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ITALY'S GOVERNMENT PROGRAMME

We give below a translation of the more important passages of the programme of the Italian Government which Signor Nitti put before the country on the eve of the General Election:

'The public must bear in mind very clearly that a policy of restoration is necessary, that is, of production, of peace, and of work. Otherwise Italy cannot be saved.

'To-day the situation is still this:

'(1) The necessary expenditure of the state is more than three times as great as its income. We are living by borrowing, and our capacity to borrow diminishes every day.

'(2) All the industrial concerns of the state are passive. The state is paying out on all of them: on railways, on the posts, on the telegraphs, on the telephones. The public buys bread at a high price; but the price is still under the cost, and the difference is paid by the government to the extent of several milliards of lire a year.

'(3) We are still exporting goods that represent in value only a fourth or a fifth of what we are buying abroad.

'(4) The indebtedness of the state is increasing still at about a milliard of lire a month.

'(5) Military expenses, a year after the fighting is finished, still represent every month a sum superior to the military expenses for a year before the war.

'This situation is not peculiar to Italy. Without speaking of the conquered countries, whose finances are completely broken, even France and England have the greatest difficulties, and their ministers do not neglect to cry out in alarm and to recall their countries to reality.

'But to have others in difficulty, or even in the same difficulties, is no comfort to us. It is necessary also to add that our difficulties are much greater than those of any of our allies. Our economic life was weaker and our trial has been greater. Many resent the fact that the government should say these things and repeat them. A lie can be told in a hundred different forms, the truth in one form only. The truth is not to be found in soft words and flattery. . . . But in this hour to be silent, or to dissimulate, or attenuate the truth, is weakness. . . .

'The nation after its effort in the war has first of all need to renew itself in a more human work of renovation; we must, forgetting every rancor, build the new nation with serene hearts. All Europe has come out of the war that we did not will, and that the German people imposed on the world, very much poorer; but it has come out of the war also more divided and more weary. Now that we have arranged affairs with our enemies of yesterday, and renewed our relations with our friends, Italy, a country of democracy, must be pioneer of peace in Europe.

'We wish to avoid new wars, to consider every cause of quarrel as disastrous, to prepare for our children a more human society of nations. Our whole political conduct must be inspired to this end, as must our foreign policy and our military policy. We are firmly set on peace. We do not even wish to conceive the possibility of a future war. We want peace with our neighbors, and we want peace among ourselves. . . . Italy is the freest of all the Great Powers and one of the freest nations in the world. Our constitution has never impeded any reform, even when such reforms were opposed to the letter of the Statute. From the political point of view, we

have adopted in a few years universal suffrage, that will soon be extended to women, as well as proportional representation.

'From the economic point of view no country has realized the daring reforms in the field of labor as Italy has done: the length of the working day, the new regulations of production, the vast system of insurance, the whole example of social laws promulgated in the last few years, surpass what has been done elsewhere, even in countries far richer than ours.

'But what does all this matter if our production is weak? The problem of Italy remains always the same, that of production. Everything else is sterile without this. The new Chamber, returned on the new electoral system, will collaborate, we are sure of it, with the government in the difficult and painful work of reconstruction. . . .

'The base of every reform, the base of all rapid economic renovation, is the possession of a solid finance. . . . Italy has all the elements of success, and her difficulties will be overcome in a short time if she does not allow her tenacity and effort to diminish. We can add, too, that Italy is one of the countries where finance offers the greatest guaranties of solidity if we stop in time the increase of imports. . . .

'Italy comes out of this great war with a war expenditure that approaches one hundred milliards, with a public debt of eighty-one milliards, and with a balance which, in spite of the efforts of the nation, shows a deficit of about three and one half milliards of lire. . . . The hour of sacrifice is not yet passed. If we desire that Italy shall not have suffered in vain, that the fruits of victory won at such a great price shall not be lost, it is necessary that the work of economic and financial reconstruction should be taken up with the same stanchness,

the same firmness of energy, that brought us to final triumph in the war. . . .

'In the first place, we must place the nation's budget on solid bases, bringing it gradually toward equilibrium.

'In the second place, we must swiftly bring back to the normal the general economic conditions of the country; we must restrict the paper currency, systematize the floating debt, reestablish the value of money, restrain the tendency to higher prices.

'To reach these ends it is necessary, first of all, to have in view the systematization of the foreign debt, with a consequent easing of interest. It is necessary then to strengthen in considerable measure the national budget with new taxes of a permanent character. Finally, provisions of a temporary and an exceptional nature are necessary in the form of an extraordinary levy on the wealth of the country.

'The necessity of the systematization of the foreign debt is urgent, but the matter, to which the government is giving the greatest attention, is in itself of a delicate nature, because it involves our relations with our allies, England and America.

'We ought to receive considerable indemnities from our enemies. . . .

'The second source of income for the systematization of our finance is the introduction of a series of new taxes. The Italian people has already shown during the war what it can do in the way of contributing to this end by a spirit of abnegation and sacrifice. The yield of taxation that before the war was a little more than two milliards has risen during the war to about six milliards. But still a further considerable effort will be necessary to reach an equilibrium in the national budget. It will be the duty, above all, of the wealthy classes, and especially of those who have drawn great benefits from

the war, to assist in this work of reconstruction and consolidation.

'I confirm to you that it is the intention of the government to bring about a general reform of direct taxation with regard to income, with the super-tax on the lines already laid before the Chamber, but we shall also bear in mind the necessity of not pressing too hardly on the productive energies of the country. . . .

'But these provisions will not be enough to solve the grave and worrying problem of the systematization of the floating debt nor to secure the equilibrium of the budget. These ends cannot be reached save by a levy on the national wealth that the government has from the first pointed out as an unavoidable necessity for the restoration of our finance. This levy must before all and in a special manner fall on the wealth made out of the war. Nothing is more repugnant to the general sentiment than the excessive enrichment of some in contrast with the sacrifices of blood and goods which the greatest number of the nation have made. At the same time, the extraordinary levy upon wealth formed or augmented during the war must not be exaggerated.

'We ought to consider with good will the wealth destined for new production, and this wealth cannot in any case alone have more than a slight and brief effect on the solution of our financial problem. We cannot find this solution except by an impost that in an extraordinary way must weigh progressively on the wealth of all citizens, with the sole exception of the patrimonies of the poor. As to the principle of this impost, it would appear that there cannot be any objection. If the Italian people does not collect its moral energy and resolutely face the problem of the restoration of its finances it cannot hope to avoid

economic ruin and bankruptcy. And it is above all the moneyed classes that must convince themselves that every hesitation to follow the way of duty toward the state cannot but end fatally not only for the state but also for themselves. Financial seriousness and sobriety, faith in undertakings, care of its own credit, have always been undiscussed prerogatives of the Italian people. Their splendid traditions of financial strength, honesty, and loyalty must be preserved and maintained.

'What is necessary is that the levy on capital should be applied in a way that will not disturb the economic life of the country. The affair is new and difficult, and naturally must be studied by the government with particular care. Certain indiscretions with regard to this study which is in course of completion and erroneous statements in the press and elsewhere have caused an unjustified alarm in the financial world. The levy will be ordered in such a way as to avoid disturbing capital. . . . A long period for the payment of the impost will be allowed to this end, and the most ample guaranties will be given both for just assessment and for the valuation of shares, factories, lands, and every other form of wealth. On the solid basis of the levy on capital it will be possible for the treasury to obtain quickly, by operations of credit, that power for the gradual liquidation of the floating debt that is so necessary, and for the moderation of the paper circulation that weighs on prices and on the exchange. We are convinced that the new Chamber of Deputies will agree with these ideas, and that the Italian people will know how to do its duty and thus to crown the work of the war. But to the duty of the Italian people corresponds that of the government to follow with all its strength a rigid policy of economy.

This is absolutely essential, and without it all else is useless. It is the highest civil duty. . . .

'But the financial problem is intimately allied with that of production. Wealth consists in work: to work more, to work more intensely, to work in more orderly and organized a fashion — that is what is necessary. . . . To produce as largely as possible, to export as much as possible, to turn to foreign products as little as possible — all this requires a programme of fervor and of work. It requires, above all, an effort of will.'

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AN APPEAL TO REASON

MUCH of what has recently occurred is known to the public. We shall not dilate upon the dreadful black chronicle of those events, nor do we desire to exaggerate what is already bad enough. Those were red days: they were days of brutish delirium.

The past year has witnessed many evil developments in our country — so many of them, indeed, that if our course is not changed we run the risk of verifying the pessimistic prediction that the victors in the late war will expire on the corpses of the vanquished. We have permitted the exaltation of victory to turn into the bitterness of domestic discord. We might have anticipated from a successful peace a growing sense of solidarity among the different social classes, a conviction of security and common vigor, a universal anticipation that, having overcome the tragedy of Caporetto, our nation would easily survive any other danger that might befall it. But we have permitted our controversies over foreign policy to poison the good relations of our own people. Our strained economic circumstances have been inter-

preted, not as a command to sobriety and labor, but as an excuse for prodigality and idleness. What were at first murmurs have risen to shrieks. The violent conflict of factions has scattered the embers of civil war. Strikes have become epidemic and are developing into revolts. The surface of society is torn asunder, revealing the molten lava at its base.

Crimes of violence have always been a serious evil in Italy. The habit of bloodshed, encouraged by the war, has been engrafted upon a dangerous predisposition already inherent in our race. Distress and disorders, following such experiences as Italy has suffered during the past four years, sharpen the thirst for blood and plunder, and release bestial instincts that lurk at the base of our society. So certain criminal propensities of our race, strengthened by the lessons of the war, have been quick to respond to anonymous agitators whom the recent red riots called forth from their obscurity. The regular leaders who originally planned these ill-advised demonstrations must now regard them with horror. Vagrant inciters of sedition, emerging from unknown haunts, mingled with the masses and assumed control at the critical moment. The appearance of such criminals is the only explanation for the infamous crimes of the last few days, which culminated in savagely hunting down officers of the law, and lynching an unfortunate colonel at Turin.

This is not the road that leads to salvation: it is the way to lose everything. Comfort and privation, respectively, may still be characteristics of two distinct social classes. If such tumults continue, they will indeed equalize the condition of all; but it will be an equality of paupers. Destroy the government, and middle classes and workingmen, landlords and tenants,