

e. The present "Factory Committee" (established in December 1944 by the trades unions) will concern itself exclusively with workers' problems.

f. The factory will work on a basis and plans established by the Government.

g. The factory will not execute any orders without the previous consent of the Government.

f. The Malaxa concern will cede half of its profits to the workers.

In choosing his managing and technical staff, Malaxa has asked the right to re-engage some of the "epurated" persons. Sub-source heard that the Government has allowed this in principle but has been met with the opposition of the syndicates.

3. Probable reasons for restoration of factory to Malaxa

Sub-source believes that the following reasons have determined the Government to restore Malaxa's factory to him:

a. The urgent need of production. At present, production at the Malaxa Factory is completely disorganized.

b. Malaxa has given, or promised, large sums of money to the Communist Party. Parenthetically, sub-source stated that when the question of restoring the factory to Malaxa was discussed at the Communist Party, only V. Luca opposed this. All the others approved. Sub-source also said that indirectly this is a warning given by the Communist Party to Max August, who is a friend of the Anglo-Americans.

Comment: In assessing sub-source's comments, it must be borne in mind that sub-source was epurated from the plant by action of the syndicate. Sub-source also has a reputation for having collaborated on an economic level with the Germans and for being strongly anti-Communist.