

Il Duce's Labor Racket

JOHN L. SPIVAK

VIENNA, Dec. 5.

THE MOST charming thing about all of Italy's big labor leaders is that every one of them can point to a father or a grandfather who had been a worker. So far as the smaller labor leaders are concerned their function, as near as I was able to figure it out after talking with many of them, is to keep the big leaders informed of the unrest among the workers lest it become too extensive and show itself in overt acts. Trifling matters like wages and working conditions are as far from their worries as the heating system in the Eskimo igloo.

In not one industrial area that I visited did I find an important union leader who had been a worker! They were simply members of the Fascist Party who directed union activities in accordance with orders passed down from above, orders which depended upon the political need of the moment, whether it was necessary to placate workers or employers at that particular time. The welfare of the workers did not even enter into their calculations.

Fascism is very proud of the fact that everybody is organized. That, they point out, shows what fascism has done for the workers. But when workers are fired or imprisoned for protesting too loudly against wage cuts and impossible working conditions the other workers learn that it is healthier not to discuss conditions and wages even in their union meetings. The workers as well as even important labor officials like those at the head of all labor unions in a province are equally fearful. So I went to the spacious buildings across the street from the American Embassy in Rome, where all labor union activities in the land are centered in the headquarters of the Confederation of Labor. Men and women who had never worked in a factory or mill in their life, from there direct the fate of almost 3,000,000 "organized" industrial workers.

The place bustled with activity. Labor officials high and low entered and left offices to the click of heels and hands raised in salute. Not even messengers delivering inter-office memoranda failed to pause in doorways, click heels and salute before tendering the memos. Professors and learned assistants sat around with stacks of papers from which they arrive at figures. I went from office to office trying to arrange an appointment with "Il Presidente" but the head of Italy's labor unions seemed to be harder to get to than the ruler of the realm. They speak of Il Presidente in hushed tones, for his job of keeping restless workers under control is now one of the most important in the country. When my hopes of seeing him were waning and I was closeted with labor's chief statistician in an effort to get at the bottom of a mass of contradictory figures, I heard a roar outside. The

statistician's door burst open and with a loud cry the handsome, heavy-set Il Presidente, resplendent in his black-shirt uniform appeared in the doorway, his right hand raised high in the fascist salute, his left buttoning his pants.

When he saw a stranger he grew red and muttered an apology.

"That's all right," I laughed. "In America labor leaders are sometimes caught with their pants unbuttoned!"

It was easy to arrange an interview after that.

TULLIO CIANETTI, in whose delicate hands with their nicely-manicured fingernails rests the welfare of Italy's industrial workers leaned back in his chair in his sumptuous office and threw his shock of black hair back like a ham pianist about to start on a difficult composition.

"In America," I began gently, "our labor leaders come up from the ranks of the workers. I understand that it is not so in Italy—"

He jumped forward with a quick movement and waved his hands excitedly, a mannerism that continued with scarcely a let-up throughout the four-hour interview.

"Did you come from the industrial ranks?"

"I come from a peasant family," he said quickly. "I began to work from almost the first day I could move around. I was just finishing school when the World War broke out and I volunteered. When the war was over I worked as a clerk in the local office of the Minister of Justice. It was then that I became interested in the political movement of the day. About 1921 I began to organize industrial and agricultural workers in my province as part of my fascist activities."

"After that?"

"Well, from 1922 to 1935 I was head of the provincial federation of all unions of farmers and industrialists. I was national secretary of the Glass Workers Union and national secretary of the Miners Union until I became president of the Confederation of Labor."

"Have you ever worked as a miner or a glass worker?"

He shook his head slowly.

"Had you ever worked in a factory—at any time?"

He jumped forward and began a long speech.

"It is not necessary to be a worker to understand a worker," he said intensely. "It is necessary only to have a heart."

"Did the workers elect you president of the Confederation of Labor?"

"I was appointed. But in reality I was elected. You see, here in Italy labor union delegates submit a list of persons to the government for the job and the government appoints from that list."

"Are any of those delegates non-fascist?"

"Oh, no! They must be a member of the Fascist Party before they can hold office in any labor union."

"I had always been under the impression," I said after he had defended the series of wage cuts given the workers, "that one of the chief functions of a labor union is to present a united front of the workers against wage cuts."

"That is right; but under fascism wages are secondary to the welfare of the state. It was necessary to reduce wages because the agreements made during the prosperity period were higher than the manufacturers could afford. The industrialists demanded it because the world financial crisis and the over-valuation of the lira had cut into their ability to sell their products and consequently, reduced their incomes. It was essential that the cost of production for the manufacturers be reduced."

"So fascism's idea of helping the manufacturers is to reduce the wages of the workers?"

"Oh, it was a gradual process," he explained. "And we had prepared the workers for it by discussing it in the unions for months before. We had to carry on an educational propaganda because they objected to it."

"Very inconsiderate," I commented.

"No, no," he rose to their defense. "Workers do not like to have their wages cut."

"Tell me," I said, "did fascism voluntarily raise the workers' wages when the manufacturers were making big profits during the prosperity period?"

"It was not voluntary. The workers demanded it," he said with an air of surprise that I should even ask such a question.

"Have the workers' representatives any idea of what the profits were of the manufacturers at the time of the wage cuts?"

"Profits?" he said sadly. "There were no profits. The manufacturers were going broke and the state had to step in and reduce wages or they could not have continued in business."

"Yes, I know. Most Italian business is in a very bad state but do you happen to have the records of incomes say of the leading six or eight industrial concerns in Italy during the period that wages were cut?"

"No; that is not within our province. That is at the Confederation of Industry, the union of all manufacturers."

"You mean that the representatives of organized labor have no idea of what the manufacturers earn annually—even their published figures? How can you discuss wage-scale agreements without knowing that?"

"Oh, we ask them. They always tell us. They must tell us."

"Did you ask them or examine their books before you agreed to the wage reductions or find out what their profits were after the reductions went into effect?"

He looked thoughtfully at a bookcase on the other side of the room and shook his head.

"I suppose we did. I do not remember. But the orders to reduce wages came because the manufacturers were going bankrupt."

"Would it surprise you to know that the profits some of these concerns made, after the wage cuts, were about the same or even higher than in the prosperity period? And that other concerns were able to pay normal dividends from the money they saved by cutting the wages of workers?"

"It cannot be," he exclaimed excitedly.

"Did you ever try to find out?"

"No. You do not understand. Such matters belong to the Confederation of Industry."

"I see that they do. Suppose I give you an idea of the profits of some of the leading manufacturers in the prosperity period and after the wage cuts. Here is the official record from the Confederation of Industry. These, mind you, are the sums they say they earned. They do not include enormous sums to build new plants or for expansion in foreign countries like the Pirelli works, or hidden assets or anything else by which industry hides its profits. It is just a record of their published earnings."

"In 1929 the Fiat works made a profit of over 62 million lire and paid 25 lire per share in dividends. In 1930, when wages were cut because they were going broke, the profit was 41 million lire and the dividends dropped to 18 lire. In 1932 and 1933 they show no earnings, but managed to pay 10 lire a share dividends, apparently from a reserve fund—which isn't bad for a firm crying for help. In 1934, when another wage cut was decreed, it earned more than 24 million lire and paid a dividend of 10 lire."

Il Presidente stared at the sheet of paper from which I was reading. He had forgotten to jump back and forth in his chair.

"Your cotton textile industry was badly hit, yet Cottonificio Cantoni, where so many women normally got a wage far below the living standard, had their wages cut drastically, made 8½ million lire profits and paid a dividend of 125 lire per share in 1930 at the time of the wage cuts. In 1932 and 1933, at the height of the world depression, it made profits ranging between 6 and 7 million lire and paid 100 lire in dividends. I do not have the figures for 1934 when another wage cut was instituted."

"The Cottonificio de Angeli Frua, another of the terribly hit cotton-textile industries made 18 million lire in 1929 and 15 million lire in 1930 when wages were cut."

"Snia Viscosa, of the rayon industry, made 23½ million lire profit in 1931 and paid a dividend of 12 lire. In 1934 when wages were again cut its earnings increased to over 26 million lire and its dividends to 16 lire per share."

"Montecatini, handling fertilizer, earned 64 million lire in 1931 and when wages were cut in 1934 because they were going broke, their earnings increased to 67 million lire."

"Societa' Edison, electric power, earned 114 million lire at the height of prosperity in 1929 and when wages were cut in 1930, the earnings increased to 137 million lire. Dividends remained the same—50 lire per share. In 1934 when wages were again cut the profits rose higher than even in 1930—to almost 138 million lire, or 24 million lire more than it earned at the height of prosperity."

"I have a great many more figures but the Confederation of Labor can get them as easily as I. What I am interested in is whether you think these figures show that the fascist regime is interested in establishing a higher standard of living for the people or whether it functions chiefly to make profits for business at the expense of the people?"

CIANETTI had not uttered a word while I was reading the figures.

"Industry must make a profit or it will take capital out of the country," he said finally. "It is important to the state that business makes a profit."

"Have you any idea of what the average wage scale is for the unskilled and the skilled worker?"

He thought for a moment. "I should say about two lire an hour for the unskilled and about three lire for the skilled."

"And the living cost for an average family per week?"

"Italian families run into large numbers but we estimate that an average family consists of four persons and the living cost for that number is 172 lire per week."

"Assuming then that an unskilled worker puts in a full forty-hour week which he rarely does and a skilled worker the same, the unskilled worker would have a maximum of eighty lire a week and the skilled one 120 while the living cost for their families is 172 lire a week. How can they live?"

He shrugged his shoulders and motioned helplessly with his hand.

"That is the problem. But you must also understand that in Italy there is an average of two and one-half persons who work for each working family of four. The family where only the head works is rare. In Italy everybody works who can find a job. And when two and one-half persons work they can make ends meet."

"In other words, if they want to live everybody in a family who is capable of working must work."

"That is right."

"And if they cannot find work, like the unemployed today?"

"What happens in America or England or France when they cannot find work? They get help from the state and they go hungry."

"But the state here allows them relief of 3 lire and 80 centimes a day for a three-month period only if they have been working and paying into the unemployment relief insurance fund. How can they live on that?"

"They can't," he smiled. "That is why we must have Ethiopia."

"You mean that labor became so restless

under starvation wages and unemployment that it threatened the stability of the regime?"

"Labor's restlessness has forced us to seek more land," he admitted. "The world has closed its doors to Italian immigration; and even if those doors were open, why should we send our people to foreign lands to increase the wealth and power of those countries? We want that wealth and power for Italy. The Ethiopian expedition has enabled us to send 40,000 workers there to build roads and do other essential work. We plan for them to remain there, to bring their families and settle on the land we conquer."

I looked at him, a little amazed.

"It is simply a return to the old Roman tradition of conquest and colonization," he added.

"You were driven to conquest by the inability to take care of the unemployed. Couldn't you have taken care of them by reducing the profits of your manufacturers, since the aim of the corporative state is that everybody works for the benefit of the state. The state consists of the majority of the people and that majority happen to be workers and not industrialists."

He shook his head vigorously and drummed on his desk with a forefinger.

"We must give capital a certain margin of profit or it will take its money out of Italy—"

"But the state is superior to capital. That is the fascist thesis. Why can't you issue a decree prohibiting the removal of capital like you issue decrees reducing wages?"

"We do; but we believe in private enterprise," he said lamely. "Anyway, the state has already, through taxation, reduced the income of the manufacturers. The pressure of labor is ever to continue to reduce the income and level out their profits. But we cannot now. It would upset matters. It is war time."

"What made you reduce the number of working hours from 48 to 40 in 1934?"

"The growing number of unemployed. The mechanization of plants and the inability to consume, due to unemployment and export difficulties, what we were already producing, resulted in a drop in production and a consequent increase in unemployment—"

"Did the state reduce the working hours or did the employers suggest it under the theory that everybody is working for the best interests of the state?"

He shot a quick look at me and smiled.

"Ever since 1932 the Italian government has put the question of reducing the number of working hours up to the International Labor Conference in Geneva. For two years it was opposed, especially by employers' groups. So we did it ourselves."

"What I'm trying to get at is whether the reduction was instigated by the leaders acting for the welfare of the workers or was it forced on the state by the growing unrest which compelled the state to placate the workers?"

"I was a delegate, for instance, to the Geneva conference and seeing that it had failed to reduce the number of working hours, I saw the necessity to raise this question—" he began again evasively.

"I know. What I want to know is whether what you did was based upon your desire to reduce the number of unemployed or whether you were forced to do it by the restlessness of the workers?"

"Leaders can do nothing else but interpret the desires of the masses," he said with a shrug.

"In other words the corporative state did nothing for the welfare of the millions of workers until the workers themselves forced it?"

"The masses knew that we were considering it—"

"Then the picture we have is that the corporative state officials waited until the unrest became threatening before they did something and not because they were actuated by a desire to help the people?"

"When workers demand something, naturally we give it to them."

"That is what I wanted to know. Now, hundreds of thousands of the unemployed have been taken into the army. The making of war products you estimated a little while ago gave employment to about 300,000 more. The 40-hour week reduced unemployment by about another 100,000 you said. But you still have 700,000 registered unemployed. That is the official figure, not the actual one, which would include the partially unemployed and those living with their families. Would not Italy be able to absorb all of its unemployed if the working hours were to be reduced to, let us say, 30 hours a week?"

"Of course," he agreed readily, "but we cannot do it alone. That problem is tied up with international competition. We cannot cut our own throats by reducing the number of working hours. That would force our manufacturers to raise prices and they could not compete with the rest of the world."

"Would it not help if the child labor minimum-age laws were raised and the work children now do were given to unemployed adults with families?"

"It wouldn't make a great deal of difference," he said casually. "There are not many children employed."

"The number of children working has been increasing steadily in the last five years according to official figures. At present there are 108,000 between the ages of 12 and 15 who are registered as working. That is more than you estimated were put to work by the 40-hour week."

HE seemed to receive the figure I had given him as news and looked questioningly at his chief statistician who nodded in verification. Cianetti did not say anything.

"What is the minimum working age for children here?"

"Fourteen," he said quickly.

"Fifteen," interrupted the statistician.

"That's right. Fifteen," Cianetti recalled, equally quickly.

"Well, which is it?"

They got a little red book (everybody goes to a book to look up the laws the moment you

ask a question) and pointed to the requirements. Yes, fifteen. That is the minimum age.

"When was it enacted?"

"In 1934."

"What was it before that?"

"Twelve."

"The policy of the fascist regime has been to arrange things for all the people," I began again. "That is the corporative state idea, isn't it? The fascist regime has been in power fourteen years. During almost half of that period the country has witnessed terrible unemployment, misery and hunger. Why did it wait until last year before it raised the minimum child labor law from 12 to 15?"

"The law was passed in 1923. See, it is here. So. In this book. But all the laws were consolidated last year."

"You mean no children under fifteen worked during the last 13 years?"

"Well—you see—the fascist regime is defending not only the workingman but also the race. It is defending the people's health. That is why the minimum child labor law was passed."

"That's very nice. But did children under fifteen work in the past 13 years before this law was consolidated as you put it?"

"Well, they worked. Yes. As apprentices," he said a little irritably.

"I see."

"But you must understand also that in all the 40-hour week agreements there is a clause stating that when the necessity arises women and children are to be supplanted by men."

"That is not the question. However—you say the minimum age for children is 15. Pirelli, the great Italian industrialist and vice-president of the Confederation of Industry, told me it is 14."

A hubbub arose and Il Presidente pointed vigorously to the little red book.

"No. It is 15. It cannot be 14. It says so in this book."

"Pirelli also had a little book. I saw it. It said 14."

A red flush suffused his face.

"Pirelli doesn't know!" he exclaimed angrily.

"Now you say the children are allowed to work because they must learn a trade as apprentices. Pirelli, however, said very frankly that industry employs children because they are cheaper, because they get less even than women."

"Pirelli had no business saying that! Pirelli talks—talks—talks—" He waved his hands furiously. His statistician, a much calmer man, said something to him in a low voice and he quieted down immediately. It was apparently not seemly for Il Presidente to lose his temper before a foreign journalist.

"Pirelli talks too much," he repeated with a quick smile. "Evidently the fascist regime has not yet destroyed all desire for gain."

"Pirelli also said," I continued gently, "that the regime thought it was better for the children to go to work at 14 rather than get too much of an education. If they did not go to

work they would have to go to school and if they went to school and got too educated Italy would develop a white-collar class with nothing to do—a class which, having a little education and being able to think, might become a danger to the state if it could not find work."

For a moment I thought Cianetti would explode. The veins stood out on his forehead. A tense silence followed in which no one spoke. He did not look at me.

"That," he said finally, trying to restrain the fury in his voice, "is what Pirelli said?"

"That is what he said to me yesterday in his office," I assured him.

"Well." A grim smile spread over his face. "That only goes to show that we have free speech here."

I had a feeling that Signior Pirelli would hear about this.

"TELL me," I continued, changing the subject, "under the corporative state the idea is to help everybody"—he shot me a quick look as though he were just about fed up with my harping on the corporative state idea—"why then, after 14 years is the middle class slowly disintegrating and the strata are now rapidly showing a distinct dividing line of the very rich and the very poor, with the latter just seeming to work for the very rich?"

"Big wealth as you understand it in America does not exist," he began, "Very many of our rich have completely crumpled up since the world war. Why," he motioned grandly with a hand "right here in my office I employ the landowner upon whose land my family worked for generations."

"So? But I still don't understand the wide divergence—much wider than before fascism came into power."

"Our aim is not to take away wealth but to increase wealth for everybody," he floundered. "Fascism's war is not against the rich but against poverty."

"And how do you expect to accomplish that?"

"I don't know," he said helplessly. "We are trying, always trying."

"And in the meantime the very rich are being protected and the poor are having their wages reduced?"

"We have not yet completed our adjustment," he said with a vague motion of his hands.

"Do you think that fascism has solved the essential differences in the interests between the two classes—the working class and the employing class?"

"Fascism has created a political and legal machine which is working toward the reduction of those differences," he said slowly and then added thoughtfully, "but it will be a difficult thing to abolish the essential differences anywhere."

"You mean that even under fascism there are bound to be two conflicting interests, the interests of the worker and the interests of the employer and that they must always struggle?"

"Under fascism we will reduce that struggle to the least possible minimum."

"By prohibiting strikes?"

"And lockouts!" he exclaimed.

"What I'm trying to get at is whether you as head of all industrial labor unions in Italy and one of the leaders in the Fascist Party think that the desires and aims of capital and labor must be permanently different and consequently opposed?"

"If I thought that," he said with a harassed air, "I would think this machinery which fascism has set up is useless. I think the differences between capital and labor can be arbitrated. Fascism has not abolished the class struggle or class distinctions. Only irresponsible people claim that for fascism."

"Thank you. That is what I wanted to get clearly from you," I said rising.

He jumped up with an air of relief.

"Are there any other questions?" he asked politely.

"No, thanks. I think you've made things clear."

"I have talked very much," he said bowing.

"You sure did," I assured him.

John L. Spivak's article in next week's issue is about Nazi Germany. It is called "The Underground Speaks."

The People Demand

MERIDEL LE SUEUR

MINNEAPOLIS.

THE great movement for a United Front of all denominations was launched and a demonstration of what can be done by a Farmer-Labor Party controlled by the militant rank and file to push reforms and relieve the growing suffering of the masses was made recently in the Twin Cities by the Minnesota Conference for Progressive Social Legislation, in which more than 450 delegates took active part. They represented all parts of the state and all shades of political, liberal and radical thought. Miners from the iron range, cooperatives, Farmer-Labor clubs, veterans, trade unions, Communists, were represented. Delegates attended a two-day session which could only remind one of the early days in the Soviet Union when peasants, workers, farmers came by foot or horseback to take part in the new legislation for their needs or of the early American town meetings, before special privilege took over America.

In Minnesota, despite the Farmer-Labor governorship of the state, unemployment is growing, taxation is increasing. We escaped the sales tax only by the skin of our teeth. The state is only twelve percent electrified, one of the lowest percentages in the union. The legislature remains conservative. Reforms attempted by the Farmer-Labor Party concerning relief, taxation, unemployment insurance and steps toward the Cooperative Commonwealth set forth in the platform, have been systematically blocked by the conservatives in both houses and by organizations of feudal employers and capitalists like the Citizens Alliance. The Farmer-Labor bureaucracy has further added to this confusion by playing politics and going above the heads of the rank and file. The recent physical demonstration of this confusion, the shooting of workers by the Minneapolis Farmer-Labor mayor in the Iron and Ornamental Workers strike in August aroused the rank and file to concerted and militant and united action. The recent conference on Social Legislation prior to the meeting of the state legislature in special session was a growth from these confusions. The conference to discuss the coming legislative session

was called a few days previous by the Farmer-Labor Party heads to which the rank and file was not invited. The two-day conference was their answer to the bureaucracy of their own leadership in one of the most impressive United Fronts that has taken place in the Midwest.

Over 290 organizations were represented. The list of these is indicative and important when it is remembered that only a few months previous to this conference many of them had been at each other's throats, fighting counter-crosswise against their common enemy.

The character and number of organizations represented included: Farmer-Labor clubs, trade unions, cooperatives, farm holiday locals, Unemployment Councils, United Farmers Leagues, Socialist locals, American League Against War and Fascism, American Farm Bureau, Finnish Federations, Women's League Against High Cost of Living, Workers' Education Society, Interprofessional Association for Social Insurance, International Labor Defense, International Workers Order.

In the face of this concerted demand, the legislature the following week adopted resolutions confining the sessions to social security, relief and the tax laws.

OUTSIDE the state capitol building on a cold Minnesota Saturday morning there were cars from all over the state. By nine o'clock farmers and workers, dressed in what is becoming a midwestern costume, overalls, blazers and hunting caps, were talking together in groups or holding down seats in what was soon to be a crowded auditorium. They didn't leave their wives home either with the babies or to milk the cows. The women were there. They were not interested in abstract or merely political issues. They had gathered to discuss living issues, immediate aims, immediate needs. You hear over and over again "health," "decency," "food," "education."

College professors from the university, white-collar workers, teachers, social workers, skilled and unskilled workers fill the hall. One heard earnest conversations, "When the

legislature meets we will have our own recommendations this time. We've come for miles, this is our conference. We've stayed at home long enough." Some old Non-Partisan Leaguers remembered the old legislative slogan, "Go home and slop the pigs." Well, they are through with that now. A United Front on minimum demands. "Together we have power."

John Bosch, leader of the Minnesota Farm Holiday, is chairman. He keeps the tempo slow, deliberate, he isn't railroading anything through or ruling against anyone. The people have to speak, some fiery and swift, some slow, deliberate, with struggle and hunger behind them. "We got to hear the details." A farmer rises to say when the Old-Age Pension Bill is being read too fast, "We got to hear what it is. We have to protect the rank and file. We come here from the country, from the village. You all in the city may have studied out all this pension business, just what's right to do, but we haven't had the time until now. We got to know about it, hear about it, all the details. We got to go back and tell our people. We got to be correct. We must understand it."

Over the Old-Age Pension Bill an argument waxes hot. Curious deep alignments and adjustments are made between different kinds of workers. There is a set-to between the skilled worker and the unskilled. A delegate from the typographical union and another from the Railroad Brotherhoods think that a man owning a house should also get a pension and the bill says he cannot get one if he has property. They think this would not be rewarding thrift if a man and his wife had worked and saved for that house. Another worker says, "The trouble with the high crafts is they are selfish. They got to find out they'll be levelled flat as a pancake right along with the unskilled worker. They got to fight together, not against each other like wild cats." "We have to have some property limitation," a young Finn from the cooperatives says, "or J. P. Morgan is going to apply for a pension sure as the devil." There is deep, astonished laughter.

From this slow, thorough discussion comes