assigned for temporary duty with Major General Kenyon A. Joyce in Brindisi; on 11 November 1943, Lt. Moffitt was similarly assigned to Labor Office, Region I; on 22 November 1943, Captain E. Scicluna was transferred from Enna Province and reported to this Sub-Commission. In addition during the month, Capt. Arnold L. Temple was relieved from temporary assignment with this Sub-Commission and set up as Labor Officer for Region I; Captain Robert Fraser, originally with the Labor Division, was transferred to Region II as Labor Officer, and Major Sheldon C. Tanner, after conducting a special investigation for this office of the sulfur industry, was transferred to G-4.

3. An important accomplishment of this Sub-Commission during the month was the approval of a temporary wage increase formula, substantially as proposed, which is embodied in General Order No. 14, signed by Frank J. McSherry, Brigadier General, USA, Deputy Chief Civil Affairs Officer, on 17 November 1943. Prior to the promulgation of this order, this Sub-Commission and the Labor Division which preceded it, in collaboration with other Sub-Commissions, Italian Officials, employers, workers, and all other interests concerned, had made exhaustive studies on the subject of wages, cost of living, food prices, both legal and black market, and other related matters. As a result, the following conclusions were reached:

a. That the labor situation on the Island of Sicily was critical, that unrest was general and strikes on the increase.

b. That failure to adjust the wage structure would result in serious civilian outbreaks, loss of prestige for the Allied Forces, and in a threat to the military security position on the Island.

c. That failure to take proper and immediate steps which would [illegible] our ability to relieve the liberated areas from want would

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activities of the Labor Sub-Commission from 1 November 1943 to 1 December 1943.

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b. That failure to adjust the wage structure would result in serious civilian outbreaks, loss of prestige for the Allied Forces, and in a threat to the military security position on the Island.

c. That failure to take proper and immediate steps which would demonstrate our ability to relieve the liberated areas from want, would tend to hamper progress of Military Government on the Mainland.

d. That although the import of ample stocks for bread and pasta and curtailment of the black market would afford a more basic solution to the problem, the fact had to be faced that no progress had been made in these directions, and that immediate temporary relief was imperative and could be made possible by an increase in wages which would enable workers to purchase additional food that was available on the open market.

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LEGAL FOOD PRICES

3. That by order of the Allied Government in July 1943, [redacted] were fixed at a level representing a 75 to 100% greater increase since 1 September 1942, than wage changes during the same period.

It had been the intention of this office to propose an entirely new wage structure, but due to the urgency for definitive action, by order of General McSherry, a wage formula for temporary use was prepared, approved by the General as well as unanimously by the Executive Committee and placed on the General's desk for signature on 27 October 1943. At this point the Finance Sub-Commission raised strenuous objections to any wage increase on the predication that it might lead to inflation and that the problem should await solution by the arrival at some indeterminate date of additional food stocks. This controversy resulted in serious delay of over three weeks during which unhealthy manifestations of unrest on the part of the workers were made in the form of strikes, protests and demonstrations bordering on violence.

4. As a part of the wage increase formula, it was proposed that Government employees on pension be permitted to enjoy this temporary increase. These people above all others are at a sub-standard existence level. However, at insistence of the Finance Sub-Commission, this section was deleted. Mention must be made, however, that those who have retired from the State service and whose pensions are based on a formula adopted in 1923, must be given immediate relief, as an example, a retired police marshal, Lawyer Anthony Avellone, living in Palermo, receives a pension of five dollars a month. This office is engaged at the moment in preparing data so that the matter of relief for pensioners can be reconsidered.

5. Following issuance of General Order No. 14, proposals were inaugurated by Colonel Guido Jung, Under-Secretary for Finance in the Badoglio Government, to extend the wage increase formula to the four provinces. This office vigorously opposed Colonel Jung's desire to include the Italian Armed Forces in a wage increase, and not to consider the Indennita di Presenza and Indennita Operosita, on the grounds that wage increase for Armed Forces was a matter beyond our province and determination by the military chieftains; that the principal reason for the increase was political, admitted by Colonel Jung himself; that the increase proposed amounted to only $1.25 per month; that it violated the intent of our wage increase formula which was to provide for extra food, whereas, Armed Forces are fed regularly; and that to eliminate or fail to consider the two indemnities would reduce the present total wage to a point where the granting of the wage increase would lose its value. Nevertheless, it is reported that Colonel Jung obtained General Joyce's approval for his proposal in toto, and that a covering order has been issued in the four provinces.

This matter is outlined so as to state the position of this office in the event similar misapplications of General Order No. 14 are made in other regions.

6. A labor conference was held in Palermo on 22 November 1943, attended by various Army and Navy operating units, as well as representation from a number of the Sub-Commissions and Region I. The general problem of the ope-

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This matter is outlined so as to state the position of this office in the event similar misapplications of General Order No. 14 are made in other regions.

6. A labor conference was held in Palermo on 22 November 1943, attended by various Army and Navy operating units, as well as representation from a number of the Sub-Commissions and Region I. The general problem of the operation of the uniform wage scale which has been in use island-wide since 1 October 1943, and of such changes in rates of pay and additions in job classifications as conditions demanded, were discussed. A number of such changes were authorized.

7. As a result of General Order No. 8 issued on 1 October 1943, a system of Regional and Provincial Labor Offices was created for the Island of Sicily as an instrument which in a measure would provide machinery in the labor field as a substitute for and an improvement on the previous machinery used by the abolished Fascist Corporative Syndical System. In effectuating this order, a vast amount of work was done by Captain Morse and Lt. Crilley in assisting Dr. Enrico LaLoggia, the present Regional Director of Labor, in laying the plans for the creation of these offices, and promulgating policy, and selecting personnel and the like. These very successful efforts culminated in a general conference held by Dr. LaLoggia on 15 October 1943, at which in attendance were the newly appointed Provincial Labor Directors and members of the Labor Sub-Commission. This conference served as a means of

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bringing the new leaders of the labor organizations together for a definition of their duties and obligations.

8. Prior to the promulgation of General Order No. 14, Colonel Smith, by order of General McSherry, journeyed to Brindisi in order to confer with Mr. Piccardi, the then current Minister of Industry, Commerce and Labor, to secure his views on and plans concerning the labor and wage situation throughout Italy.

9. A conference was held in Naples starting 20 November 1943, and attended by Colonel Bain, Colonel Smith, Captain Morse, Lt. Crilley and Captain Albright. Among other matters, the question of a uniform wage scale was discussed. Inasmuch as the work of Sub-Commissions appointed to study these questions is not yet completed, further description will be deferred until the December ~~conference~~ Report.

10. Special investigation and study was made by Lt. Moffitt on the question of Labor employment exchanges. A detailed report has been submitted together with a working plan which will make these exchanges of real use to employees and employers. This entire matter is now being given further consideration, under Lt. Moffitt's direction, by Region I.

11. An important development in connection with the ill-considered action of Island Base Section in selling Army rations and bread to selected groups of workers, will be more fully covered in the December report.

12. It is necessary to report that the manifold activities of this Sub-Commission have been carried out with a totally inadequate staff of officers and a very sketchy clerical staff. Additions of both officers and enlisted men must be made in order to carry on with our duties.

Junius R. Smith

JUNIUS R. SMITH,
Lt. Col., [illegible],
Deputy Director,
Labor Sub-Commission.

3 Incls:

Incl 1 - General Order No. 14
Incl 2 - Minutes Labor Conference held 22 November 1943
Incl 3 - Ltr dated 29 Oct 1943 subject, General Wage and Salary Increases.

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HEADQUARTERS
ALLIED MILITARY GOVERNMENT
LABOR SUB-COMMISSION
APO 512

9011/LAB

5 November 1943

SUBJECT: Report for Month of October 1943

TO : Chief Staff Officer

1. Work of Labor Division up to and including 26 October 1943 is contained in final report submitted to C.C.A.O. by former Director.

2. Present report, therefore, covers period from 26 October 1943 to 31 October 1943 which includes activities of Division after arrival of A.C. and reorganization of AMGOT.

3. The following summarizes the activities of the Division from 26 to 31 October.

a. Review and analysis of activities of Labor Division for months of July, August, September and part of October, 1943.

b. Preparation and submission of Temporary Cost of Living Bonus for General Adjustment of Wages in Sicily.

J. T. R. DAIN,
Colonel,
Acting Director Division.

(2)

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SECRET

FILE

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
LABOR SUB-COMMISSION
APO 512

AMGOT/5011/LAB 5 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 AMGOT 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.

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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.

e. Promulgation 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 associations were located, records were impounded and left for subsequent examination.

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(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 1 cent.

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 staff remained at work, and records were found intact. Second, pre-invasion statistics were confirmed in that Island employment was found to be approximately 30% agricultural, 46% industrial, and 24% miscellaneous. In those 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 disrupted industry. Many cities had been reduced to ruins and industrial workers feared the personal physical risk incident to further employment. This was especially true in seaport 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

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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 covenants 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 Branches of the Allied Armed Forces.

(1) This was given A-1 priority. The various U.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 U.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 1,500 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 until 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.

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(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, Enna and Caltanissetta) there were totally unabsorbed 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 mines have reopened, and A.M.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 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 array 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 confer-

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ences were called by the Labor Section of A.F.H.Q. attended by representatives of the Allied Armies, Navies, and Air Forces, and a uniform wage scale was adopted (Ex. D). The scale was promulgated by A.F.H.Q. and issued to all of the branches to be reissued as routine 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.F.H.Q. 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.F.H.Q. 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 discrepencies 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, B, 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 indemnities (more than 38 in the case of governmental employees) which were in each instance proclaimed as socially desirable government grants, 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, the people call it an indemnity for bombing, "bombardamento", or appearing at work, "presenza", and thus hide its true purpose. The result was a "hodge podge" wage structure which started with a low base rate and concluded with an accumulation of indemnities which in many cases represented between 60 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

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the worker's sense of security. It was found that neither employers nor employees were able to calculate the precise wage due employees. Examination of State Government payrolls disclosed that this confusion was not limited to private employers and employees, but also to State agencies (including the Department of Finance) which were unable to give precise calculations of wages due government employees, and admitted that they "just did the best they could". The Italian wage structure had not been analyzed or revised since 1923. It was decided to make a careful study of wage structure, rates of pay, cost of living, and then decide whether or not to change the structure, and whether or not wage increases should be granted. The study was concluded, but not submitted for official action because of decision by higher authority to await developments in the relationship between the Allies and the Italian government before making changes which would so vitally affect the basic financial and economic structure of the country. (Ex. E - 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 base 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 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 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 Corpor-

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ation 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 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 these, 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 Corporative Syndical System, conferences with pre-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,

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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 A.M.G.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 hour, wage, and condition of employment provisions of existing collective agreements pending opportunity for revision.

(vi) The Ispettorato 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 for 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 8 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, MOB for instruction. No reply to date. 39

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.

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(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. M).

(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 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.

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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.

DAM/tbw

David A. Morse
DAVID A. MORSE,
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Labor Division.

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(Maj. J. O. Babcock (A)
WAGES, HOURS AND WORKING CONDITIONS DIVISION (1st Lt. J. Giamarco (A)

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1. Develops policy with reference to wage rates, hours of work, working conditions, and social insurance.

2. Assembles wage rate information.

3. Represents the Sub-Commission on: The Labor and Wages Committee of the Allied Local Resources Board, A.A.I.

4. Provides A.C.C. membership on the Wages Control Sub-Committee.

5. Represents the Sub-Commission on the Price Committee of the Economic Section of A.C.C.

6. Supervises the Italian Government in all activities affecting wage rates, hours of work, working conditions, and social insurance.

7. Develops inspectional policy for the Ispettorato.

Submitted subjecttoto approval of Col. Smith.

JAMES O. BABCOCK,
Major, S.R.,
Wages & Hours Division
Labor Sub-Commission.

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LABOR RELATIONS DIVISION (Capt. E. J. Scialuna (R))

1. POLICY:
Develops policy with reference to:
a. The organization of Trade Union Associations
b. Industrial relations and the creation of Joint Industrial Councils;
c. Collective bargaining, the development of joint negotiation between organizations of employers and workpeople, Collective Contracts;
d. Conciliation and Arbitration in respect of Trade disputes;
e. The legitimate use of strike and lock-out as legal instruments for exerting pressure in the settlement of labor controversies;
f. Control of labor, with special reference to civil mobilization.

2. CONDITIONS OF EMPLOYMENT:
Cooperates with the Wages and Hours Division in matters affecting conditions of employment, with special reference to the development of policy regulating Collective Bargaining and the stipulation of Collective Contracts.

3. TRADE UNION ACTIVITIES:
a. Fosters the organization of Free Trade Union Associations, the creation of Federations and Confederations;
b. Collects information regarding:
(1) The size, structure, constitution, of both Industrial Unions and Craft Unions; and
(2) Organizers, official representatives and politicians directly connected with such organizations.
c. Advises all Trade Union organizers, ensuring that their activities are in conformity with A.C.C. policy, and keeps in direct contact with workmen's representatives who are concerned with activities of more than local significance;
d. Keeps a check on the election of Trade Union representatives and the appointment of Trade Union officials of Regional or National standing, in order to insure that:
(1) The organizations are autonomous, and
(2) Elections and appointments are conducted in accordance with free democratic principles.

4. TRADE DISPUTES -- STRIKES AND LOCK-OUTS:
Takes a direct interest in:
a. Composing Trade Disputes;
b. Avoiding strikes or lock-outs -- unless such problems are not merely of local significance, in which case they would remain the sole responsibility of the Regional Labor Division.

5. EDUCATION:
Organizes the diffusion of information on questions connected with:
a. The organization of Workmen's Associations;
b. The democratic system of the labor structure; and
c. The responsibilities that devolve on workpeople and their leaders vis-a-vis the rights that workmen enjoy under a free democratic system.

6. LABOR CONTROL -- CIVIL MOBILIZATION:
Represents A.C.C. on the Labor and Wages Control Committee of the Allied Local Resources Board, A.A.I., in connection with the control of labor, with special reference to the question of civil mobilization.

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7. COOPERATION WITH ITALIAN GOVERNMENT:

a. Cooperates with and advises the Italian Government in respect of aforementioned labor matters, with a specific view to safeguarding A.C.C. policy (in respect of Labor Relations) in all legislative measures under consideration by the Italian Government for "unoccupied" territories.

b. Keeps a check on the enforcement of Labor Relations legislation in "unoccupied" territories, to ascertain that A.C.C. policy is being respected in the administrative and executive field.