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The Guild Movement in Italy

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The impulse behind the guild movement in Italy is partly economic and partly political. The economic current is based on the trade union and co-operative movements combined, which in Italy have always been in close contact. Important proposals have been made for the transfer of the management of the railways and telephones to appropriate guilds. Other guilds are already in existence: a marine guild which owns and works a considerable fleet; the Metal Workers' Combine, which owns shipbuilding and repairing yards and workshops for the construction and repair of all kinds of machinery, railway wagons, electric plant, etc.; the building guild, carrying out all kinds of building work, reclamation of waste lands, road-making, hydraulic works, etc.; and the Ravenna Co-operative Federation, uniting in one central organisation all kinds of co-operatives in the Province. Without attacking the institution of private property, these organisations are replacing it as the basis of the social system by the ideal of mutual service by all in the interest of all. The future development of the movement may well be in the direction of forming central organisations which shall link up collective and private property and organised consumers, and undertake productive and distributive work of all kinds for the whole community. The political current of the guild movement has found expression in D'Annunzio's "Charter of Quarnero" with its proposals for the constitution of a state in which the basis of citizenship shall be the production of wealth or the creation of power for the whole community.

IN order to obtain a clear insight into the present tendencies of social policy in Italy it is necessary to recall the way in which the traditions of the corporations (or guilds) and communes of mediaeval Italy sprang up again into new life at the Risorgimento. The influence of the Mazzinian social movement which incorporated these traditions and adapted them to modern conditions did not burn itself out in the working-class movement when the latter assumed a socialist tendency. Many Mazzinian doctrines and forms of action initiated by Mazzinians had their share in moulding the socialist working-class movement of the

last thirty years. This is true especially of co-operation, and of the tendencies towards a revival of the corporations.

It is a necessary corollary of the numerical strength and influence of the workers that the problems of labour are inseparable from the normal and continuous development of the social policy and institutions of the country. They are to be considered as problems which affect not one particular class but rather the whole nation and which place their imprint on the whole structure of society. It is an accepted fact that labour cannot remain on the outskirts of the State any more than on the outskirts of industry. If it did, it would strangle both industry and the State. If the State is to go forward and if there is to be progress in production, labour must establish its position as an essential component of both the State and industry and must become the dominant motive force in Society. This participation and partnership of labour in the State and in industry and the way in which it is to be brought about is the central problem of Italian economic and social policy, a problem the solution of which is to be looked for in the fusion of the guild principle with the existing idea of the State.

The guild movement in Italy has two main currents. One is economic and concerned with questions of organisation ; the other is political. The first current has its origin in the combined trade union and co-operative movements ; the second in the movement started by D'Annunzio. The first has brought into existence institutions of the guild type in almost every branch of human activity ; it is still extending their development on its own ground, which is strictly that of organisation. The second has evolved the idea of the Guild State — an idea which inspires the political activities of an ever-growing body of trade unions, workers' guilds, and individuals of every class. The two currents are not entirely independent ; when they become completely intermingled in idea as in action, the guild ideal will have become a reality in Italy.

Neither current owes its inspiration to guild theory and practice in other countries. The trade - union - co-operative current was already in action long before guild socialism came into vogue in England ; the terms "guild" and "guildism" have been adopted quite recently in Italy for greater clearness in describing and distinguishing modern tendencies. The political current, on the other hand, took shape in special political circumstances, when D'Annunzio and his legionaries had the rare opportunity of having to create *ex novo* a new State, that of Quarnero. They drew their ideas from the old Italian communal institutions and from modern trade union theory.

GENERAL FEATURES OF THE MOVEMENT

The Italian co-operative movement has almost always been in more or less direct relation with the trade union movement, a fact which explains why the movement flourishes mainly in the field of production and labour. The trade union hands on its

own point of view and its own needs and ideals to the co-operative movement. It looks to co-operation to carry out a considerable part of its own maximum and minimum programme, such as the regulation and control of markets, the reduction of unemployment, and finally, the transformation of the wage system. The trade union is more closely allied to production than to distribution; an aptitude for production is developed in it more readily than an aptitude for commerce. Whenever, therefore, a trade union has acquired a monopoly of labour and consequently feels itself strong enough to put its ideals into practice, or when it is unable to meet all possible contingencies by the usual methods of strikes or legislation and must accordingly try to find other ways of action, in either case it almost always finds an outlet in co-operation, either of labour, production, or management.

In other countries co-operative production has up to the present been based on distribution. It is usually an organisation of consumers, whether workers, employers, or the general public, which takes up production for its own purposes. The distributive co-operative associations create and carry on industries or agricultural undertakings with paid workers in order to supply their own requirements; they do not take up any business which does not directly serve their own ends, as is done by the building guilds and guilds for the management of public services. Elsewhere, again, small landowners and peasants join together in a co-operative society for the transformation and marketing of their products or for the purchase of raw materials and other necessities. This latter kind of co-operative has little or no connection with the trade unions.

In Italy, too, there are numerous distributive co-operative societies, some of which are also engaged in production, but they are not characteristic of the co-operative movement of the country. In other countries distributive co-operative societies tend to broaden their functions of direct production, or to form a working alliance with trade unions and guilds. In Italy, similarly, there is a strongly-felt need of co-ordinating and intensifying co-operation for distribution. In many districts, in fact, productive co-operative societies have established a distributive society, either as a department of their own business, or as a separate body under independent management. Ultimately there must be considerable resemblance between the forms taken by co-operative institutions in various countries in so far as they all aim at linking consumer and producer directly together. But in spite of this resemblance, the initial stimulus, which differs from country to country with the varying conditions of national temperament and outward circumstance, will in each case leave its own special mark on the institutions of the country.

It is somewhat remarkable that Italian co-operation in the course of its own development has merely added to the sum total of productive and distributive organisations, but has not absorbed the existing or prevented the formation of new ones. The beginning of the period of its development coincided with that of

modern industry and agriculture ; it did not come at a later stage and try to superimpose itself on them. It has placed no hindrance in the way of private initiative. While in theory it speaks of the expropriation of all forms of individual activity, in practice, which is more important, it has taken root and spread where private initiative was lacking, or where labourers and artisans showed an inclination to work on co-operative principles. It has tried to take the place of numerous profiteering middlemen and absentee landlords, and has succeeded. It has initiated many schemes which have been copied by individuals, but has never tried to force the situation. Co-operation has never prevented an active head of an undertaking from carrying on his business, nor has it tried to copy his methods or compete with him unfairly.

Italian co-operation claims for itself certain rights which it would like to see recognised. It bases these rights, first, on its proven capacity to do the work better where the private or public contractor or owner has been unable or unwilling to do it, and, secondly, on its knowledge of how to control, restrain, or stimulate the other elements or factors of production. It has tried to secure legislative recognition of these rights ⁽¹⁾.

This tendency of co-operation to develop side by side and simultaneously with private enterprise and not in opposition to it cannot remain without effect. The time will come when the two forms of enterprise, co-operative and private, will begin to exhaust the possibilities of their respective regions of expansion and will have filled every cranny of the economic sphere in which they act. When this happens, and when invasion of their respective camps is necessarily the next step, an understanding between them will become inevitable. This understanding will probably take the form of a superstructure on the lines of the mediaeval guilds.

In view of these considerations, and taking into account the political guild movement towards the constitution of a Guild State and the resulting favourable political and mental atmosphere, it seems that the march of events in Italy is not towards a form of super-capitalism, but rather towards a superstructure of the guild type, in which all producers, whether individuals or groups, will work together for the common good.

RAILWAY AND PUBLIC SERVICE GUILDS

Let us examine briefly some types of guild, either planned out in theory or already in active existence, and the complete guild system which it is proposed to offer the nation.

The first important restatement of the relations between trade union and co-operative was the proposal made some 20 years ago

⁽¹⁾ *Disposizioni Legislative emanate per la Intensificazione delle Colture e per la Cessione di Terre ad Enti ed Associazioni Agrarie.* Rome. 1920. V. MANGANO : *La Legge sul Latifondo come è stata approvata dalla Camera.* Rome, Ufficio Stampa Partito Popolare Italiano, 1922.

by the Italian railwaymen to take over the management of the State Railways. This proposal met with the full approval of economic experts, who saw in it a possibility of freeing the railways from inefficient bureaucratic management and of reviving the personal interests of the staff in the working of the system, with the necessary balance given by the co-operative idea and its power of linking up all who are under its influence⁽²⁾.

This scheme was never quite dropped. The Republican Congress of April 1922 insisted that the State should hand over the whole railway system to a Railwaymen's Corporation, with an administrative board containing representatives of the State and of the public which uses the railways. The trade union of the secondary railways has recently formed a National Co-operative Combine which includes 12 co-operative societies covering 12 different areas. The object of the Combine is to take over the various railway systems from the State on lease, as the existing contracts between the State and the various private companies fall in. This Combine is a real national guild, not only because it includes all grades of workers on the railways in question, from the station-master and engine-driver to the navvy, but also because it aims at the direct management of the public service under the control and in the interest of the State, so relieving the State and the public from the uniformly inferior service rendered by the private companies. The share capital of these co-operative societies is made up of shares of 20 lire. Each member must take up at least four shares⁽³⁾.

There is in existence an elaborate scheme drawn up by the Union of Workers in the Postal, Telegraph and Telephone Services for the direct management of these services by the Union itself and by a new organisation formed for this special purpose⁽⁴⁾. The Government recently expressed its intention of handing over the management of some telephone systems to private industry. As co-operatives formed by the staff of the telephone services were not excluded, provided they could offer adequate guarantees, the Milan telephonists proposed through their trade union to take over the management of the system which has its headquarters at Milan.

The Sub-Alpine Press Association recently passed a resolution which gives a measure of the state of development reached by the guild movement in Italy and of its capacity to adapt itself to the most varying circumstances, without at the same time ignoring the essential reason for its existence, namely, the defence of

(2) VILFREDO PARETO : *Le Ferrovie ai Ferrovieri*, in *Tribuna dei Ferrovieri*, 15 Aug. and 15 Sept. 1910. O. ZUCCARINI : *Ferrovie e Ferrovieri*. Rome, Libreria Politica Moderna. 1921.

(3) Ing. MARIO POINELLI : *La Gestione cooperativistica dei Trasporti Secondari*. Rome, 1923.

(4) *Per la Gestione Diretta dell' Azienda Postale Telegrafica Telefonica da parte del personale costituito in Associazione Cooperativa*. Report approved by the First National Congress of the Federation of Postal Workers, Naples, 1922. See the journal *L'Unione Postelegrafonica*, 31 March 1921.

the community and the elimination of private speculation and bureaucratic misgovernment. The resolution runs as follows:

The Council of Management of the Sub-Alpine Press Association at its meeting on 9 December 1922, having considered the announcement made as to the transfer of the telephones to private enterprise, asserts the necessity for Turin and Piedmont to safeguard their own legitimate interests in the organisation and working of this important public service. To this end the Association expresses the wish that if the management of the Piedmont telephone system is placed in private hands it shall be subject to effective control by a supreme council of management, on which the Sub-Alpine Press Association, the Turin Chamber of Commerce, the telephone subscribers and the staff of the telephone service shall be adequately and legally represented.

THE MARINE GUILDS

In addition to these carefully thought out schemes for placing the public services on a guild footing, there is already in existence in Italy a guild in the national mercantile marine. This is the National Federation of Marine Workers (*Federazione Nazionale dei Lavoratori del Mare*) and its co-operative society "Garibaldi", which together form a rare, if not indeed the only, complete national guild in active existence anywhere. The membership of the Federation, which was founded in 1909, includes all who work on board ship, from captain to cabin-boy. Section 2 of the Rules of the Federation says clearly that "the aim of the Federation is to unite all seamen of every age, rank and category". Even before the war the organisation had a virtual monopoly within its province, not only of manual labour but also of managerial ability. The idea of direct management of the industry was the natural consequence of this state of affairs. In order to be in a position to take over the management of ships, the Federation in 1918 promoted the founding of the co-operative society "Garibaldi" by its federated societies. Section 6 of the Rules of the Federation states that "membership of the Co-operative Society shall be confined to marine workers of every category who are of at least one year's standing and are members of the National Federation of Marine Workers". It follows that the membership of the "Garibaldi" is a close reproduction of that of the Federation.

The share capital of the "Garibaldi" is unlimited. It consists of shares of a nominal value of 25 lire each. No member may hold shares to a value of more than 5,000 lire. In February 1919 a considerable sum had been paid up by members, but not enough to start the proposed undertaking. The federated unions therefore decided in April 1919 to invest the increases in pay granted by the shipowners in shares of the co-operative society up to a total of 5,000 lire per union, this being the maximum sum allowed by law. From that time down to the present day the monthly subscription has been 60 lire for captains and chief engineers, 50 for other officers and 45 for lower ratings.

In this way the financing of the "Garibaldi" was assured. In spite of the long industrial crisis its development has attained remarkable proportions. At present it has 65,000 share-holding

members with a paid up share capital of 54 million lire. It owns a fleet of seven large steamers, one oil tank steamer and other smaller craft. Five of these ships were sold to the "Garibaldi" by the State.

The last balance sheet of the "Garibaldi" (31 December 1922) showed a net profit of 1,319,822.75 lire. In accordance with Section 38 of the Rules, the profits were divided as follows: 10 per cent. to the reserve fund, 45 per cent. to the sinking fund, 20 per cent. to the welfare fund, and 25 per cent. to the development fund. This distribution of profits shows that no dividends are paid on the sums contributed by members. Instead of distributing profits to shareholders, the "Garibaldi" applies them to developing the undertaking and providing benefits for seamen and other workers in general. The "Garibaldi" also differs from other limited liability companies in that it undertakes to repay the value of their holdings to disabled members and to the representatives of deceased members. For this reason it has to set aside a considerable sum each year in order to provide for these repayments. Consistently with the policy of non-payment of individual dividends, no bonus on profits is paid to the directors. The Rules further lay down that the society, as soon as it can, shall use the profits of its shipping services to repay members the value of their shares. It follows that in course of time, when every member has been paid back the whole of his contributions, the ships held by the society will belong to the marine workers as a body and will be worked for their benefit.

The shipowners naturally look on the "Garibaldi" as a formidable competitor which threatens them with complete expropriation. This may possibly be the theoretical aim of the seamen's guild. But though the guild certainly aims at transforming the present economic structure of the shipping industry and at training the mass of marine workers by direct management of the means of production, it does not try to overcome anyone by violent means. The guild wishes to demonstrate that direct management is more advantageous both for the nation and for the seamen. It does so by developing within the limits of its own resources, without overstepping the boundaries of others, and by perfecting the weapon of real, direct, and complete control over almost the whole shipping industry, with a view to assuming much wider functions later on. Management on their own account, in fact, provides the seamen with data for determining with certainty the increases in pay to which they are entitled and the real conditions in the shipping industry. It also puts them in a position to defend consumers and the nation from the numerous profiteers who flourish in this industry. When public opinion grasps the fact that the guild is a true servant of the nation, because it does not try to profiteer but rather to improve the quality of its service and the conditions of the seamen, it will not fail to demand the transfer to the management of the guild of many ships now owned by the State, and its development into a real national guild, in the sense of a body rendering direct service to the nation.

THE METAL WORKERS' COMBINE

Large-scale industry offers the most difficult ground for the initiation by organised workers of a guild scheme. Any such step calls for considerable funds, both for working and fixed capital, and for technical and administrative ability of the first order. In spite of these obstacles there are some remarkable instances of guilds in active existence.

The trade-union - co-operative of the Italian glass-blowers is now classical and is widely known⁽⁵⁾. The most important industrial guild experiment, however, is in the metal working industry. It has its basis in a co-operative movement of some standing and considerable extent, organised in great part on a strictly local basis and owning workshops of various sizes. The different co-operative societies worked in total isolation and with no relations with one another. They were in the habit of giving orders for work to private firms, in ignorance of the existence of other co-operatives which were engaged in producing the identical goods they needed. They frequently competed against one another without knowing it for orders from individuals or public bodies. None of them knew what work was on offer or in preparation, because they had not and could not have any adequate information service for the purpose.

They worked hard during the war. Immediately afterwards, however, they found great difficulty in meeting the competition of the private metal-working firms which during the war had made great strides, both in size and in technical development. The metal-working co-operatives therefore saw that their only hope of resistance and development lay in an intelligent co-ordination of their forces. It was clear from the example of the metal-working trusts that if the hundred or more metal-working co-operatives, employing about six to eight thousand workers and representing investments of about 100 million lire, acted together, they could double the number of workers employed, produce more and at a lower cost, and their whole development would be on an entirely different scale.

The first effort at co-ordination is provided by the Italian Operative Metal-Workers Combine (*Consorzio Operaio Metallurgico Italiano*) founded in 1919. It includes about 20 co-operatives; most of them are from ten to twenty years old and before the war their activities were on a considerable scale and they had reached a high pitch of economic prosperity. The Combine applies in its most accurate sense the rule of the widest possible co-operation.

The technical and industrial organisation of the Combine is adapted to the construction of both merchant and war ships on a large scale. At Trieste, Venice, Ancona, Spezia, Genoa and Sarzana it has yards for expeditiously repairing the largest liners.

(5) Odon Por : *Syndicalism in Action. How the Italian Glassblowers became their own Employers*. London, Twentieth Century Press. 1909.

It has other workshops fitted up for all the accessory work called for by the largest shipbuilding and railway contracts, for the construction and repair of railway coaches and electric and long-distance transmission plant, the construction of tool-making machines and machine tools, sporting guns, machinery of precision, plumbers' fittings, agricultural machinery of very accurate make, and similar products. It also owns iron and brass foundries. The Combine has built ships for the Navy and for the shipping lines of the State Railways. It has provided wagons, coaches and electric plant for the State Railways, and it does a great deal of work for private firms or individuals. It has a working agreement with the National Federation of Agricultural Co-operative Societies for developing the production of agricultural machinery and with the Italian Federation of Co-operative Building Societies for obtaining the skilled labour of its affiliated societies. It produces work of a high standard and within the specified time; this has secured for both managers and workmen of the various establishments worked by it the warmest praise and commendation from the competent offices of both the Navy and the State Railways.

Up to the present the Combine has worked with two alternative policies of organisation and management, namely, membership and purchase. In other words, some co-operatives merely joined the Combine as members, while the whole plant of others was bought up by it. The member co-operatives, which remained autonomous, were allotted work by the Combine, which they carried out under their own management and on their own responsibility. They could also take private contracts for minor jobs. The co-operatives which were bought up, on the other hand, were managed directly by the Combine and their plant and stocks became its property. The two kinds of co-operative did not work well together. The difficulty was aggravated by the financial crisis which made it impossible for the Combine to buy up all the co-operatives, so blocking an effective way of getting rid of internal disagreements. Further, the industrial crisis prevented the Combine from developing its activities to a point which would provide work for all the Italian metal-working co-operatives, so that it had to refuse applications for membership from many co-operatives not on its lists, in order to avoid still further upsetting the balance between the two classes of co-operative.

The solution of the problem was found in the decision to modify the operations of the Combine, so that it should give up the direct management of its factories and should instead lease out all the undertakings owned by it to the separate co-operatives. In this way the co-operatives will all acquire the status of members; they will share in common the collective services of the Combine and will no longer suffer from the existing division into two categories, which complicates the working of the Combine.

For the future the functions of the Combine will be as follows :

(a) Taking on contracts for work and sub-letting them to co-operative societies ;

- (b) Provision of funds for the work so allocated ;
- (c) Supply of raw materials ;
- (d) Commercial office, advertising, etc., for information, allocation and exchange of individual products ;
- (e) Political office, for propaganda and policy ;
- (f) Administrative and technical inspection office.

All co-operatives joining the Combine will be under the following rules :

(a) They may not independently take on work of considerable extent without obtaining the previous consent of the technical office, in order to avoid failure or disaster.

(b) They may not make large direct purchases of raw material unless they can show that they can buy at lower prices than those offered by the supply office of the Combine.

(c) They must submit to such periodical inspection of their administration as the Combine shall think fit in order to safeguard the efficient working of the co-operative societies.

Under this system all the co-operative societies will be treated alike by the Combine, both for the distribution and for the financing of contracts. Further, the co-operatives already in the Combine will regain and keep their legal, technical, and administrative autonomy. They will be able to lease the workshops of the Combine and manage them on their own account. The Combine will act as their collective representative and will co-ordinate the general working of all the metal-working co-operatives. As the Combine will not have the direct management of any of its establishments, it will be more flexible and better adapted to its general functions.

As the result of these changes the metal-workers' co-operative movement in the country will be in a better position to meet the demands of industry and commerce. It will be organised on the lines of a large-scale industry, provided with all the necessary technical and industrial services, and will be able to take over responsible tasks of considerable magnitude and complexity from the State and from private individuals.

Up to the present the Combine has been able to serve the general interests by providing the State with goods and services at lower prices than those offered by private firms. In its new form it will be a powerful means of controlling the action of large-scale private industry whose largest customer is the State. The metal-workers' co-operatives cling to this control as the most important function of their movement. They consider it important from the point of view not only of the State but of the metal-workers in private industry as a whole, maintaining that when those workers begin to take an interest in the progress of the co-operative movement, they will find out how and where their intervention in private industry will be both right and possible in their own and the general interest. In order to stimulate this interest among the metal-workers they claim that the whole co-operative movement in the metal-working industry shall be placed under their control and direction.

During the period of industrial demobilisation there was some thought of handing over to the Metal-Workers' Co-operative Com-

bine various arsenals or departments of them and various State factories for the manufacture of war stores, in order that the Combine might produce the goods and materials needed in peace time. There were other rival proposals, such as that the various establishments should merely be sold to the highest bidder or handed over to joint combines. A combine of this kind has in fact been formed to manage the Venice arsenal. It includes metal-workers' co-operatives and shipping companies, which latter have more to do with the arsenal than has any other industry. Although the shipping companies provide most of the capital, they are prevented by law from receiving more than the ordinary commercial rate of interest; most of the profits go to the workers and a smaller proportion to the sinking fund. The Combine is under the control of the Commune of Venice, which exercises its control in the public interest. This experiment and that made for the Piedmont telephones have a good deal in common.

THE BUILDING GUILD

Another interesting experiment in "horizontal" guild organisation (i.e. by industry and for the whole country), based on existing trade unions and co-operatives in the building industry, was started in 1920 by the Italian Building Workers' Federation (*Federazione Italiana Operai Edili*).

The origin of co-operation in the building and allied industries goes back several decades to the years preceding the foundation of the Federation. The object of the Federation has always been to bring the co-operatives under trade union discipline. Latterly the building co-operatives in certain districts have succeeded in acquiring a monopoly of labour, and the Federation has in consequence adopted the policy of admitting the co-operatives to membership as representing the industry as a whole.

It is of some interest to quote here Section 42 of the Rules of the Federation sanctioning this new situation, not only because of its significance for trade union practice, but also because it throws light on the forces which are growing up within the Federation and urging it forward to win new points of vantage in the sphere of production. The Section reads as follows: "Class co-operatives of production and labour which have exhausted the usefulness of the policy of resistance in their own centre and their own labour market shall join the Federation and the district and provincial trade unions and shall submit to the terms laid down in the existing Rules."

The great development of the building co-operatives after the War in almost every centre called for the co-ordination of their resources by action on a national scale. Realising this the Federation, in agreement with the National Federation of Co-operatives of Production and Labour and the Council of the Confederation of Labour, declared "that the function of the unions has reached a stage in which they must deal with production as well as

resistance". It further decided to found the Italian Federation of Building Combines and Co-operatives (*Federazione Italiana Consorzi e Cooperative Edili*). This decision was carried into effect and the Combine joined the National Federation of Co-operatives of Production and Labour as a section representing the building industry.

In this way, then, both the Building Workers' Federation and the Federation of Building Combines have firmly set out on the way to "deliberate and technical preparation for the management of production". They take as their guiding principle the maxim that direct production is for the benefit of the community.

One of the most pressing tasks before the Federation of Building Combines is the re-organisation of the existing co-operative movement in the building industry on a new basis. Up to now the movement has been largely made up of numerous small sections with purely local interests. In many districts it is retrograde, both technically and as regards its attitude to trade union principles, while in others it works satisfactorily. It is therefore necessary to mould it into a national organism to act in complete harmony with the national trade union movement in the industry, and to provide it with the technical and financial resources which will enable it to take over its own industry on a national scale.

The constitution of the Federation of Building Combines provides that the existing local co-operatives, and, where there are none, the labour co-operatives of the building trade unions — these latter an offshoot of the sections of the Building Workers' Federation — shall be affiliated to existing or future district or provincial combines or federations, which in their turn form part of the Federation.

The aims of the Federation are as follows :

(a) To co-ordinate and control the various federated combines and co-operatives in the building works which they have undertaken or propose to undertake and to help to provide the necessary funds.

(b) To take on direct contracts for building works, especially those on a large scale which concern wide areas or different regions, in order to carry them out either directly or through the federated combines and co-operatives.

(c) To take over the working of quarries, of lime, cement, and brick kilns, and all establishments for working stone, wood, iron and other materials used in building.

(d) To prepare preliminary studies, plans and proposals for carrying out road-making and railway contracts, etc., which will improve communications and transport and so increase production.

(e) To provide welfare and relief service for workers.

Each combine or co-operative which is directly affiliated to the Federation pays the ordinary dues of the federation and must also hand over to it each year at least 25 per cent. of its net profits. The net profits of the Federation are divided equally between social and welfare work for the workers and the reserve fund. The directors are chosen by the delegates of the federated associations.

The regional combines have the status of sections. They undertake constructional work of various kinds, such as making

embankments for dykes and waterworks, reclamation of waste land by irrigation and drainage, repair and construction of roads, buildings, etc. All such works are to be carried out by the combined labour force of all the co-operatives.

Every local co-operative in a combine pays the ordinary dues of the Combine and in addition must pay at least one-half its profits into the funds of the Combine. The profits of the regional combine are disposed of as follows. Not more than one-half is set aside for the payment of a dividend of not more than 5 per cent. on the sums contributed by the co-operatives in the Combine to the share capital of the Combine. Of the balance, 25 per cent. is placed at the disposal of the Federation to increase its capital, in order to form a fund for the exclusive purpose of making the purchases necessary for the development of the Federation and of providing the funds for the work undertaken either by the Federation or by the federated associations: the remainder is paid into the reserve fund.

The work done by the existing local co-operatives and the building trade unions includes the erection of industrial, urban, or rural buildings, hydraulic works, reclamation of waste land, earthwork, road-making, and building work in general, either for individuals or for the State, communes, provinces or public bodies. They can also own, lease and work quarries, kilns, and establishments for making and preparing building materials. These co-operatives are responsible to the regional building combine, or, if there is none, to the Federation, as far as concerns the distribution of work and the technical management of their own business. Their managers have to report to the board of directors on the work done, but are appointed by, and are responsible to, the regional building combine.

The profits of the local co-operatives are distributed as follows: 40 per cent. is placed at the disposal of the board of directors for the workers engaged on the work and for welfare work for building workers; 60 per cent. is placed to the reserve fund to be invested in shares of the regional building combine. If there is no regional combine, 25 per cent. is handed over to the Federation to form a fund for the exclusive purpose of making the purchases necessary for the development of the Federation and for providing funds for the work undertaken either by the Federation or by the federated associations, and 35 per cent. is placed to reserve.

One of the most important schemes embarked on by the Building Workers Federation and Federation of Building Combines aims at the protection of emigrants. Their object is to find a complete solution of this problem through the existing organisations alone. They have two modes of procedure. One is to approach foreign contractors directly and to get them to adopt a form of employment contract approved both by the building organisations of other countries and by the State authorities; the other is to undertake direct contracts for work abroad — as has been done in the devastated areas in France — and to help the federated co-operatives to undertake others.

Here then is a large and complex guild experiment. "The Federation of Building Combines is not a co-operative in the traditional technical sense of the word. It is a technical instrument managed by the whole building community organised for defensive purposes. Instead of two distinct organisations, one for defence and one for competition, we have a single organisation for both purposes (6)".

The Federation of Building Combines is not a productive co-operative society of the old-fashioned type. It is a federation of trade union type formed for the purpose of direct production. Its internal structure is that of a national guild federation, but it does not yet correspond to the true conception of the guild, nor can it until it is recognised as such by the State and by organised consumers, and until it takes its place as an autonomous public service to which the State and the consumers have handed over the responsibility for carrying on the building industry on a national scale.

Its whole trend and guiding spirit, however, are those of the guild. It recognises the self-government of the organisations federated to it so long as its efficiency remains unimpaired. It does not try to make profits and it fixes the price of work done by the cost of production, so benefiting the whole community.

In this way a purely working-class organisation is serving the whole community by that spirit of service which is found in an organisation whose purpose is to assert an ideal rather than to defend its own immediate interests. If this social tendency is to be fully developed for the general good, there must be some kind of comprehensive organisation of the guild type which shall embrace all the forces of production for the service of the community. For technical and material reasons the ideal of the typical guild is beyond the reach of the present guilds, with their isolation and their struggles against organisations of opposing tendencies and characteristics. In other words, they will continue to fall short of the ideal until the complete and general adoption of guild principles and organisation.

THE RAVENNA CO-OPERATIVE FEDERATION

The most characteristically Italian tendency of the guild movement, which has no counterpart in other countries, is found in the provincial federations or combines of co-operative societies. These are workers' organisations which include co-operatives of every kind. In addition to preparing economic programmes on guild lines, they mould the whole guild life of their commune or region. They have considerable influence on the general development of their province and are building up both the outer framework and the necessary background of ideas for an ultimate guildist order of society (7).

(6) Rinaldo RIGOLA : *La Gilda degli Edili Italiani*, in *I Problemi del Lavoro*, February 1922. Florence.

(7) Alceste DE AMBRIS : *La Gilda Provinciale Parmense*, in *L'internazionale*, 25 March 1922. Odon POR : *Guilds and Co-operatives in Italy*. London, Labour Publishing Co. 1923.

Federations of this kind have been in existence for some time in a great many Italian provinces. In others they are in course of formation. Frequently there are two or three in the same province with different political views; but whether they are Socialist, Republican, Catholic or Fascist, or non-political groups such as ex-Service men, they are all much alike as regards their functions, and in the long run nothing else is of much importance.

One of the oldest and most comprehensive federations is the Federation of Co-operative Societies of the Province of Ravenna. Its origin goes back to 1883, the year of the foundation of the first workers' co-operative society in Italy or elsewhere for the purpose of undertaking work of various kinds, including the reclamation of marsh lands. In 1885 this co-operative society took over the management of an important stretch of land belonging to the commune of Ravenna, which it reclaimed and still has under cultivation. This was the first experiment in co-operative farming in Italy, or indeed elsewhere. The same co-operative society also made the first experiment on co-operative principles in the reclamation and settlement of waste land, on a holding of Crown lands at Ostia near Rome.

The success of this first attempt led to the formation of co-operatives of every kind in the province of Ravenna. When they were sufficiently firmly established they began to feel the need of co-ordinating their powers for still wider tasks and a co-operative combine or federation was founded. This Combine anticipated the subsequent Act of 25 June 1909 which sanctioned the formation of combines and authorised them to tender for large-scale public contracts. At present the Combine includes a great variety of organisations, such as workers' co-operatives of production and labour; agricultural co-operatives of labourers and of peasants; co-operatives of masons, plasterers, etc.; labour co-operatives of carters; production and labour co-operatives of carpenters and joiners, smiths, metal workers, house painters, tinsmiths, glaziers, pump fitters, porters, marine workers, forage packers, sculptors and marble workers, and bakers; consumers' co-operative societies and associations of such societies. There are in all over 100 co-operatives with about 23,000 members, which own offices, workshops, modern plant and machinery, land and cattle; in short, everything for carrying on their business and marketing their produce. The land farmed by them amounts to 7,000 hectares in all, part their own property, part rented from private owners or public authorities. The Federation itself owns and farms a further 3,000 hectares.

All the local co-operatives are autonomous as regards both legal status and administration. The principal task of the Federation is to bring them under a single rule, to help them, to provide them with work and funds, to sell their products and buy raw materials, tools, machinery and land, to draw up their contracts, to give them technical help and advice in questions of accountancy; in short, to carry out all the tasks which concern each separately and all together, and to represent their interests in dealings with outsiders, whether individuals or public bodies.

The most striking characteristic of this group of co-operatives is the multiplicity of tasks which they can undertake through their Federation without having to call in help from other industrial or agricultural bodies. Under the management of the Federation the co-operatives have reclaimed large stretches of marsh land and successfully turned them into orchards. They have built large factories for private firms, public palaces and private mansions, roads, canals, bridges and ships. They make machinery and furniture. They have organised distribution and as a regular and normal part of their activities they have large tracts of land under intensive farming.

The Federation has so far escaped falling into the perils of bureaucracy. The federal machinery works smoothly and easily. It can transfer groups of trained workers organised in co-operatives, together with the necessary plant, not only within its own province, but to the farthest point of the Peninsula. It collaborates with local public authorities and with the State in carrying out important works in which it overcomes difficulties shirked by private enterprise. It does genuine public service in providing regular work for thousands of workers who would otherwise be unemployed, as, for instance, when it undertakes co-operative farming on previously uncultivated land. Frequently it forestalls the State in action of this kind.

The activities of the Federation are not carried on solely in the interests of its members, but also of the general public. Whether it is work undertaken for public bodies, or goods supplied to military or civil authorities, the practice of the Federation, as was shown during the war, is to give thoroughly good work at a fair price and within the time specified. It is wholly opposed to speculation. During the war many private firms and persons concentrated on producing goods which sold at a high price. The Federation, on the contrary, aimed at increasing its production of the less profitable but more necessary corn.

The fact of common membership in this great organisation tends to develop solidarity, morality and discipline. Such qualities offer a guarantee that work undertaken will be faithfully carried out; they encourage better output on the part of labour, and they help transform the worker into a citizen alive to his duties to the community.

There is a very close relation between the individual and the organisation. A consequence of this is the stronger sense of responsibility and of conscience in the main body of the workers, who come into direct contact with the other factors of agricultural and industrial production and so gain a comprehensive view of the problems of production. In this way the Federation can claim to be the best school not only of vocational training, but also of citizenship.

These results show that the Federation has a remarkable capacity for successful initiative. In the majority of cases capitalist associations and joint stock companies would be quite unable to take its place. The sense of solidarity and mutual stimulus

among its members make it a moral asset of high value, which is essential to the economic prosperity of the province and of the nation.

The Federation, as a matter of fact, can and does offer guarantees and undertake work which are quite outside the powers of the private individual or firm. The large-scale building and agricultural contracts which it carries out require considerable resources in machinery and capital, managerial and technical ability above the average, and, last but most important, loyalty and unselfishness on the part of the workers. These elements of success are collectively beyond the resources of the private contractor. Some one or more of them will always be missing. If he can borrow capital and tools, or if he has enough capital of his own, he may fail to secure the confidence of the workers, or to find a trustworthy manager. But his main disability is that he usually acts on the principle of the greatest possible profit, which prevents him from grasping the vital idea of the undertaking as a whole. The omission is serious, both for agriculture and in general. His fixed idea of the greatest possible profit places a lasting enmity between him and both the worker and the consumer.

The co-operatives, on the other hand, and their Federation have at their disposal all the elements of permanent success; at any rate when they are organised and run on the right lines, as in the Ravenna district. If funds are short, the members work on credit, and often lend their own small savings. They work without asking interest on the deferred pay, and they accept a lower rate on the money they lend than the co-operatives would be charged by the banks. Many co-operatives have been financed in this way by their own worker members.

Worker co-operators cannot be accused of a thirst for money, as they prove in a thousand ways. This enables them to give practical expression to the social instincts and to make their institutions into guilds in the true sense of the word. The separate co-operative societies, too, do not try to make large profits. They can therefore pay fair wages to their workers and yet sell their products to the consumers at a fair price. In this way they have a steadying influence on wages and prices which reacts on private employers. The experience of the co-operatives gives the workers an insight into the varying fortunes and the problems of production. They learn what wages private employers can pay and what prices they can charge without risk of damaging the stability and progress of their undertakings. They have therefore firm grounds on which to base their claim for fair wages and prices.

The co-operative societies are thus able to satisfy both worker and consumer, the latter frequently being the State. During the war, as already noted, the quality, quantity and price of the goods furnished by them to the State were always satisfactory, as was publicly acknowledged by the State. The co-operatives make it a point of honour to carry out their contracts well and punctually. They have a strong sense of their own dignity and consequent responsibility.

The Ravenna co-operatives have no profits in the strict sense, or rather they do not distribute them. This does not mean that they give away their goods or their labour, but that the profits are divided between the reserve fund, the sinking fund, education, and welfare work, the proportions being fixed by the general meeting of members. The worker shareholders, in fact, surrender their claim to the profits to which they are legally entitled, so that these profits may instead be used for developing their institutions and spreading culture in their own towns and villages. The sums so surrendered often represent a considerable amount for poor workers, who have thus the distinction of contributing to a capital fund which has been raised not by the hope of profit but by the ideal of service and of the management of production for the use of all and the enlightenment of all.

GUILDS AND THE COMMUNITY

The attempt is being made to base these new functions which the workers as a body are gradually assuming on new forms of ownership. This will involve the fuller development of their own resources, the direct use of the will to work, and the utilisation of the latent resources of the country. A collective capital fund is gradually accumulating — a fund which is in the fullest sense a social asset because invested and administered in the interests and for the service of the community. The profits, in short, are used to strengthen the co-operatives and to widen the scope of their already manifold activities. These activities cover a wide range: education, including summer schools for boys and short intensive courses in co-operation for members who wish to know more of the subject; assistance, including old-age pensions and sickness and other grants for old, sick and poor members, and grants to public assistance organisations; agricultural development, including land reclamation schemes and the introduction of new methods of cultivation; general culture, including lectures, theatres and libraries; town planning, including a garden village for the workers.

The objection is often raised that the services rendered by the co-operative to the community are wholly indirect, that they improve the conditions of only a limited number of persons and are of no direct benefit to the localities in which they work, or to the State. This objection is without foundation. The co-operatives and their various forms of activity frequently dominate the whole economic life of the district. With their strong social conscience they have a powerful influence on the moral tone of the population, even to the point of affecting the actions of persons who are quite outside their own sphere. It can therefore safely be maintained that the existence of a centre of co-operative principles and action is inevitably accompanied by greater consideration for the general interests on the part of all concerned.

This influence works in different ways. For instance, the

pressure of agricultural co-operation has led many individual farmers to improve their land and their methods of cultivation. Or again, co-operation improves the trade qualifications of the workers and so helps the individual landowner. It can also, and sometimes does, make strong representations to landowners on their duty of getting more and better work done.

The growth of a professional conscience is an important factor in economic progress. When it has further a firm basis like co-operation, it can put up an effective fight against the haters of innovation. The co-operatives have often made it possible for employers and landowners to introduce new methods of cultivation which the workers and peasants alone were unwilling even to try. There are various cases of this kind in the Province of Ravenna ; for instance, the beet-growing experiment in the sugar industry, which has been a source of considerable wealth to the whole district. Without loyal collaboration between the co-operative federation and its affiliated societies and the sugar-refining experts, it would not have been possible to establish this industry on such a large scale and to bring it to the existing high degree of perfection. The contribution of the co-operatives was to convince the workers of the usefulness of beet cultivation and to train them for the new kinds of work required. At present some co-operatives are conducting experiments under the instructions of the sugar refiners in the production of beetroot with a higher sugar content. All this means more work for both managerial staff and workmen, but there is a ready response and the newest methods will certainly be generally adopted as soon as their superiority is well established by the results of the experiments. Private producers, on the other hand, tend to hold aloof from the experiments, but there is no doubt that they will follow the results obtained by the co-operatives.

In many localities the co-operatives which have distributive branches act as a check on the rapacity of local traders. This is undoubtedly a tangible service to the whole population. During the war, too, the authorities entrusted much of the work of organising the food supply to various co-operatives.

Lastly, there are the direct services rendered to the State by the co-operatives in the sphere of public works. A large number of contracts of this kind have been assigned to the Ravenna Co-operative Federation in competition with private firms, on account of the better terms and guarantees offered by the former.

Money saved for the State, work honestly done with good material, punctually and without obliging the State to increase its technical and supervisory machinery — this surely represents real and direct service to the State.

The answer to the question why the co-operatives have been able to achieve this has already been given. It is, briefly, that they do not profiteer, they satisfy themselves with the payment of good wages and aim at making only so much profit as is necessary to maintain and develop their technical efficiency in machinery, tools, plant and workshops.

The most remarkable feature of the Ravenna co-operatives is their public character. This appears in various forms. They welcome as members all workers without religious or political distinction. They act as centres of manifold activities. Directly and indirectly they influence the interests and ideals at work in their districts. They form the nucleus of a new order of civilisation based on the guild, while they illuminate the vision of a new social order and stimulate the energies needed to call it into being. They are schools for the development of the new capacities needed for creating and administering the new forms of collective property.

There is a wide gulf between the new order which is undeniably being established by the co-operatives within the existing structure of society and the empty dreams of Utopians. Up to now the idea was prevalent that co-operation was the germ of the new order of society; that it would grow up and assimilate private enterprise, and that one day we should find ourselves in a social order which had become, so to speak, a super-co-operative. Permeated with this idea, its holders were led to concentrate on the extensive rather than the intensive development of co-operation. Every new co-operative was greeted as a step forward towards the realisation of the co-operative idea of society, while weak spots were allowed to appear without protest in the existing compages of the co-operative movement. It was thought that co-operation would make inroads into private ownership and would ultimately lead to its complete abolition; but what we see instead is that though large numbers of profiteering middlemen have in fact been eliminated, the institution of private ownership remains unharmed, while new forms of ownership are being invented and are taking their place alongside the old.

In conclusion, by introducing these new forms of ownership with new functions, and so altering the whole mutual relationship of the forces of production, co-operation appears as the architect and builder of the new order.

To sum up, co-operation is chiefly characterised not by its tendency to expropriation, which is always kept within narrow limits, but by its power of assimilating all the forces of production to its own pattern. The moulding of the new order of society will be effected by its functions of discipline and control, the outcome of the new form of collective ownership which is coming into being. In the Province of Ravenna, for instance, co-operation has obviously expanded almost to its limit. No appreciable further increase seems possible in the number of its organisations and organised societies, nor can it extend its farming operations much farther. But this does not mark the limits of its activities nor the exhaustion of its functions. Hitherto its influence on the economic life of the district has been gained by expansion. In future it must increase its influence by intensifying and varying its activities in the fields already won; and there is no doubt that new functions will be added in the process.

SIGNIFICANCE OF THE MOVEMENT

Up to the present no inroad has been made on private ownership, but new forms of collective ownership have come into being. No one has been made individually poorer, but a whole region is undoubtedly richer, and a whole class of persons without possessions have become collectively the owners of the means of production. Grinding poverty has disappeared, but the craving for gain has not been stimulated to the detriment of social instincts, while a check has certainly been placed on the selfishness of the owners of private property.

The new problem awaiting solution is the determination of the functions of the new collective ownership and the way in which it will adapt itself to the older forms. No complete solution can be given here, but it may be possible to suggest some of the materials on which to base such a solution.

In the first place it is necessary to note that the workers have the same feeling of affection for their collective property as if it were their own private and individual property. This is very significant if account is taken of the fact that at present private property is considered the ultimate and strongest incentive of all human action and the essential condition of all progress. Up to the present, no established fact could be put forward to invalidate this theory or social law which is the basis of the present social system. The Province of Ravenna and many other provinces where the co-operative movement is on similar lines now provide evidence on the other side. In giving up their legitimate profits to their institution, and in many other ways, the workers make the same sacrifice for their collective property as if it were their own land or house. No one forces them to do so. The impulse behind their action is the new public opinion, the new guild life, which has grown up in the atmosphere of co-operation and which leads them to place the collective interests of the members as a whole before their immediate individual interests.

This new public opinion is not a mere idea hanging in the air; it has grown up around concrete objects and tasks, houses, land, or daily work. The individual has grasped the fact that he has a permanent interest in the permanence of these objects and tasks. He sees that this permanence secures for him a permanent improvement in his way of living, whereas a temporary advantage, like the payment of dividends, would leave him in a worse position than before. He knows that his future depends on the institutions founded by himself and his comrades. There is general interest in co-operation, an interest which embraces all the principal issues of existence. This common interest in an institution as such is the raw material from which are forged links not merely material, but intellectual, moral and spiritual. So a new public opinion is growing up with new standards of action and of ideals.

The smaller localities offer better opportunities for studying this new movement than do the large centres of population. In

some rural areas in Ravenna the new collective ownership forms the central principle of a group of institutions which have the virtual control of both the material circumstances and the ideas of their members. This control and the influence exercised by the group on the whole local population are effected by means of agricultural, productive, and distributive co-operatives, by summer schools, pensions, relief schemes, theatres, etc. The smaller artisan co-operatives give good and honest service to the whole neighbourhood, while the great mass of worker co-operators has become a productive force of the first rank.

In a certain sense these co-operative groups are local federations on a minute scale ; some of them do in fact join the provincial federation as groups. They offer no menace to private ownership, but have often found a *modus vivendi* with it, out of which there frequently grows true collaboration when their mutual relations are not distorted by the heat of political passion.

The main work of the Federation will certainly be the extension of the work and of the influence of these groups, the foundation of others where there is still only a basis in the form of agricultural co-operatives, and their co-ordination. But reclamation schemes are already dwindling in number and other work must be found for the numerous worker co-operators. Two paths are open. One is the introduction of methods of intensive farming in existing agricultural undertakings. The other is the establishment of agricultural industries and small agricultural co-operative societies for the transformation of many of the farm products into consumers' goods. The labourer, with his proved versatility, will meet with no insuperable difficulty in the process of becoming a skilled artisan.

So far little has been done in this field. The first necessity was to lay the foundations, but the new tasks clamour for accomplishment and the process may lead to unexpected consequences. For instance, there are the 10,000 hectares controlled by the Federation. For technical reasons it has not yet been possible to develop the whole of this area fully. If this could be done, there would have to be co-operative factories for preserving fruit, vegetables, tomatoes, and meat, for making Italian paste, etc. Many private producers and peasants would bring their produce to the factory and would try to increase their production for the purpose, while the consumers of the region could be supplied with goods of the best quality at fair prices. The small artisan co-operatives, too, would have more work and more customers.

It will, however, be pointed out that activities of this kind need more capital than can be found by the co-operatives. This is perfectly true and will continue so as long as their organisation remains as it is at present. But the question would at once be very much simplified if the Co-operative Federation could come to an agreement on a programme of this kind with the Co-operative Combine (another group of co-operatives in the province of Ravenna of equal strength). Even the private banks would grant

credits to a group of organisations controlling between them about 20,000 hectares, 40,000 workers and upwards of 200 co-operatives. At present the division between these two bodies is political rather than functional. But they have already collaborated in small matters and so could well combine for a purpose of vital importance to their own members and the whole region. It would be well, however, if they could avoid applying to the banks, or at any rate would use them as little as possible. The financing of schemes of this kind would have the support both of private producers with an interest in the transformation of their produce and of consumers with an interest in buying at a fair price. This is the most direct and sensible way for consumers to influence production. They could organise themselves in strong groups to finance production and so acquire a share in the control not only of the means of production, but of the quality and prices of the goods produced.

THE OUTLOOK

It is certainly in some such form of organisation that we must look for the future of co-operation. Here is the key which will unlock the doors of both finance and further development. But here too is the solution of the troubles of private industry, which is overshadowed by the menace of the growing distrust of consumers and of the fluctuations of the market. An organisation such as has been suggested would not effect the autonomy of the existing co-operatives or of private enterprise, but would rather link them up in a task which is beyond their divided powers and whose urgency is keenly felt by the consumer.

When co-operation cuts adrift as far as possible from politics and begins to follow a functional line of development, it will find a new series of tasks awaiting it. The first of these should certainly be to devise some kind of special institution to link up the wide interests of collective property with productive private property and with organised consumers. These institutions would produce on rational lines and would sell articles of good quality at a fair price. This would give a strong impulse to both production and consumption and would eliminate that increase in power of production without a corresponding increase in purchasing power which is one of the greatest economic problems of the present day. Institutions of this kind would have a considerable steadying and restricting effect on speculation. In fact, collaboration between co-operatives, private producers and consumers would certainly lead to the relative stabilising of prices; retrograde producers and speculating middlemen would soon disappear from the scene.

On the one hand collective ownership could increase its power and extend its activities in the sphere of general culture and social assistance. On the other, private property would submit to certain restrictions for the general good. In return, its profits would be due to regular markets and regular receipts from new

industries and the revival of consumption, instead of to speculation on market prices and cuts in wages. The consumer, finally, would gain considerably and continuously.

These institutions could well provide a framework for the guild superstructure mentioned at the beginning of this article. They have more characteristics and functions in common with the mediaeval guilds than the modern national guilds. Like the mediaeval guilds, they would take over the responsibility for production and distribution in a whole province or region in the interests of industry and commerce⁽⁸⁾. Unlike these guilds, however, they would also include organised consumers and would themselves undertake direct productive and distributive work. In this way they would extend their services from special classes of producers or distributors to the whole community. At first, there would certainly be some reluctance to include all producers, whether private or collective, and all consumers, but there would certainly be enough of them to exert an effective control over the quality, quantity, and price of all goods and services in their respective spheres of action, whether province or region.

Numerous guilds and co-operatives which are under the national guilds will be included in them. The difficulty of the obvious conflict between the two types of guild — the national guild organised by industries and the provincial or regional guild including all industries and all grades of worker — will perhaps find its most practical solution along the lines of the method adopted by the Metal Workers' Combine and the National Federation of Agricultural Co-operative Societies, neither of which takes any direct part in production.

Except in the public services, such as the railways and postal services, which by definition are already run by the community, the guilds should limit themselves strictly to advisory functions and to unifying and initiating action. Their main efforts should be directed towards developing the direct use of their power of control which at present is only applied indirectly. National guilds, too, could come nearer to achieving the purpose of the mediaeval guilds, which was to control and regulate production and commerce. Their first step would have to be the inclusion in their organisation of private producers, organised consumers, the State, and other public bodies, so that together they might take over the joint responsibility for carrying on their particular industry. It might also be possible to form an organisation which should include all the factors of a given industry, as well as the consumers of its products, without destroying individual autonomy.

The proposals for the Piedmont telephone system and for the Venice arsenal show that there is a tendency towards reconciling the various interests and tasks which are already organised for common action on a larger scale, or are capable of being so, by

(8) A. J. PENTY : *Post-Industrialism*, London, Allen and Unwin, 1922.

creating new institutions, varying with the nature of the undertaking, for this purpose.

The guilds have on their side the workers, their numerous institutions, and numerous consumers. Private producers have large resources at their disposal, but they fail to secure the confidence of the consumers. If they could come to an agreement with both the consumers and workers, they would find themselves in quiet waters and within sight of a solution of their worst difficulties.

Lastly, there are the provincial guilds which correspond to the pronounced Italian tendency towards autonomy and aversion to centralisation. Their strength has various roots. They adapt their activities to local needs; they make their activities continuously felt in their respective districts; their collective capital is raised and invested locally; in short, they are completely identified with local interests and ambitions. If any of the numerous organisations which compose them and tend to make them into self-contained economic units were to transfer their primary allegiance to the "horizontal" guilds, the provincial guilds would lose their hold on the life of their commune or region, which is their principal strength. Disintegration would set in, and they would cease to be the pivot of the guild movement and the centre of growth of a new structure of society.

The decisive importance of this local action is shown by the fact that in spite of political differences, the guilds and their local combines easily reach a working agreement on anything which concerns their members and districts as a whole. An agreement between national guilds, on the other hand, is much more difficult of realisation. Recently, for instance, the Socialist, Republican, Popular (or Catholic), Fascist and ex-Service men's combines of the Province of Florence formed a joint committee in order to unify the policy and action of their various movements, so that they might be able jointly to undertake important contracts abroad and start large schemes in their own Province. This arrangement was subsequently extended to include all the Tuscan combines, the total result being the formation of a strong and influential group of guild interests and institutions. These local agreements will certainly have considerable weight with the national organisations, which in their turn will be forced into making national agreements. When this comes about, the guild movement will become in fact, and not merely potentially as now, the most important and homogeneous element in the economic and social life of the country.

This great movement, based upon the trade union and guild combined, which has been outlined above, is exercising considerable pressure on the existing structure of the State. There is complete unanimity on the necessity of incorporating the movement in the constitution of the State in order to make it a direct protagonist in the economic and social life of the country.

For several years there has been lively discussion in Italy on the possibility of transforming the present Superior Council of

Labour, a purely advisory body, into a body with much wider scope — a kind of labour parliament, with perhaps the power to take decisions as well as to express opinions. Some Bills on the subject have been introduced but have not been voted on. The present Government has announced that it is preparing and proposes to lay before Parliament a Bill for setting up a National Council of Labour and Production. The Bill will also tackle the question of relieving Parliament of some of the technical and administrative problems with which it is at present over-burdened. This radical innovation would open the way for the development of a social constitution based mainly on functional or vocational grouping. It is in fact probable that it is an intelligent anticipation of such a development.

A constitution of this kind was drawn up by D'Annunzio and his collaborators in the "Charter of Quarnero". The Charter is a platform for the D'Annunzian corporations in course of formation; it is the spiritual goal towards which many important trade union and guild organisations in Italy are bending their course, while even outside the ranks of the workers there are many who consider it as a desirable national ideal^(*). It is not possible to summarise or analyse this document here. It does not abolish private property, but asserts that "the only legitimate claim to ownership of any of the means of production or exchange is labour", and that "full citizenship is only for those who are diligent in producing wealth or creating power for the community". These principles are expressed in an economic parliament elected by producers organised in corporations, with powers to issue orders and to legislate in everything concerning production, labour, commerce, technical and vocational education, industry, co-operation, banks, customs tariffs, and other allied questions. The Charter also incorporates all the most daring political and social reforms, without, however, falling into mere Utopianism. It draws its inspiration from the old Italian traditions and not from the revolutionary and unstable experiments of the post-war period, and with sure intuition it makes for the goal to which the innate tendencies of Italy must lead. It remains for practical statesmen to make it a reality.



(*) *La Reggenza Italiana del Carnaro. Disegno di Un Nuovo Ordinamento dello Stato di Fiume*. Rome, La Flonida, 1920.