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CENTRAL ECONOMIC COMM CONF

Dec 1943 - Jan 1944

CENTRAL ECONOMIC COMM. CONF

Dec 1943 - Jan 1944

Q. M. C. FORM 301 (100 No. 800)
Revised July 26, 1954

LIST OF PAPERS

File under No. 091.439

Central Economic Comm. Cont.

SERIAL NUMBER	FROM	DATE	TO	SYNOPSIS
1	M. J. Lee	20 Dec 43	Central Econ Committee to Col. Smith - 10 12 43	Report by M. J. Lee (Colum) on United States Economic Comm
1/3	M. J. Lee	20 Dec 43		
3	Pub. Econ Comm	20 Dec 43	Central Econ Comm.	Central Econ Committee
4	M. J. Lee	20 Jan 44	Pub. Econ Comm.	Economic - Italian
5	Economic Comm.	20 Jan 44	Economic Comm.	Supply of Food to Europe + Italy M. J. Lee

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Instructions—When papers on a subject become numerous they will be numbered serially and brief entries made on this form.

20th REGIMENT ALLIED CONTROL COMMISSION
(U. S. Contingent) (Provisional)
APO 394

Cross Reference Sheet

File: 071.439

Subject: Supply of Food to Employed Contractors & Women

Date: 20 Jan 44

To: Chairman, Ctr Econ. Comm, (Hq)

From: Tracy S. W. Steg, Naples

Documents Filed: 071.4612

4934
5

2675 REGIMENT ALLIED CONTROL COMMISSION
(U. S. Contingent) (Provisional)
APO 39L

Cross Reference Sheet

File: 091.439

Subject: Advances - Helan

Date: 6 Jan 44

To: Col Anderson Conts Econ Comm.

From: H. Adams

Documents Filed: 091.4351

(4)

4950

File

0
Allied Force
CENTRAL ECONOMIC COMMITTEE
AF 100

11 January 1944

SUBJECT: Central Economic Committee.

TO: Chief, Headquarters AF.

1. Reference to your letter of 9 January 1944, AF/AF, subject as above.
2. The Central Economic Committee is now addressing correspondence to the sub-commission in the following form:

Chief, Headquarters AF
Attention; _____ Sub-Commission.
3. Instructions have been given to the original and two copies of each communication will be furnished. This will provide the one extra copy required by Army Regulations and one additional copy.
4. It is ~~not~~ considered feasible for the Committee to furnish more than two copies.

For the Committee:

A. I. HENNINGSON
Lt Col, U. S. A.
Chief Executive,
Central Economic Committee

Laban (Info)

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ADMINISTRATIVE INSTRUCTIONS No. 14

CENTRAL ECONOMIC COMMITTEE

1. FUNCTIONS.

To ensure the necessary co-ordination and control of civilian production in the economic sphere in accordance with the objectives of the National Plan, the Central Economic Committee shall be established in accordance with the provisions of the National Plan, No. 14, dated 14 Dec. 1952, issued by Allied Forces Headquarters.

2. MEMBERSHIP.

(a) The Central Economic Committee will be constituted as follows:-

Chairman - Major-General Sir Brian H. Robertson K.C., D.S.O.

Deputy Chairman - Brigadier-General G.L. Hamblin, D.S.O., C.A.A.C.

Members - Major The A.C.S./A.M.C. John P. J. also is Army Lt. Col. (M), Maj. Gen. Section Army or his Rep. Lt.-Col. A.I. Henderson, C.B.E. Lt.-Col. Maxwell, and 15 Army Gp.

(b) Lt.-Col. A.I. Henderson has been appointed Chief Executive Officer to the Committee, with the title of Joint Controller for the Mainland of Italy.

(c) A Secretariat for the Committee is being provided under Major-General Sir (Mrs) Plummer.

3. FUNCTIONS.

The functions of the Central Economic Committee will be as follows:-

- (a) To determine the essential requirements of the civilian population.
- (b) To control and allocate total resources of essential civilian supplies in co-ordination with the Local Authorities (Italian) as far as possible, and particularly to control the collection and distribution of wheat and olive oil.

X | (d) To establish such membership committees and to establish the membership of such committees.

(e) To coordinate, conduct or transmission of election activities by individuals under the supervision of and with their consent. The term "transmission" also includes all letters and messages or any other communication to be by or through the committee and which is subject to its approval, except in cases outside the jurisdiction of the law to be enforced.

(h) To coordinate the work of any and all transmission units, groups or individuals in the transmission of any kind of matter, including the transmission and delivery of printed matter, is to be enforced.

4. MEMBERSHIP COMMITTEES.

(a) The Federal Executive Committee shall have the authority to establish the rules, regulations, and procedures to govern the membership of the committee and to enforce such rules, regulations, and procedures. It shall be the duty of the committee to enforce such rules, regulations, and procedures.

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(b) Contributions to the committee shall be made by individuals who are citizens of the United States and who are at least 21 years of age at the time of their contribution.

X |

(c) The Federal Executive Committee shall have the authority to establish the rules, regulations, and procedures to govern the membership of the committee and to enforce such rules, regulations, and procedures. It shall be the duty of the committee to enforce such rules, regulations, and procedures.

X |

(d) It is the duty of the committee to establish the rules, regulations, and procedures to govern the membership of the committee and to enforce such rules, regulations, and procedures. It shall be the duty of the committee to enforce such rules, regulations, and procedures.

5. MEMBERSHIP OF THE COMMITTEE.

Such persons as may be determined by the committee to be members of the committee.

Sheet 5

CONTINUATION:

US District	10 copies
CI Pittsburgh Area Division	1 "
PIPHI area	1 "
PIPHI area (at Pittsburgh)	1 "
Main HQ El Paso, WABT	1 "
Group HQ El Paso, WABT	1 "
16 Army Group	1 "
Headquarters 16 Army Group	1 copy
OCAG 16 Army Group	1 copy
Allied Force, Headquarters	30 "
Allied Control Commission	1 "
HQ AMMO	30 "
Military mission to Italian Army	"
OCAG 16 Army Group II	"
OCAG 16 Army Group III	"
OCAG 16 Army Group IV	"
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Paul Ross 74.
W. J. ... 430
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HEADQUARTERS
ALLIED MILITARY GOVERNMENT
LARGE SUB-COMMISSION
APO 394

30 December 1943

MEMORANDUM:

TO : Lt. Col. Smith

1. During the war period the Italian Fascist Government attempted to freeze wages and prices. The price freezing was largely unsuccessful with the result that considerable increase in wages became necessary. To avoid admitting their failure at price stabilization, the Italian Government granted a series of increases under guise of special war indemnities. These included, among others, the "assegno temperaneo di guerra" and the indemnity established by the Royal Decree 16 December 1942, known variously as the "indennità di bombardamento, sfollamento, or presenza". It is recorded by virtually all observers, including publications of the U.S. Department of Labor that these indemnities were given in reality because of the increase in the cost of living.

2. Under terms of Royal Decree 16 December 1942, government employees in designated areas were to receive an indemnity of a minimum of 20 and a maximum of 60 lire per day. In many cases, especially in the lowest paid categories, this equals or nearly equals the base pay of the worker himself. This indemnity has been extended in Sicily despite the fact that no recent bombings have occurred, and is still paid under provisions of Royal Decree of 16 December 1942 in other parts of liberated Italy. In Apulia, however (which includes the provinces of Bari, Brindisi, Lucania and Taranto), this indemnity was abolished by the ^{recent} Royal Decree which also provided a general wage and salary increase. Article VI of this decree states in part, ".....The provisions of the present decree shall be effective from the first day of November 1943, and in the same date the provisions of the Royal Decree 16 December 1942 shall no longer be effective."

3. It is proposed to equalize the wages of railroad workers for all of the mainland by abolishing the "indemnity relating to bombings and the war situation". Such action would carry the following extremely serious consequences:

- a. Railroad workers are one group of State employees; regulations covering State employees are generally uniform. Therefore, if changes are made in the railroad workers' pay, similar changes would have to be made for all State employees.
- b. The cost of living has increased at an extremely rapid rate since Allied Occupation. Measured by official prices, the increase in the cost of food prices in the city of Naples from August to the end of October has been estimated as being between 85% to 100%. Measured in actual prevailing prices, the increase is several times higher. This increase far exceeds the amount of the recent wage and salary increases granted by the Allied Government, and present salaries and wages are already inadequate. While the cost of living is considerably lower in points of Calabria, Lucania and Apulia than in the Salerno-Naples area, the increase is more than the increase in salaries granted by A.M.G.

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Memo to Lt. Col. Smith (Cont'd)

c. To abolish the abovementioned indemnities would in effect amount to a wage cut of as high as 50%, and would in some cases reduce wages to below pre-occupation wages. Whether this were done for railway employees alone or all government employees, it would carry the most disastrous consequences to the Allied Government.

d. It is highly problematical, if absolute uniformity for government employees' salaries is desirable in the light of great differences in the cost of living in different areas. If such uniformity, however, is considered essential, the only feasible method for effecting it without completely destroying the morale and affecting the government service would be to raise the lowest prevailing levels to equal the highest levels.

RLC/tbw

RICHARD L. CRILLY,
1st Lt., C.M.F.,
Labor Sub-Commission.

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HEADQUARTERS
ALLIED MILITARY GOVERNMENT
LABOR SUB-COMMISSION
APO 394

file

2 January 1943

SUBJECT: Signal

TO : A.G., Hq. A.M.G.

1. Request following signal be sent immediately to Major General Joyce, A.G. (Brindisi):

"Immediate presence of Capt. Albright urgently requested Naples to discuss effect of Wage Order on Apulia railroad workers. Conference preliminary to general conference with Central Economic Committee on 6 January. Request be bring all pertinent material."

BAK/tlw

Junius B. Smith
 JUNIUS B. SMITH,
 Lt. Col., A.M.G.,
 D/Director, Labor Sub-Commission.

SUBJECT: Memoranda on railroad wages

TO : Captain Morse

1. The question of the inequality in pay for railroad workers in the different regions was raised by G. di Raimondo, Undersecretary of State for Communications, in a memorandum sent to General Gray, dated December 11, 1943. However, the main question raised by him of increasing the wage levels in the other regions on the continent to equal those in the Compartments of Bari and Sicily had already been set by regional orders issued in the Compartments of Reggio-Calabria and Naples on December 7th and 12th, respectively. The only areas where wages have not been already increased are sections of Region IV, where a regional wage order will shortly be issued, and in the forward areas. The situation in Sardinia is not at present known.

There are, however, some differences in the existing wage orders, which create inequalities:

a. The wage increase order of the Italian government in the Compartment of Bari (Apulia) abolished the indennità giornaliera di bombardamento, amounting to 22 lire to 60 lire per day. This indemnity, however, was and is not paid uniformly in all areas, but only in those subject to bombing. The areas where it is now paid conform generally to the centers of the highest cost of living--Naples, Salerno, Palermo, Messina, Catania, and Reggio-Calabria.

b. The AMG wage increase order in all cases not only left the payment of the indennità di bombardamento unchanged, but included it in the base of calculation for the increase.

c. The wage orders for increases in the Compartments of Naples and Reggio-Calabria are effective as of December 1; those in the Compartments of Sicily and Bari as of November 1, as well as that in the Province of Foggia.

2. Since the wage increase was based upon a minimum necessary in the face of rapidly rising costs of living, any attempt to establish uniformity by a downward revision of what is now being paid would have a very adverse effect.

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- 2 -

In particular the elimination at this time of the indennità di bombardamento would work particular hardship, since this represents a considerable part of the workers' income in the most economically critical areas.

3. For the further establishment of uniformity the following immediate steps are recommended:

a. The wage increase order as affects railroad workers should be made retroactive to November 1 for the Compartments of Naples and Reggio-Calabria. This measure is especially urgent in the Compartment of Naples because, through an administrative error 13,207 out of a total of 14,578 employees have in fact already received the increase as of that date. Unless this is done, this amount will have to be deducted from future pay-rolls.

b. In addition to the regular 12% deductions for taxes and social insurance, the railroad employees of the Compartment of Naples are paying an additional 12.5% deduction to reimburse the government for the advance of three months pay granted by the Fascist government immediately prior to the Allied invasion. It is recommended that the repayment of the three months advance in pay be indefinitely postponed, since it defeats the purpose of the wage increase order--namely the provision of at least a minimum living wage.

4. The present wage structure of railroad employees is based upon a confusion of legislation, and upon no less than 18 different special indemnities. To place the wage structure upon a comprehensible and working basis requires a thorough-going and basic revision, elimination of temporary war-time indemnities, and the fixing of a new base wage. Such basic revision is the only means by which necessary differences in pay can be systematically based upon the great differences in the costs of living instead of upon the caprices of when or where an enemy bombardment happens to strike. This project will require revision not only of railroad pay, but that of all state employees, since all depend upon the same basic legislation, and can be accomplished without substantial change in the amount of wages paid.

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5. Several additional economic measures are recommended as a means of lessening the effect of black-market prices for the railroad workers in the urban areas:

a. To give necessary authorization to the railroad employees to establish cooperative food centers and messes, dealing in non-rationed items of food. This authorization has been urgently requested by the railroad workers themselves, who have operated these cooperatives under past Italian governments.

b. To make special provision for the railroad personnel who are required to make trips of longer than 12 hours away from home. Since the purchase of food on the road is a virtual impossibility at the present time, the sale, at cost to the Army of C-rations or other portable food would provide immediate relief. Only relatively small quantities of food would be involved; for example, some 100 rations per day is sufficient for all personnel operating out of the Naples station.

Submitted by:

Richard L Criley
Richard L Criley
1st Lt., CMP
Labor Sub-commission

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make 4 copies

SUMMARY OF RAILROAD WORKERS WAGE SITUATION
FOR CENTRAL ECONOMIC COMMITTEE

Meeting 27 December 1943

1. The wage structure of a railroad worker is composed of the following:

- (a) Base Salary. Attivo
- (b) Supplemento di Servizio (added to base salary and considered part thereof for active service).
- (c) Assegno temporaneo di guerra (war supplement).
- (d) Agguinta di famiglia or carovirieri (family allowance).
- (e) Ad personam (paid to adjust individual differences in pay in exceptional cases).
- (f) Indennita di economia (special bonus for saving fuel).
- (g) Indennita di kilometrage (to cover expense for food and lodging on the road).

Note: (f) and (g) above are paid to travelling personnel only.

2. Temporary wage adjustment was granted to railroad workers in regions 1, 2 and 3 and by the Italian Government (Apulia). Increases were in accordance with the following:

(a) On first 1000 Lire per month	70%	Increase
(b) On second 1000 " " "	50%	"
(c) On third 1000 " " "	30%	"
(d) On fourth 1000 " " "	20%	"
(e) On fifth 1000 " " "	10%	"

Note: Maximum increase, for salaries over 5000 Lire----
1900 Lire per month.

3. Temporary wage Adjustment.

- (a) Region 1 (Sicily)
 - (1) Wage increase retroactive to 1 November 1943.
 - (2) All recurrent indemnities including indennita di presenza or bombardamento were included in the wage structure upon which increases in pay were based.
- (b) Region 2 (Calabria and Lucania)
 - (1) Wage increases retroactive to 1 December 1943.
 - (2) Wage structure upon which increases in pay were based similar to 3 (a) (2) above.
- (c) Region 3 (Compartimento of Naples which includes Salerno)
 - (1) Wage increases retroactive to 1 December 1943.
 - (2) Wage structure upon which increases in pay were based similar to 3 (a) and (b) above.

(Note: It has been reported, however, that by administrative error of Region 3 Hq. the increase was made retroactive to 1 November 1943).
- (d) Region 4 (Foggia)
 - (1) No wage increase order yet issued.
 - (2) AMG Labor Officer now making survey and will present report to AMG 15th Army Group.

(c) Apulia (Italian Government)

- (1) Wage increase retroactive to 1 November 1943.
- (2) Wage Order granted increase but at the same time abolished *indennita di presenza*, which made increase in pay for workers in many cases negligible and among the lower paid workers actually represented a decrease. (The amount of this indemnity varies from place to place within a province and represents a minimum payment of 22 Lire per day and a maximum of 60 Lire per day)
- (3) Increase was based upon the following wage elements only: base salary, *supplemento di servizio attivo*, *assegno temporaneo di guerra*, *ad personam* (normally paid only in exceptional cases) and *aggiunta di famiglia* or *carovirieri*.

4. Summary.

- (A) Region 1 and Apulia wage increase retroactive to 1 November 1943, while Region 2 and 3 retroactive to 1 December 1943.
- (B) Not increase to workers uniform in Regions 1, 2, and 3, but less in Apulia where Italian Government abolished *indennita di presenza* in the same order that authorized wage increases, and also eliminated other indemnities from the base of calculation.

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Ministero delle Comunicazioni
SOTTOSECRETARIATO DI STATO
per le Ferrovie, Morosiane Civile e Trasporti in Sono.
-----00000-----

December 11th, 1943

CONCERN: Economical measures in behalf of the pay-list and not pay-list employees of the State Railway.

Memorandum to General Grey.

With measure of the Italian Government, taken behind the consent of the Allied Control Commission, the allowances and the salaries of all civil and military personnel, basing on the pay-lists or not, has been increased.

This measure reaches, as known, only the provinces of Apulia which are under the direct control of the Italian Government itself.

The entity of the increasing results on the enclosed sheet and its starting has been established from the 1st November 1943.

You certainly know, General, the great economical difficulties in which is fallen the civil population on account of the life-cost and of the scarcity of food-supplies.

These difficulties are rather enough augmented by the presence in all the provinces which are already free from the German occupation of a considerable number of allied troops which, having a great quantity of money, can afford to buy everything they want occasioning a great rising of the prices.

It should be wanted that, with your consent, the economical measures already approved by the Italian Minister Board would be extended also to the Railway employees of the Department of Naples, Reggio, Calabria and Sardegna.

Consequently all reasons of discontent deriving from a different treatment would be eliminated.

The augmentation to correspond to such agent according to the disposition approved by the Italian Government is by about 1300 lire monthly for gross allowance and 1170 lire for net allowance.

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In base to the number of employees actually on the lists the complexive monthly net amount of the increases is nearly the following:

1- Department of Naples

15000 x 1170 = L. 17.550.000 L. 17.550.000

2- Department of Reggio Calabria

6000 x 1170 = L. 7.020.000 L. 7.020.000

3. Department of Cagliari

3000 x 1170 = L. 3.510.000 L. 3.510.000

L. 28.080.000

The daily average rise is therefore by 40 lire and it seems not necessary to reduce it, considering the life-cost.

I should beg you, General, to examine the proposal and to authorize myself to issue the relative orders starting from the 1st November 1943.

In regard I want to add that a part of the employees of the Bari Department lives now in some provinces, like Foggia, Potenza, Matera, which are not yet under the direct control of the Italian Government.

Even to avoid to produce a difference in the treatment between employees working in the same Department, it would be right if you could authorize the payment of the agreed rise.

THE UNDER SECRETARY OF STATE
sig. G; di Raimondo

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FILE

AFHQ, Ad. Adm. Center.

28 Dec 43

Meeting of Eco. Committee yesterday & Report by Col. Spofford -

- 1) Lt. Col. Merrill, 15 AL, asst to Lt. Col. Henderson (Chief. Ex.)
- 2) Price + wage matter will be dealt with, + will have staff to assist.
- 3) Procedure + staff discussed.
 - (A) Existing channels for communication would be thru 15AL + AME/ACC - with regions.

~~CC~~

4) Price schedule for petroleum products put on agenda *

5) Wage + tariff matter re Stalin R.R.

! L - Pyron ID decided to bring wage into line with 1, 2, + 3; +
- that Pyron then ACC should be first into line.

X Col. Fitch → + - tariff foreign rate up to 100%. Put over until next meeting for more information.

6) Supply.

Personnel: for permanent staff of 5 to 12 officers.

- a) 4 off. Lt. Col. Henderson
asst. H. H. Merrill

supply
Finance
wages
Transportation
Food distribution (?)
Warehousing

Session with existing Hq.
Hq. personnel will be operating.

This Hq. + 15 ALs will furnish equipment + transport.

- 7) Question open as to whether or not jurisdiction would extend to Sardinia + Sicily.
- 8) This Hq. will furnish eco. committee personnel to get on with the job.

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file

SUMMARY OF RAILROAD WORKERS WAGE SITUATION

FOR CENTRAL ECONOMIC DEPARTMENT

Meeting 27 December 1943

1. The wage structure of a railroad worker is composed of the following:
 - (a) Base salary.
 - (b) Supplemento di servizio attivo (added to base salary and considered part thereof for active service).
 - (c) Assegno temporaneo di guerra (war supplement).
 - (d) Assegno di famiglia or carovivendi (family allowance).
 - (e) Ad personam (paid to adjust individual differences in pay in exceptional cases).
 - (f) Indennita di economia (special bonus for saving fuel).
 - (g) Indennita di chilometri (to cover expense for food and lodging on the road).

Note: (f) and (g) above are paid to travelling personnel only.

2. Temporary wage adjustment was granted to railroad workers in Regions I, II and III and by the Italian Government (Apulia). Increases were in accordance with the following:

(a)	On first 1000 Lire per month	70% increase
(b)	On second 1000 " " "	60% "
(c)	On third 1000 " " "	50% "
(d)	On fourth 1000 " " "	30% "
(e)	On fifth 1000 " " "	10% "

Note: Maximum increase, for salaries over 5000 Lire -----
1900 Lire per month.

3. Temporary wage adjustment.

- (a) Region I (Sicily)
 - (1) Wage increase retroactive to 1 November 1943.
 - (2) All recurrent indemnities including indennita di presenza or bombardamento were included in the wage structure upon which increases in pay were based.
- (b) Region II (Calabria and Lucania)
 - (1) Wage increases retroactive to 1 December 1943.
 - (2) Wage structure upon which increases in pay were based similar to 3 (a) (2) above.
- (c) Region III (Compartimento of Naples which includes Salerno)
 - (1) Wage increases retroactive to 1 December 1943.
 - (2) Wage structure upon which increases in pay were based similar to 3 (a) and (b) above.

(Note: It has been reported, however, that by administrative error of Region III Hq. the increase was made retroactive to 1 November 1943).
- (d) Region IV (Voglia)
 - (1) No wage increase order yet issued.
 - (2) AMG Labor Officer now making survey and will submit report to AMG 15th Army Group.

(e) Apulia (Italian Government)

- (1) Wage increase retroactive to 1 November 1943.
- (2) Wage Order granted increase but at the same time abolished *indennita di presenza*, which made increase in pay for workers in many cases negligible and among the lower paid workers actually represented a decrease. (The amount of this indemnity varies from place to place within a province and represents a minimum payment of 22 Lire per day and a maximum of 60 Lire per day).
- (3) Increase ~~was~~ based upon the following wage elements only: base salary, *supplemento di servizio attivo*, *assegno temporaneo di guerra*, *ad personam* (normally paid only in exceptional cases) and *aggiunta di famiglia or carovivieri*.

4. Summary.

- (A) Region I and Apulia wage increase retroactive to 1 November 1943, while Region II and III retroactive to 1 December 1943.
- (B) Not increase to workers uniform in Regions I, II and III, but less in Apulia where Italian Government abolished *indennita di presenza* in the same order that authorized wage increase, and also eliminated other indemnities from the ~~base~~ of calculation.

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