



Trade Associations and Corporations in Italy after the Recent Reforms

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In accordance with the evolution of the Fascist corporative system of trade associations, the Act of 5 February 1934 aimed at effective organisation of the corporations on the basis of the main branches of industry. In the present article, Mr. Anselmo Anselmi proceeds to analyse the provisions of the Act and those of the Decrees relating to the twenty-two corporations which have been created. After a recapitulation of the principles upon which the Italian corporations and trade associations are based, he outlines the modifications which have had to be made in the organisation of these associations, in order to adapt them to the new tasks which they are called upon to undertake. He then studies the improvements which have been made in the corporative system properly so called, and analyses the general principles which govern the creation and operation of the corporations, at the same time explaining the standards according to which they were constituted.

The article is completed by an appendix, containing a series of tables which demonstrate the scheme of organisation of the trade associations and the corporative organisation in Italy at the present time.

IN ORDER to understand the changes described in the following pages some elementary knowledge is necessary of the basic principles of the Italian system of trade associations and corporations as instituted by the Act concerning the legal regulation of collective relations in connection with employment (No. 563, 3 April 1926) and the administrative regulations thereunder (No. 1130, 1 July 1926), the Labour Charter (21 April 1927), the Act respecting the reform of the National Council of Corporations (No. 266, 20 March 1930) and the

administrative regulations thereunder (No. 908, 12 May 1930), and other supplementary measures.

The legal and economic system built up on the basis of these enactments (which have already been the subject of several articles in the *International Labour Review*) may be briefly summarised as follows.

Under Italian law the trade association, composed of employers, workers, or persons engaged in the arts or liberal professions, is a body governed by the rules of public law, which, when legally recognised, represents the whole of an occupational category, is authorised to levy contributions on all the members of that category, and has the power and duty to conclude with the corresponding associations collective agreements which, subject to the observance of certain rules, are binding on all persons belonging to the category covered, whether or not they are actually members of the association.

Strikes and lockouts are regarded as penal offences, the State having provided special bodies for jurisdiction in labour matters (*Magistratura del Lavoro*) which adjudicate under summary and flexible rules of procedure and with the assistance of assessors (experts) representing the parties to the dispute.

The trade associations, the lowest grade of which covers a single province or commune, are grouped vertically in pyramidal form in organisations of gradually increasing scope and crowned by thirteen Confederations (one for artists and professional workers, and two each representing employers and workers respectively for the following six economic branches: agriculture, industry, commerce, banking, land transport and inland navigation, shipping and air transport).

Apart from this *vertical* formation, however, the trade associations may also be grouped *horizontally*; that is to say, the representatives of the two corresponding associations for the same economic branch (e.g. industrial employers and industrial workers) may be grouped together in equal numbers to form a *corporation*.

The corporation is an organ of the State and not a body corporate. Its functions are to draft general rules concerning labour, to attempt conciliation in disputes between the associations it covers, to regulate apprenticeship and vocational training, to promote, encourage and if necessary support financially all measures tending to co-ordinate and improve the organisation of production, to set up compulsory public em-

ployment exchanges, and to attempt conciliation in the last instance in collective labour disputes before they are submitted to the labour courts.

The law does not fix the number of corporations, which thus might theoretically be set up in unlimited numbers, but it has instituted an organ to regulate and co-ordinate the whole system. This is the National Council of Corporations, which is presided over by the Head of the Government and is composed of representatives of the trade associations (of employers, workers, and professional workers), technical experts, high officials of the departments of State dealing with economic matters, and representatives of the National Fascist Party. It is divided into seven sections corresponding to the seven main categories of trade associations mentioned above, and its organs are the general meeting, the Central Corporative Committee, and special technical committees.

The National Council of Corporations has very wide advisory functions in respect of matters concerning the trade associations and corporations and social legislation in general. In addition to these, however, it also has very important regulative powers, consisting in the drafting of rules for the co-ordination of the relief activities of the trade associations and of the various measures covering employment relations laid down by collective agreement or in any other equivalent manner; the fixing of wage and salary rates and the issuing for certain occupations of compulsory regulations binding on all persons exercising the occupations in question; and lastly, the drafting of rules for the regulation of collective economic relations between the various categories of production represented by their legally recognised associations. It is this last function of the National Council of Corporations in particular, representing the development and codification of the principle enunciated in the Declaration VI of the Labour Charter, which carries its powers over from the narrower sphere of collective labour relations into that of economic relations proper and gives the corporations an authoritative voice in the latter domain.

The power of the Council to issue binding rules on economic matters is subject to the submission of a unanimous request by the employers' and workers' associations, and the rules themselves do not become valid until approved by the Head of the Government. It will be seen below that in respect of the requirement of a unanimous request by the associations the

recent reform of the Council of Corporations marks a noteworthy step forward.

THE ACT OF 5 FEBRUARY 1934

This Act, which is in full harmony with the texts enumerated at the beginning of this article, and is a sequel to them, is one of the most important of the enactments marking the progressive and logical stages in the evolution of the Italian system of trade associations and corporations.

It has been a common criticism of the corporative system that the corporations themselves were lacking from it. It is true that the transition from activities concerned solely with the conclusion of collective labour agreements and the settlement of individual and collective disputes arising out of labour relations (the so-called "trade associations phase")¹ to a wider sphere of action verging on the domain of economic relations (the so-called "corporative phase") had already begun insensibly and almost accidentally some time before, prior to the creation of the actual corporative organs. At the same time, however, a phase intended to be transitional and temporary could not be allowed to continue indefinitely.²

The delay in setting up the corporations proper was due mainly to the novelty of the organic system designed by Fascism for the regulation of economic relations, to the care the Government has always taken to refrain from hasty and possibly

¹ That the exercise of these functions in connection with the conclusion of collective agreements and the settlement of disputes is nevertheless of considerable importance is shown by the following figures, compiled by the Ministry of Corporations and the Ministry of Justice and illustrating the activities of the trade association and judicial organs set up under the Fascist system to regulate labour relations. Between 3 April 1926 and 31 December 1933, 657 collective labour agreements (national and interprovincial) were deposited with the Ministry of Corporations, and 11,795 provincial and local agreements with the Prefectures. During the same period conciliation procedure, conducted in the last instance at the Ministry of Corporations, was initiated in 497 disputes and was successful in 340 cases (60 per cent.), unsuccessful in 61 (13 per cent.), while 97 (19 per cent.) were abandoned or provisionally dropped. During the same period 34 collective labour disputes were settled by award by the labour courts, while the figures for offences against labour regulations were as follows: 2 lockouts, 153 collective abstentions from work, 661 convictions for non-observance of collective labour agreements.

² It may be recalled that a Decree of the Ministry of Corporations dated 6 December 1930 set up a corporation for the entertainment industry (now reorganised in accordance with the provisions of the new Act, as described below), and that a Decree of the Head of the Government dated 27 July 1931 assigned to the various sections of the National Council of Corporations the powers of the corporation covering the corresponding economic branch (industry, agriculture, etc.).

dangerous steps, and to the necessity of waiting until the organs of the trade associations which are the pivots of the new system had reached their full structural development and had perfected and strengthened their activities and their machinery.

After eight years' experience of the application of the corporative system, however, during which it had proved its practicability and the power of its organs to meet the requirements for which they were designed by the law, the time was considered ripe to proceed to the actual organisation of the corporative bodies which the previous enactments had provided for and regulated in broad and general terms.

This in brief is the origin of the Act of 5 February 1934 which regulates in detail the constitution, objects, and activities of the individual corporations without modifying, except to perfect or extend them, the political, legal, and economic principles laid down in previous enactments.

Before considering in detail the separate sections of this Act and the various measures which have followed it (i.e. the recent Decrees relating to 22 corporations recently set up), some account must be given of the changes in the trade associations system which the Act itself has rendered necessary and which have been carried out with the object of adapting the trade associations to the new functions that will devolve upon them when the newly constituted corporations begin to operate.

THE REFORM OF THE TRADE ASSOCIATIONS

Section 7 of the Act of 5 February 1934 lays down the principle that trade associations which are affiliated to a corporation shall become independent in the sphere of trade association, but shall continue to belong to their respective confederations, in conformity with provisions to be issued by the Minister of Corporations.

This principle indicates that a close and organic vertical linking-up of the various trade associations, from the local associations (for provinces or communes) at the bottom to the confederations at the top, was expedient and necessary during the first period of the application of the Act concerning the legal regulation of collective employment relations, because the main object then was to provide a legal framework for, and partly indeed to create *ex novo*, a system of trade organisations which had to be closely connected and co-ordinated with each other.

But when the system of corporations, i.e. the horizontal grouping of pairs of corresponding associations, became a concrete fact, it was necessary to give a greater flexibility to the vertical structure, since otherwise the fundamental basis of the whole system would have been precarious.

The reform of the trade associations—effected by a series of Royal Decrees dated 16 August 1934 and published in the *Gazzetta Ufficiale* on 31 August 1934, approving the new rules for the confederations and the national trade federations—was determined not only by this new principle imposed on the organisation of the trade associations by the complete practical realisation of the corporative system of grouping, but also by the needs which had made themselves felt in the course of the previous eight years' application of the first Act on trade associations.

In regard to this last point, experience had shown that the classification in 12 confederations of all the productive activities of employers and workers was not entirely an organic one and did not fully answer to practical requirements. Hence the number of employers' and workers' confederations has now been reduced: the six categories mentioned at the beginning of this article have been cut down to four, the Confederation of Artists and Professional Workers being left intact, so that the total number of confederations is now nine instead of thirteen.

Steps have also been taken to simplify the organisation of the trade associations which within the great confederations are the pivots of the corporative organisation, and to make it more flexible and rational.

At present, therefore, the nine confederations¹ are as follows: the Confederation of Industrial Employers (which now covers most land, sea, and air transport undertakings as well) and the Confederation of Industrial Workers, the Confederations of Agricultural Employers and of Agricultural Workers, the Confederations of Commercial Employers and of Commercial Workers, the Confederations of Credit and Insurance Institutions and of Workers in Credit and Insurance Institutions, and the Confederation of Professional Workers and Artists.

As regards functional changes, these may be summed up by saying that under the new system the confederations are merely complex and important organs for the co-ordination

¹ For the composition of these confederations, cf. the appendix to this article.

of the national trade federations, the latter having now become the protagonists, so to speak, of corporative activities.

The occupational category, which may be defined as the ideal grouping of all persons exercising identical functions in a given process of production, is in fact the basic economic unit (legally represented by the trade federation) with immediate and direct interests. Hence an organically organised system of production must assign it a definite function with full autonomy to exercise it.

It may be objected that if this be so the distribution of occupational categories should be identical, or at least as nearly so as possible, within each pair of corresponding confederations. In actual fact, a mere glance at the occupational divisions within the confederations is sufficient to show that there are wide differences, both in numbers and in composition, between the employers' and workers' federations. Generally speaking, the former are very much more numerous than the latter. The Confederation of Industrial Employers, for instance, comprises 45 federations, while that of Industrial Workers has 20 ; the Confederation of Commercial Employers has 37 federations, while that of Commercial Workers has only 4.

The explanation of this is that the employers' federations, which are mainly intended to fulfil economic functions, are more highly differentiated, while the workers' federations, which hitherto have been occupied purely with trade union activities, tend to embrace very large numbers of workers.

Experience of corporative activity will, however, show whether complete, or nearly complete, parity is necessary, and it will then be an easy matter to make any necessary structural changes in either the employers' or the workers' federations.

Another change which experience has shown to be necessary is the restriction of legal recognition to the confederations and the national trade federations. The only exception is the Confederation of Professional Workers and Artists, which, owing to the practical requirements of most of its members, retains intact its former organisation of legally recognised national, inter-provincial, and provincial associations.

This reform has substantially reduced the number of trade associations with legal recognition ¹, and the trade union system,

¹ The number of legally recognised trade associations has fallen from 1,805 to 1,209, of which 1,052 belong to the Confederation of Professional Workers and Artists.

with few exceptions¹, now comprises only two types of association: national federations (associations of the first degree) and confederations (associations of the second degree). This, however, must not be taken to mean that the local associations (inter-provincial, provincial, and communal) have been abolished. On the contrary, these will continue to exist and to function as the basic and indispensable primary units of the system. Moreover, it is not necessary that all forms of trade association should be legally recognised in order to perform their functions, and experience has even shown that such recognition actually constitutes a heavy burden on lower-grade associations, involving an unnecessary expenditure of money and energy without making any corresponding addition to the effective exercise of their functions.

The reform of the trade associations in the direction of increased flexibility and simplification, combined with the uniformity conferred on them by the rules which govern them both within the same branch of activity and as between the various branches, is intended to allow the trade associations to perform their functions more fully and more harmoniously. Far from being nullified by the corporative system, the trade associations, as we shall see, have acquired through it new and wider fields of action.

The new rules define the duties of the confederations uniformly on the basis of the principles described above. They may be summarised as follows: to exercise, in collaboration with the National Fascist Party, political supervision over the affiliated associations; to co-ordinate the activities of these associations, and organise and operate services of common interest; to supervise the economic and financial management of the associations; to promote the creation of institutions for economic assistance, vocational training, and moral and national education; to appoint their own representatives to all bodies, committees, and institutions on which such representation is required or allowed; to negotiate collective labour agreements, and agreements to regulate collective economic relations affecting general interests of the categories covered by the affiliated associations.

¹ The Federation of Entertainment Workers, as noted elsewhere, consists of a number of national associations, in relation to which the Federation is therefore an association of the second degree and the Confederation of Industrial Workers an association of the third degree.

The federations in turn have the following duties : to promote the technical and economic development of the category they represent, in the general interests of the nation ; to negotiate collective labour agreements or agreements to regulate collective economic relations affecting their category ; to appoint or nominate representatives of the category to the corporation and to all bodies or institutions on which such representation is required or allowed ; and to organise assistance for their members.

In order to perform their functions in outlying localities, the confederations have set up offices of their own, called Fascist provincial or inter-provincial unions (e.g. of agricultural employers, agricultural workers, etc.), which carry on such administrative, trade union, and economic activities as may be necessary and expedient.

Lastly, under the new regulations collective labour agreements may be concluded only by confederations or by national trade federations, these, as already explained, being the only legally recognised trade associations (except the associations for professional workers and artists). In order, however, to avoid the necessity of resorting to the central body for the conclusion of purely local collective agreements (agreements for a province, a commune, or an undertaking), with the consequent waste of time and delay, it is provided that the federations may delegate the power to conclude such agreements to the local associations.

The reorganisation of the trade association system briefly described above is designed to lead in practice—always provided that experience fulfils the expectations and intentions of the legislature—to greater rapidity of procedure, to a closer adjustment of the activities of the associations to the actual requirements of the individual categories, and to greater freedom of action within the framework of the wide common interests represented by the various confederations.

THE COMPLETION OF THE CORPORATIVE SYSTEM

General Rules for the Constitution and Working of the Corporations

The corporations, barely mentioned under the description of "central co-ordinating bodies" in the Act of 3 April 1926 concerning the legal regulation of collective relations in connection with employment, described in general terms by the Admin-

istrative Regulations of 1 July 1926 issued under that Act, and provided for by Declaration VI of the Labour Charter, have been finally regulated in detail by the Act of 5 February 1934, which defines their powers and the scope of their activities.

The Act does not fix the number of corporations in advance, since they must correspond to the actual necessities of national economic life, a requirement which may ultimately necessitate transfers or changes in the classification considered below. It merely specifies that the corporations—which, as already mentioned, are organs of the State—shall be set up by Decree of the Head of the Government, on the recommendation of the Minister of Corporations, and after hearing the Central Corporative Committee, and that they shall have as Chairman a Minister or Under-Secretary of State, or the Secretary of the National Fascist Party, nominated by Decree of the Head of the Government.

The Act also leaves unspecified the number of members forming the council of each corporation. This is to be fixed by the Decree setting up each corporation, which must also specify the number of members to be nominated by each of the trade associations covered by the corporation.

In order to allow the corporations to be split up into smaller bodies for the examination of problems affecting some of the categories covered, or, on the contrary, to allow several corporations to hold joint meetings, the Act provides for the setting up of special sections within corporations representing occupational categories belonging to a number of different branches of economic activity (e.g. the corporation for professional workers and artists, and that for inland communications, are each subdivided into four sections, while the corporation for insurance and credit institutions has three sections); while provision is also made for two or more corporations to be jointly convened for the discussion of general questions affecting several branches of economic activity.

Further, the Head of the Government may also issue Decrees, on the recommendation of the Minister of Corporations, setting up corporative committees to regulate economic activity in relation to specified products. For example, a silk committee might be set up within the Textile Corporation, in which all economic interests concerned in this particular product would be invited to collaborate.

The Act also provides that the corporation, besides exercising the powers and performing the functions assigned to it by preceding enactments, shall also draw up rules for the collective regulation of economic relations and for the uniform regulation of production, on the request of the competent Ministers, or of one of the associations grouped in it, with the approval of the Head of the Government.

The power of regulating collective economic relations was conferred on the National Council of Corporations by section 12 of the Act of 20 March 1930, but was made subject to the agreement of all the associations concerned, as well as to the approval of the Head of the Government. Thus the new Act, as already noted, represents a marked advance towards the regulation of economic conditions by these typical public organs, the corporations.

An example may be given to illustrate this point. Hitherto, if it had been wished to introduce binding rules for the production and marketing of, say, cotton yarn, it would have been necessary for the trade associations of both cotton spinners and cotton-spinning operatives to submit applications to this effect. Under the new Act, however, application for such rules may be made by one of these associations alone, say the workers' association, to the competent corporation, which is of course free to consider, discuss, and accept or reject the request.

Yet another wide field for the regulation of economic activities is thrown open to the corporations by the new Act, under the provision empowering them, within the branch of production for which they are competent, to fix scales for benefits and economic services, and also for the prices of articles of consumption offered to the public on special terms.

This provision furnishes the possibility of organic regulation within the economic branch, and is mainly designed to enable the corporative organs to intervene wherever the creation of monopolies or the existence of special privileged conditions in the management of goods and services necessary to the community makes such intervention expedient or necessary for the protection of the consumers' interests and of the higher interests of the national economy.

Nevertheless, in order to prevent collective economic agreements, or the rates fixed for the goods and services mentioned above, from favouring the economic interests of given categories as against the wider interests of the national economy,

the Act wisely provides that these agreements shall not become binding until approved by the general meeting of the National Council of Corporations and published by Decree of the Head of the Government in the *Gazzetta Ufficiale*.

These wide powers of direct regulation of economic activities do not mark the limits of the corporations' duties. Under the Act of 5 February 1934, they also have extensive advisory functions, since it specifies that they shall give their opinion on all questions affecting in any way the branch of economic activity for which they are set up, whenever requested to do so by the competent public administrative departments. Moreover, the Head of the Government may issue Decrees providing that the public administrative departments shall be bound to consult the competent corporations on specified subjects.

These advisory functions of the corporations in economic matters, both optional and compulsory, may and must lead to a reconsideration of the utility of all the advisory commissions set up by public administrative departments in the various branches of their activity, with a view to obtaining expert advice and assistance in respect of certain particularly important and delicate tasks. As the existence of an actively functioning corporation will ultimately render unnecessary or redundant all other advisory bodies for the same economic branch, the Act provides for the possible suppression of the advisory commissions already in existence.

Lastly, the corporations have one more function of primary importance, that of acting as a conciliation authority of second instance in collective labour disputes, after conciliation by the trade association has failed and before the dispute is referred for judgment to the labour courts. This function, too, will naturally be exercised by the corporations set up under the Act of 5 February 1934. As, however, the councils of these corporations are already fairly large, and as experience has shown that the practical chances of conciliation in labour disputes, often both delicate and important, are so to speak in inverse ratio to the number of members of the committee or board conducting the proceedings, the Act wisely provides that when collective labour disputes are submitted to the corporation for conciliation, it shall refer them to a small conciliation board consisting of members of the corporation selected *ad hoc* by the President, with due consideration for the nature and subject of each dispute.

To sum up, therefore, the corporations have three typical kinds of functions: first, a regulative function, which they exercise by using their power to issue binding economic rules in various forms and of various kinds; secondly, an advisory function, either optional or compulsory, for all questions affecting the branch of economic activity for which they are set up; and lastly, a conciliatory function, for all collective labour disputes affecting the occupational categories grouped within the corporation.

The Constitution of the Separate Corporations

A question which was very thoroughly thrashed out before the passing of the Act of 5 February 1934, both by economic and political bodies (e.g. in the National Council of Corporations) and in the writings of theoretical and practical experts in trade association and corporative matters, was how the individual corporations were to be instituted, and what criteria should govern the classification of economic branches.

The principal point debated was whether the corporations should be based on the occupation or the product—i.e. whether they should be formed having regard solely to the various occupational categories to be included, or, on the contrary, aim at covering a complete cycle of production.

Between these two conceptions, which on a cursory view might be regarded as more or less equivalent in theory, there is actually a very wide difference. This may be illustrated by an example taken from one of the most typical branches of Italian industry, namely the production of silk. Had the occupational type of corporation been adopted, it would have been necessary to set up an agricultural corporation for the cultivation of silkworms, an industrial corporation for the winding, throwing, and weaving of silk, and, lastly, a commercial corporation for the silk trade. If, however, the complete cycle of production is considered, only a single silk corporation is necessary, covering the employers and workers engaged in the cultivation of silkworms, the winding, throwing, weaving, dyeing, and printing of silk, and the merchants, exporters, etc., of silk goods.

The first criterion would obviously have been difficult to apply in practice in branches such as agriculture, in which economic activity is essentially unitary in character, so that there is no relation between the trade association structure of

the occupational categories and the individual products. On the other hand, the adoption of the second or product type of organisation would have resulted in an excessive number of corporations, leading to almost insuperable practical difficulties in their working.

The resolution submitted by the Head of the Government himself at the close of the discussion at the general meeting of the National Council of Corporations in November 1933 solved the problem by deciding that the corporations should be set up *for the main branches of production*. The scheme for the organisation of the corporations approved by the Central Corporative Committee at its session of 9 May 1934 is, in fact, based on this principle; but it reconciles the criterion of the complete cycle of production, which is undoubtedly of primary importance so far as the large branches of production are concerned, with other elements which cannot be ignored.

On the basis of these principles, 22 corporations were set up by the Head of the Government, by Decrees of 29 May and 9 and 23 June 1934, divided into three categories as follows:

(1) *Corporations for cycles of agricultural, industrial, and commercial production*: cereals, vegetable, flower, and fruit growing; grape growing and wine; oil; beet and sugar; animal husbandry and fishing; wood; textiles;

(2) *Corporations for cycles of industrial and commercial production*: building; metal working and engineering; clothing; glass and ceramics; chemical industries; paper and printing; mining and quarrying; water, gas, and electricity;

(3) *Corporations for branches of activity providing services*: professions and arts (with four sections: legal professions; medicine and health; technical professions; arts); inland communications (with four sections: railways, tramways, and inland navigation; motor transport; auxiliary transport services; telephone, wireless, and telegraphic communications); shipping and air transport; hotels and restaurants; insurance and credit (with three sections: banks; savings institutions and public institutions; insurance); entertainments.

As the foregoing list shows, it is impossible to adopt a uniform organic system of grouping for the various economic activities, since the variety and mutability of economic realities are such as to preclude any attempt to confine them within a rigid formula. Hence the legislature, while maintaining the main

branch of production as the basic element, has been obliged in different cases to take other elements into account in classifying and grouping the various kinds of productive activities.

In some cases, for instance, account has been taken of the destination of the goods produced (e.g. the clothing corporation), and in others of the raw materials used (e.g. in all the corporations of the first group, representing a cycle of agricultural, commercial, and industrial production). In others, again, the distinction is based on the technical methods employed (e.g. the metal-working and engineering corporation), or on the economic or social services provided (e.g. the transport or insurance and credit corporations).

The number of members composing the councils of the separate corporations also differs according to the size and number of the economic groups they cover. It varies from a minimum of 15 for the council of the beet and sugar corporation to a maximum of 68 for the chemical industries corporation.¹

The headquarters of the corporations are in Rome, at the Ministry of Corporations; the members of their councils are appointed by Ministerial Decree, on the nomination of the trade associations of employers and workers grouped in them as regards the members representing employers and workers (appointed in equal numbers), of the National Co-operative Institute as regards the representatives of the co-operative movement, and of the Secretary of the National Fascist Party as regards the representatives of the Party, three of whom sit on each of the 22 corporations, one being required to take the chair in the chairman's absence.²

¹ The number of members on the councils of the various corporations is as follows: cereals, 36; vegetable, flower, and fruit growing, 32; grape growing and wine, 32; oil, 25; beet and sugar, 15; animal husbandry and fishing, 43; wood, 33; textiles, 58; building, 31; metal working and engineering, 67; clothing, 49; glass and ceramics, 33; chemical industries, 68; paper and printing, 30; mining and quarrying, 26; water, gas, and electricity, 25; professions and arts, 40; inland communications, 50; shipping and air transport, 24; hotels and restaurants, 20; insurance and credit, 52; entertainments, 34.

² By way of example, the composition of the councils of three corporations selected from the three groups enumerated above is given below.

Cereals Corporation. The Council consists of a chairman and 36 members, as follows: 3 representatives of the National Fascist Party, 7 representatives of employers and 7 representatives of workers engaged in the production of cereals, 1 employers' and 1 workers' representative for the threshing industry, 3 employers' and 3 workers' representatives for the milling, rice, sweetmeats, and macaroni industries, 1 employers' and 1 workers' representative for the bakery industry, 3 employers' and 3 workers' representatives for the trade in cereals and other products enumerated above, 1 representative of distributive co-operative societies 1 representative of agricultural technicians belonging to the liberal professions

Members of the councils of the corporations must fulfil the requirements prescribed for officers of trade associations by the Act of 3 April 1926. Members representing trade associations must belong to the occupational category they are appointed to represent, or must be officers of trade associations. Their duties are entirely honorary.

The chairman of the corporation draws up the agenda, which is submitted by the Secretariat of the National Council of Corporations (the administrative organ responsible for co-ordinating the activities of the various corporations), with the approval of any other administrative departments affected, to the Head of the Government for final decision.

and 1 representative of handicraftsmen. The employers' representatives must include 3 representatives of the managers of undertakings: 1 for agriculture, 1 for industry, and 1 for commerce.

Metal-Working and Engineering Corporation. The Council consists of a chairman and 67 members, as follows: 3 representatives of the National Fascist Party, 3 employers' and 3 workers' representatives for the iron and steel industry, 2 employers' and 2 workers' representatives for the other metallurgical industries, 5 employers' and 5 workers' representatives for the transport equipment manufacturing industries (motor cars, motor cycles, aeroplanes, railway and tramway equipment, ship-building), 2 employers' and 2 workers' representatives for the industry for manufacturing wireless apparatus and machinery for the generation, transformation, and utilisation of electric power, 3 employers' and 3 workers' representatives for the industrial and agricultural machinery and apparatus constructing industry, 4 employers' and 4 workers' representatives for engineering, metal working, and the construction of foundries and plant, 2 employers' and 2 workers' representatives for the optical and measuring instrument, scientific instrument, and arms industries, 1 employers' and 1 workers' representative for the industrial rubber goods industry, 1 employers' and 1 workers' representative for the industrial leather goods industry, 1 employers' and 1 workers' representative for the insulated wire and cable industry, 1 employers' and 1 workers' representative for the goldsmiths' and silversmiths' trades, 5 employers' and 5 workers' representatives for commercial undertakings dealing in the goods enumerated above, 1 representative of engineers belonging to the liberal professions, 2 representatives of handicraftsmen, and 1 representative of the co-operative agricultural societies. The employers' representatives must include 2 representatives of managers of undertakings, 1 for industry and 1 for commerce.

Corporation for the Professions and Arts. The Council consists of a chairman and 40 members, as follows: 3 representatives of the National Fascist Party, 3 representatives of solicitors and barristers (2 for barristers and 1 for solicitors), 1 representative of doctors of economics, 1 representative of notaries, 1 representative of non-professional legal counsel, 1 representative of commercial experts, 1 representative of accountants, 2 representatives of medical practitioners, 1 representative of pharmacists, 1 representative of veterinary surgeons, 1 representative of certificated nurses, 1 representative of midwives, 2 representatives of agricultural technicians (1 for doctors of agronomics and 1 for agricultural experts), 2 representatives of engineers, 2 representatives of architects, 1 representative of surveyors, 1 representative of industrial experts, 1 representative of chemists, 2 representatives of authors and writers, 2 representatives of artists, 1 representative of journalists, 1 representative of musicians, 1 representative of teachers in private educational institutions, 4 representatives of industrial and handicraft work in the applied arts, including 1 industrial employer, 1 industrial worker, and 2 handicraftsmen, 1 employers' and 1 workers' representative for the trade in antiques and modern art.

The sessions of the corporation councils may be attended, at the chairman's invitation, by Ministers and Under-Secretaries of State, trade union and technical experts, and directors and chiefs of service of the various Government departments.

The conciliation board—to which, as already mentioned, collective labour disputes which the trade associations have failed to settle must be submitted before being finally referred to the labour courts—consists for each case of a chairman chosen from among the members who do not belong to the categories concerned, and two assessors, one of whom represents the employers and one the workers, appointed by the chairman of the corporation. The board is assisted by an official of the General Secretariat of the National Council of Corporations and an official of the Labour Service. The trade association applying for its intervention must produce minutes attesting the failure of the conciliation proceedings between the competent trade associations.

CONCLUSION

The framework of 22 corporations, into which the economic forces and categories of the Italian nation are fitted by the Act whose principles and provisions are analysed above, is the scaffolding on which the varied elements composing economic relations are to be built up into an ordered and disciplined whole.

This framework cannot of course be perfect and awaits the trial of experience. Nevertheless it has not been modelled on an abstract programme, a theoretical *Planwirtschaft*, but is closely and organically adjusted to the fundamental needs of the Italian economy.

The corporative system has instituted through these bodies a real form of planned economy in the sphere of production. It enables the organically grouped categories represented by the corporations to issue rules designed to control and direct the economic activities of individuals and groups which have hitherto been left entirely free or controlled only by haphazard intervention.

It is common knowledge that Benito Mussolini regards the world-wide depression as a crisis of the capitalist system itself, following the vast development of this system during the second half of the nineteenth century and the first thirty years of the twentieth, a view that he has repeatedly expressed, both in his

speech at the general meeting of the National Council of Corporations on 14 November 1933 and in many other public declarations.

Mussolini has declared that by creating the corporations and setting them in action Fascism has tried to bring into the economic world that element of discipline which has hitherto been completely lacking. At the same time, however, he has issued an open warning that no miracles must be expected, especially if world economic conditions remain as they are at present. "Miracles do not happen in economics," he stated in his recent speech at the Capitol, on the occasion of the inauguration of the 22 corporations. "Politics, of which economics is one of the elements and forces, is a matter of will, of organisation, and of method."

When this will, organisation, and method are directed in the field of labour and economics towards the attainment of that higher social justice declared by Mussolini to be one of the ultimate aims of Fascism, the International Labour Organisation must needs examine the corporative system objectively, and await the arbitrament of its results.

APPENDIX

Trade Associations

A. LEGALLY RECOGNISED EMPLOYERS' ASSOCIATIONS AND THEIR CONFEDERATIONS

Fascist Confederation of Industry :

1. Federation of clothing manufacturers.
2. " " boot and shoe manufacturers and allied leather industries.
3. " " hat manufacturers.
4. " " employers in the tanning industry.
5. " " cotton manufacturers.
6. " " wool manufacturers.
7. " " silk manufacturers.
8. " " manufacturers of artificial textile fibres.
9. " " manufacturers of miscellaneous textile products.
10. " " builders, public works contractors, and allied industries.
11. " " real property owners.
12. " " cement, lime, and chalk manufacturers and manufacturers of cement ware.
13. " " pottery, brick and tile manufacturers.
14. " " glass manufacturers.
15. " " manufacturers of chemical products.
16. " " manufacturers of foodstuffs and miscellaneous agricultural products.
17. " " manufacturers of mineral waters and ice-cream, brewers, and maltsters.
18. " " employers in the milling, macaroni, and rice industries.
19. " " employers in the fishing industry.
20. " " manufacturers of wines, spirits, and similar beverages.
21. " " manufacturers of sugar, sweetmeats and allied products.

22. Federation of employers in the engineering and metal-working industries.
23. " " employers in the wood industry.
24. " " electrical engineering undertakings.
25. " " gas and water works.
26. " " paper manufacturers.
27. " " printers and allied trades.
28. " " publishers.
29. " " the hydrothermal industry.
30. " " rubber manufacturers and manufacturers of electrical conductors, plastic substances, and similar products.
31. " " the art products and dress and furnishing accessories industries.
32. " " mining and quarrying industries.
33. " " newspaper publishers.
34. " " theatrical managers.
35. " " municipal industrial undertakings.
36. " " shipping and auxiliary transport service undertakings.
37. " " air transport undertakings.
38. " " railway, tramway, and inland navigation undertakings.
39. " " motor transport undertakings.
40. " " municipal transport undertakings.
41. " " electrical communications undertakings.
42. " " auxiliary traffic and transport services.
43. " " private educational and training institutions.
44. " " managers of industrial undertakings.
45. " " handicraftsmen.

Fascist Confederation of Agriculture :

1. Federation of landowners and tenant farmers.
2. " " landowners leasing farms.
3. " " landowners and tenant cultivators working on their own account.
4. " " managers of agricultural undertakings.

Fascist Confederation of Credit and Insurance Undertakings :

1. Federation of national institutions for ordinary credit.
2. " " provincial banks.
3. " " private banks.
4. " " financial institutions.
5. " " stockbrokers and exchange commission agents.
6. " " exchange brokers.
7. " " insurance agents.
8. " " insurance undertakings.
9. " " collectors and receivers of direct taxes.
10. " " contractors for taxes on consumption goods and similar dues.
11. " " popular banks.
12. " " rural and agricultural banks and Auxiliary Institutions.
13. " " managers of credit and insurance institutions.

Fascist Confederation of Commerce :

1. Federation of dealers in cereals, vegetables, and fodder.
2. " " bakers and allied trades.
3. " " dealers in fruit and vegetable products.
4. " " dealers in solid fuels.
5. " " dealers in art and craft products.
6. " " hotels and tourist agencies.
7. " " restaurants and refreshment houses.
8. " " agents and representatives of commercial firms.
9. " " retail dealers in monopoly goods.
10. " " flower dealers.
11. " " wine and spirit merchants.

12. Federation of oil dealers.
13. " " " grocers.
14. " " " dealers in cattle and meat.
15. " " " dealers in milk and dairy products.
16. " " " dealers in fish products.
17. " " " dealers in preserved meat and miscellaneous foodstuffs.
18. " " " dealers in wood, furniture, and allied products.
19. " " " dealers in textile goods.
20. " " " dealers in articles of clothing.
21. " " " dealers in books, paper, and allied products.
22. " " " goldsmiths, silversmiths, and allied trades.
23. " " " dealers in iron, metals, machinery, and derived products.
24. " " " dealers in motor cars, motor cycles, and accessories.
25. " " " dealers in furs, hides and skins, and allied products.
26. " " " dealers in chemical products.
27. " " " dealers in fertilisers, agricultural machinery, and other products for agricultural use.
28. " " " dealers in building materials.
29. " " " dealers in glass and ceramics.
30. " " " dealers in mineral oils, carburants, and lubricants.
31. " " " forwarding agents.
32. " " " auxiliary commercial services.
33. " " " managers of general stores.
34. " " " firms engaged in oversea trade.
35. " " " private nursing homes.
36. " " " itinerant salesmen.
37. " " " managers of commercial firms.

B. LEGALLY RECOGNISED WORKERS' ASSOCIATIONS AND THEIR CONFEDERATIONS

Fascist Confederation of Industrial Workers :

1. Federation of workers in the clothing industry.
2. " " " in the water, gas, and electricity industries.
3. " " " in the foodstuffs industries.
4. " " " in the house-furnishing industry.
5. " " " in the paper and printing industries.
6. " " " in the chemical industry.
7. " " " in the building industry.
8. " " " in the mining and quarrying industries.
9. " " " in the engineering and metal-working industries.
10. " " " in the fishing industry.
11. " " " in the textile industry.
12. " " " in the glass and ceramics industry.
13. " " " employed in electrical communications.
14. " " " employed on railways, tramways, motor transport, and inland navigation.
15. " " " of motor drivers.
16. " " " of dockers.
17. " " " of workers in auxiliary transport services.
18. " " " of seamen.
19. " " " of airmen.
20. Federation of entertainment workers, comprising the national associations for the following branches :
 - (a) Operatic stage,
 - (b) Dramatic stage,
 - (c) Light opera, revue and variety artistes,
 - (d) Sports professionals,
 - (e) Cinema actors and technicians,
 - (f) Scenic technicians,
 - (g) Members of orchestras and bands,
 - (h) Employees and technicians in theatres,
 - (i) Theatrical operatives.

Fascist Confederation of Agricultural Workers :

1. Federation of technical and administrative employees in agricultural and forestry undertakings.
2. " of share farmers.
3. " of agricultural wage earners and day labourers.
4. " of skilled workers in agriculture, animal husbandry, and forestry.

Fascist Confederation of Commercial Workers :

1. Federation of employees of warehouses, shops, and forwarding agencies.
2. " of workers in the foodstuffs trade.
3. " of workers in the tourist and hotel industries.
4. " of employees in professional agencies and offices.
5. " of house porters.

Fascist Confederation of Workers in Credit and Insurance Institutions :

1. Federation of officials in credit, insurance, and taxation offices.
2. " of workers in credit institutions.
3. " " " in insurance undertakings.
4. " " " employed by collectors of direct taxes and contractors for taxes on consumption goods.

C. ASSOCIATIONS OF PROFESSIONAL WORKERS AND ARTISTS*Fascist Confederation of Professional Workers and Artists :*

1. National Association of medical practitioners (92 provincial associations).
2. " " of pharmacists (92 provincial associations).
3. " " of veterinary surgeons (1 interprovincial and 90 provincial associations).
4. " " of midwives (92 provincial associations).
5. " " of engineers (92 provincial associations).
6. " " of architects (18 interprovincial associations).
7. " " of surveyors (92 provincial associations).
8. " " of industrial experts (18 interprovincial associations).
9. " " of commercial experts (18 interprovincial associations).
10. " " of chemists (18 interprovincial associations).
11. " " of solicitors and barristers (170 associations for areas corresponding to those of the respective courts).
12. " " of notaries (24 associations for areas corresponding to those of the Courts of Appeal).
13. " " of non-professional legal counsel (24 associations for districts as above).
14. " " of doctors of economics and commerce (18 interprovincial associations).
15. " " of accountants (18 interprovincial associations).
16. " " of journalists (11 interprovincial associations).
17. " " of private teachers (18 interprovincial associations).
18. " " of certificated nurses (9 interprovincial associations).
19. " " of authors and writers (18 interprovincial associations).
20. " " of musicians (18 interprovincial associations).
21. " " of persons engaged in the fine arts (18 interprovincial associations).

Corporative Organisation*National Council of Corporations :*

- Corporative Committee.
- Sections.
- General Meeting.

Corporations for Cycles of Agricultural, Industrial, and Commercial Production :

1. Corporation for cereals.
2. " " vegetable, flower, and fruit growing.
3. " " grape growing and wine.
4. " " oil.
5. " " beet and sugar.
6. " " animal husbandry and fishing.
7. " " wood.
8. " " textile products.

Corporations for Cycles of Industrial and Commercial Production :

1. Corporation for building.
2. " " metal working and engineering.
3. " " clothing.
4. " " glass and ceramics.
5. " " the chemical industries.
6. " " the paper and printing industries.
7. " " the mining and quarrying industries.
8. " " the water, gas, and electricity industries.

Corporations for Service Occupations and Industries :

1. Corporation for the professions and arts, comprising the following sections :
 - (a) Legal professions ;
 - (b) Medical and health professions ;
 - (c) Technical professions ;
 - (d) Arts.
2. Corporation for inland communications, comprising the following sections :
 - (a) Railways, tramways, and inland navigation ;
 - (b) Motor transport ;
 - (c) Auxiliary transport services ;
 - (d) Telephone, wireless, and telegraphic communications.
3. Corporation for shipping and air transport.
4. Corporation for hotels and restaurants.
5. Corporation for insurance and credit, comprising the following sections :
 - (a) Banking ;
 - (b) Savings institutions and public institutions ;
 - (c) Insurance institutions.
6. Corporation for entertainments.