The Bill to Establish Workers' Control in Italy.

CONTENTS
The antecedents of the Bill and the work of the Joint Commission. 1
The Workers' proposal .................................................. 3
The Employers' proposal ............................................... 11
The Government's proposal ........................................... 17
The discussion on the Supreme Council of Industry and the Permanent Committee of Labour .......... 21
Press Criticisms .......................................................... 26
Appendix.
Modifications in the Government proposal and the report of the Minister to the Chamber of Deputies .... 30

On the 9th February the Italian Government introduced in the Chamber of Deputies a Bill setting up Workers' Control in Industry. It seemed desirable to publish here for the benefit of those who are studying the question the first text of the Government proposal and the modifications made therein after its discussion by the Supreme Council of Industry and the Permanent Committee of Labour, as well as the proposals of the workers and the employers.

The antecedents of the Bill and the Work of the Joint Commission.

The agitation of the Metal workers which culminated last September in the occupation of factories by the Unions and by an attempt at direct management brought about Government intervention¹. After hearing the claims of the

¹ cf. Studies and Reports, Series A. Nos 2 and 11.
workers and the reply of the owners, Mr. Giolitti, the Prime minister, published on September 19th a Decree setting up a Joint Commission entrusted with the drafting of a Bill to introduce Trade Union control in industry.

This Commission was composed of Messrs. Ferraris, Mazzini, Marinetti, Questa, Riva and Tarlarini, representing the employers, and of Messrs. Azzimonti, Baldesi, Buozzi, Bruno, Cattaneo, Galli and Violante, representing the workers. It began its work on October 21st at Milan, and from the first meeting the possibility of reaching agreement seemed remote. The opposition between the two points of view was demonstrated in the actual principle of the control to be set up, the workers' representatives declaring that "control is essentially a matter for the Trade Unions (to the exclusion of all employers' delegates), since the Trade Unions are the most authoritative, responsible, competent and certain representatives of the will of the working-classes," and demanding that the workers should share in the economic, commercial and financial control of industry. The employers, on the other hand, declared that "control should be understood to mean knowledge of facts affecting the progress of industry, but only after realisation of those facts" and maintained that they must "oppose all internal control of undertakings in their economic, commercial and financial aspects," first "because knowledge of the progress of particular undertakings does not concern the masses, who do not admit that wages paid in the different undertakings vary according to the success of the management, and, in the second place, because

1 The text of the Decree of September 19th, 1920, was as follows: —

"Whereas the General Confederation of Labour affirms that it intends to modify the present relations between employers and employees in order that the latter may, through their Trade Unions, be free to control industries with the object of improving these relations and increasing production, which is essential for the economic reconstruction of the country;

"Whereas the General Confederation of Industry is not opposed to the experiment of control of industries by categories with the above-named object:

"The President of the Council registers this agreement and decrees the formation of a Joint Commission composed of six members nominated by the General Confederation of Industry and six members representing the General Confederation of Labour, each side to include two technicians or non-manual employees. The Commission is entrusted with the drafting of laws to be proposed to the Government organising industry on a basis of the workers' intervention in technical, financial and administrative control. The Commission is also entrusted with the drawing up within eight days of measures for the solution of questions which may arise in the matter of employment and dismissal of workers.

"The workers will return to their posts. However, if the presence in the same works of certain workers and chiefs becomes incompatible with the maintenance of order a Commission composed of two members chosen by the manufacturers and two nominated by the workers will decide on the measures to be taken."

2 Lettera 14 Novembre 1920 della Confederazione Generale del Lavoro al Presidente del Consiglio (Letter of Nov. 14, 1920, addressed to the Premier by the General Confederation of Labour.)
control of undertakings, instead of improving relations as regards discipline, helps to make them more and more difficult". The employers only admit "a control of industry by categories exerted by higher Commissions composed partly of representatives of subordinates (manual and non-manual workers), partly of representatives of the employers, the State being present as representative of the community. The commissions will be severally entrusted with the collection of the essential data concerning the progress of undertakings belonging to each category and the possibility of improving them. These data should be rapidly elaborated so as to serve as a basis for valuable information from the point of view of industry, the workers, consumers and of the whole country."

A comparison of the proposals put forward by the two parties shows how deep and irreconcilable was their difference of opinion as regards the method of exerting control over the engagement and discharge of workers.

The Joint Commission, having found the impossibility of agreement, ended its work on the 5th November, and the owners' and workers' delegations each sent to the Premier a proposal, the texts of which are given herewith.

Workers' Proposal for the Control of Industry (presented to the Joint Commission).

All industrial undertakings in Italy shall be subject to control, which will be exerted by the community more particularly concerned in their management, grouped in Trade Unions composed of the workers in the different industries.

All industrial undertakings shall be subject to control. By industrial undertakings are meant:

a) Mines, quarries and underground industries generally;

b) Industries for the manufacture, reduction, conversion, repair, decoration, finishing and preparation for sale of certain products (even by their destruction or demolition); industries for the reduction of raw materials, industries for the construction or destruction of material, as well as those for the production, transformation and transmission of electricity and motive power generally;

---

1 Relazione della Rappresentanza industriale nella Commissione paritetica.
2 The Joint Commission before adjourning issued the following statement:
"The representatives of the two parties on the Joint Commission for the Control of Industry, having found in the course of discussion that their respective conceptions of the principle of the control of industry and its practical application differ too fundamentally to permit of co-operation or agreement, recognise the uselessness of prolonging discussion and declare the work of the Joint Commission at an end, reserving the right to formulate their respective conclusions separately."
c) The building, rebuilding, maintenance, repair, alteration and demolition of all erections or buildings, railways, tramways, ports, docks, wharves, canals, inland waterways, roads, tunnels, bridges, viaducts, main or ordinary sewers, wells, water-works, as well as works necessary in preparation for the above-mentioned works;

d) Transport of passengers and goods by road, rail, inland or marine navigation, as well as the maintenance of goods in docks, on wharves and in general stores and warehouses, with the exception of manual transport.

The above-named industries are subject to Trade Union control, whatever their form or legal constitution, if they employ a number of wage-earning workers, whether paid in cash or by any other method, not less than 50 for certain industries, or 10 for others (for example, industries producing electricity), which will form a special category.

*Joint Stock Companies.*

The Board of Directors of Joint Stock Companies shall be constituted according to the legal regulations at present in force. Representatives of the staff elected by the method provided for hereinafter shall have the right to be present at all meetings of the Board of Directors and to exercise the right of Trade Union control in the administration, formation, increase or decrease of capital, the signing of contracts and all banking operations, as well as in all the technical work of industrial undertakings.

*Joint Stock Companies shall proceed to renew their Board of Directors during the month of April following the approval of the foregoing scheme. At the same time Trade Union representatives shall be elected to the Board of Directors.*

*Unions of industrial workers whose members form part of the staff of industrial undertakings managed by Joint Stock Companies shall have the right to nominate their own representatives to the Board of Directors.*

Election is by universal suffrage of all members over 18 years of age of the staff of each undertaking, under the supervision of the Trade Unions who have the right to nominate candidates and of manufacturers’ representatives.

*When a Joint Stock Company conducts more than one undertaking or several branches of industry managed by a single Board of Directors, in each undertaking substitutes for the Trade Union representatives shall be nominated who*
will exercise the right of administrative and technical control and will provide for the nomination of workers’ representatives on the Board of Directors in the proportion fixed by law.

* The Trade Union controllers may demand any verification which they may consider necessary to inform themselves as to the administrative operations of undertakings. They may present at meetings of the Board of Directors any proposals or observations which seem to them likely to improve or increase production. They may also consider and notify to the Board of Directors all changes in the relation between production and wages, as well as failures to observe sanitary precautions required by law.

* Every three months each Trade Union controller shall send his report to the Trade Union Commission above mentioned. These reports must be referred to the representative of the Board of the Joint Stock Company managing the industry. Any information on manufacturing processes which constitutes a trade secret must be rigorously excluded from these technical reports. Severe penalties are provided for those who betray such secrets for the benefit of industrial competition.

* Limited Companies.

All Limited Companies which employ a number of workers equal to that quoted for Joint Stock Companies shall be subject to Trade Union control. The rights and duties of Trade Union controllers shall be the same as in undertakings managed by Joint Stock Companies. Trade Union controllers shall have the same relations with the management of Limited Companies as with the Board of Directors of Joint Stock Companies and its representative member.

The other provisions of this Act referring to Joint Stock Companies apply similarly to Limited Companies.

* Partnerships and private firms managed by their owners.

In partnerships and private firms employing a number of workers not less than that fixed above for Joint Stock Companies, Trade Union control shall be exercised in the same way as in Limited Companies. The owners and partners must distinguish between their private property and that of the firm, so that the Trade Union controllers may check the working of the undertaking without interfering with the management of private property, which they have no right to control.
* Newly established industries, whatever the number of their employees, are not subject to Trade Union control for a period of two years at least from the closing of their first annual account.

**Higher Commission of Control of the industry.**

Each branch of industry shall be subject to a higher Trade Union control. The distribution of different industries according to the branches to which they belong will be determined by the Trade Union to which the majority of the workers in the undertakings concerned belong, in agreement with the employers. Each employer must notify the office of the Higher Commission of Control of the branch of industry in which his undertaking is registered.

* The Higher Commission of Control shall be composed of representatives of the Trade Union elected on a universal suffrage by the Trade Union controllers of the different undertakings. A special Higher Commission of Control shall be appointed for each branch of industry. Higher Commissions of Control must supply one another with all the necessary information for the drawing up of returns of finance and production in the different industries as well as all information regarding the relations of those industries among themselves.

* Members of the Higher Commission of Control are elected each year one month at most after the renewal of the Board of Directors and nomination of Trade Union Controllers in undertakings not managed by Joint Stock Companies. Trade Unions having members, whatever their number, in different industries, may put forward their own candidates. The electorate is composed of Trade Union controllers. Votes are recorded by registered letter in a double envelope in order to preserve secrecy. Elections are controlled by representatives of the Unions and of the employers. Candidates are elected by proportional representation, so that each Trade Union will be represented on the Higher commission of Control in proportion to its membership.

* The Higher Commission shall exercise its control in all industries and obtain the data necessary to determine:

1. The cost of production in different undertakings of the same goods;
2. Administrative methods in different undertakings and their general expenses in proportion to the quantity of goods manufactured;
3. Methods of production and machinery used, with a view to finding the cause of the higher cost of production;
4. Workers' wages and differences noted in these;
5. The constitution, division, transformation and transfer in ownership of capital;
6. The total amount of production in different branches of industry in Italy relatively to the power of consumption of the country and the possibilities of export.

Two years after the enactment of the present Act any persons, whether individually or in association, wishing to establish any industrial undertaking must address a request for information to the Higher Commission of Control in the industry. The Commission will inform those concerned, with as little delay as possible, if it considers the projected undertaking necessary or valuable to Italy or whether for any reason it should be discouraged.

The Higher Commission of Control shall report annually on the results of its work:

1. to the Trade Unions represented on the Commission;
2. to the Supreme Council of Labour;
3. to the Ministry of Industry and Commerce.

The reports of the Commission should state:

1. The constitution of the share capital of Joint Stock Companies; returns of finance and industry, their progress and their difficulties;
2. The development of industry in Italy; possibilities and causes of its existence and future extension; the possibilities of transforming the system of capitalism, whether individual or associated, into a co-operative system including all industrial workers; the means and methods of buying up undertakings and managing them on a co-operative footing;
3. Faults and imperfections of methods of work and of industrial management;
4. The state of wages in Italy in each branch of industry and the possibility of improving these wages;
5. Statistics of production and of the comparative cost of products in the different industries of the country; the conditions of production in the Italian market compared with those of foreign markets;
6. Statistics of raw materials imported from abroad and the possibility of replacing them by home products.
Employers and Employers' Associations may send a representative to the meeting of the Higher Commission of Control. This representative, however, has no vote and may take no part in discussions, even in a consultative capacity. He may only be present in the character of audience. The representative of the employers may demand the suppression in reports or minutes of information likely to prejudice the interests of a particular industry in respect of its competition with others.

A representative of the Supreme Council of Labour may take part in the work of the Commission of Control on the same conditions as the employers' representative.

**Control of regulations regarding the engagement and discharge of staff in industrial undertakings.**

In view of the Decree published by the Premier on September 19th, 1920, granting to the staff of industrial undertakings the right of control of disciplinary measures taken respecting employees as well as the registration and engagement of labour, regulations at present in force affecting discipline in all industrial undertakings in Italy shall be revised and modified in conformity with the following provisions:

1. *Engagement of staff.* — The engagement of manual, technical and administrative staff shall be carried out exclusively by means of Employment Exchanges administered by staff organisations, or, where these do not exist, by Employment Exchanges administered jointly by employers' and workers' associations. Where neither of the foregoing categories of Employment Exchanges exists, the staff shall be engaged directly in the factories by the management of the undertakings or their legal representatives, in agreement with representatives of the staff.

Each factory or industrial undertaking shall keep a register on which are noted the vocational and general abilities of all manual, technical and administrative workers who apply for work either through Employment Exchanges or directly.

The staff shall be engaged in order of registration in each vocational category, and the choice shall be based entirely on technical considerations, to the exclusion of any questions of politics or Trade Union. Representatives of the staff have the right to inspect the register once a week on a fixed day, to ask, as often as they consider it necessary, for explanations of the reasons for which certain workers have been accepted or refused, and eventually to contest these decisions.
2. Discharge of staff. If the work of an employee is considered unsatisfactory in quality or quantity, before discharging him the duration of his work may be reduced by 12 hours per week at most. If the worker still fails to give satisfaction he may be moved to a different department as far as technical exigencies of work will allow.

The transfer of employees from one department or gang to another, as well as alterations in time-table, shall be determined by the management in agreement with representatives of the staff.

The discharge of employees and disciplinary measures taken shall be noted in a register specially kept for this purpose and presented every week for the inspection of representatives of the staff, who may contest the application of steps taken or proposed.

If the management and the representatives of the staff fail to agree, when the undertaking concerned is not situated in the same place as the headquarters of the employers’ organisation, negotiations may be set on foot between the staff workers and the management; if the parties concerned still fail to reach agreement, disciplinary measures may not be enforced without the concurrence of the headquarters organisations on both sides.

The foregoing regulations do not apply to criminal offences (theft, fraud), but affect equally offences of a political or industrial nature. If the discharge of a member of the staff is decided on for very grave disciplinary reasons, the culprit may be relieved of his duties while awaiting final judgment. In cases where the management cannot agree with the representatives of the staff organisations, the doubtful point may be submitted for the consideration of the employers’ organisation to which the undertaking concerned belongs and to the workers’ organisation chosen by the staff.

Representation of the staff. — Nomination and function.

The representation of the staff (Internal Committee or Workers’ Committee) may be either mixed, that is to say, comprising representatives of the three categories of workers, manual, technical and administrative, or may comprise one of these categories only. The management of the undertaking must provide an office for the use of the representatives of the staff.

During working hours one or more members of the Workers’ Committee may in turn, for one or more hours per day, according to the importance of the undertaking, attend in the office to receive complaints from the staff and to give to any employee who may wish for it information regarding employment contracts. The names of the representatives to be on duty in the office should be sent each week to the management. The workers’ representatives who are not on
duty in the office shall remain at their work and leave it only if they are summoned urgently to a plenary meeting by the representatives of the staff (of which the management should be then informed) or if they are summoned by the management itself.

Negotiations between the representatives of the staff and the management should take place each week on a fixed day during working hours. The hours during which representatives of the staff are on duty in the office, take part in emergency meetings or in discussions with the management should be remunerated on the basis of their average earnings.

In conformity with the stipulations of Article 27 of the Regulations at present in force in engineering and metallurgical undertakings, representation of each category of the staff shall be in the proportion of three for 100 employees, 5 for 100-500 employees, 7 representatives for 500-1000 employees and 9 for any number exceeding 1000.

The method of nominating representatives is fixed by the Trade Union organisations to which the staff belong.

Elections may be by ballot within the undertaking if 20 per cent. at least of the staff ask for it, or if it is impossible to decide whether the majority of the staff belong to one or other of the different Trade Union organisations.

The programme of the Catholics (Italian Popular Party) and of their Central Organisation (Italian Federation of Workers) relating to Trade Union control may be summarised as follows: "Working class participation in profits in the form of shares."

According to the Catholics, control without a share in profits can be of no value. The Catholic Trade Unions also propose to introduce in the Chamber through their representatives a separate scheme for control. This scheme gives to the representatives of manual and other employees the right of control of the management of undertakings and of their administrative and financial operations. They also have the right to sit on the Board of Directors and the Trade Union Commissions of Control. At the close of each annual account, after the balance sheet has been drawn up, profits will be divided in the following manner: Capital shall receive a fair interest fixed by law, and the surplus shall be divided between the shareholders and the workers. That part of the profits accruing to the workers (by "worker" is meant equally directors and employees) is not paid to them, but is used to buy up shares in the undertaking. The entire ownership will, thus, gradually pass into the hands of the workers.

The Domane Sociale, a periodical of the Italian Federation of Workers, quotes in its issue of 2nd January 1921 the vital passage in the report presented to the Congress of Italian Engineers at Rome, by the engineers Giuseppe Astorri and Oscar Sinigallia.

According to this Catholic periodical the passage reprinted below, with the exception of some minor differences, summarises the programme of Italian Catholic Trade Unionists relating to the question of control.

"In order to produce valuable social results, control by the staff of all industry should not only safeguard the interests of the workers but help to increase production and to improve the yield of industry.

"Control will be merely a fruitless political agitation if it is not conferred upon all those who share in industrial production as well as on the manual workers.

"If workers' control is not judiciously organised, it is in danger of degenerating, and of being used to serve ends very different from its original purpose, thus giving rise to the opposition of the employers, who will seek
Proposal of the Employers.

I.

Whereas control should have as its object knowledge of the position of a given industry, and whereas the workers do not admit that conditions in individual undertakings can influence the economic conditions of the workers employed therein, and whereas only a general knowledge of the state of an industry makes it possible to form a judgment on its conditions of development and crisis, it is desirable that for each category of industry a Commission of Control should be established on which employers and workers (manual and otherwise) should be equally represented, the representatives being appointed by their respective organisations on the principle of proportional representation. Moreover, as the future of industry concerns not only workers and masters, but also the whole community, it is desirable that the community should also be represented on the Commission of Control, which can be done by the State.

Commissions of Control should seek by all means in their power to facilitate relations between employers and employees, as well as their common action for the development of industry, the vital source of national life. They should also work for the improvement of the conditions of life of all workers in the different branches of industry. The principal duties of each Commission should be:

a) The regulation and control of wages, hours and general conditions of labour in the industry, in relation to the cost of living.

Note 6 (Contd).

to oppose it by all means in their power. We must thus avoid at all costs the setting up of a new parasitic bureaucracy among those in whose hands control will be placed.

"On the other hand the establishment of control should inaugurate an era of reform throughout the industrial organism. It should check speculation, introduce more good faith and prudence in the drawing up of balance sheets and reduce to a strict minimum the wage-earning system, which is so far from the ideal of justice.

"It is in the general interest, and especially in that of the workers, that industry should develop, and that limited liability companies (joint stock companies) should increase in number, since they have contributed so much to the progress of the public economy and to the prosperity of the population. Undertakings should bear industrial risk, but if it is desired to encourage capital to support them, their profits must not be limited.

"Workers' control is only permissible if it is exercised in such a way as not to prejudice the unity of control which characterises private industry and to which its success, as opposed to the failure of State industry, is to be attributed.

"Industry should be organised on the hierarchical principle, culminating in a single head, which is the principle also of the technical development of work. Any element which opposes this hierarchy prejudices the success of the undertaking and consequently the general welfare.

"The right of control should be exercised solely by the responsible agents concerned in the progress of the undertakings, namely by persons who:
b) The improvement of the hygienic conditions of the workers.

c) The compilation of statistics and returns concerning the supply of raw materials.

d) The consideration of economic and financial questions concerning the industry (customs, transport, home and foreign markets from the point of view of demand and of the supply of raw material, selling price, exchange, credit, rates, taxes, etc.).

e) The encouragement of the study of industrial development and of scientific research with a view to the improvement of industrial processes.

f) The tabulation of statistics concerning the progress of industry and the development of production.

g) The administration of laws for social insurance, accident, sickness, old age, unemployment and all laws of the same nature which may in future be enacted.

h) Co-operation with the competent authorities in the organisation of vocational instruction.

i) Co-operation with Commissions of Control in other branches of industry for the solution of problems of common interest.

Note 6 (contd).

a) belong to the industry,

b) take part in all grades of work,

c) share in the profits of the undertaking.

"A Board of Directors including employees working in the industry would form the best organ of control.

"The main questions concerning the staff should be laid before the Board of Directors (as is already the case), and the Internal Committee will deal with questions of detail.

"Workers co-operative societies realise in an excellent form workers' participation in the management of industry, but they are not sufficiently strong financially, and from the technical point of view they lack preparation. It would be desirable to add to the stability and competence of joint stock industrial undertakings the co-operative principle.

"Workers' participation in profits would form the best transitional measure to attain this end.

"It would be desirable to substitute for participation in profits distributed in actual cash the issue of shares, by means of which the ownership of the industry would gradually pass into the hands of the workers.

"Workers' participation in the capital would thus have as its final result the transfer of the whole of the capital itself to the workers."

"The proposal of the Joint Federation of Workers and the report of the engineers Astorri and Sinigallia," adds the Domane Sociale, "only differ in secondary details, namely:

1. the Catholic proposal provides that shares allotted to workers should belong not to the community of workers but to the individuals making up this community;

2. It fixes the workers' share of the profits at half their total amount for all undertakings, regardless of the variety of manufactures."

The detailed text of a Bill for the inauguration of profit-sharing was presented on the 21st January to the Premier by the Secretary of the General Italian Federation of Workers, the Deputy, Mr. Gronchi. According to a statement of the Domane Sociale, Giolitti undertook to lay before the consultative bodies both the Catholic proposal and that of the Government for workers' control, at the same time as those of the General Confederation of Labour and of the General Confederation of Industry.
II.

Special Commissions shall furnish to the Commission of Control all data which are necessary for the efficient execution of its work. The latter has the right to have these data verified by State officials.

III.

To facilitate the centralisation of information, and to ensure the execution of the duties with which the National Commission of Control is entrusted, district commissions of control for each category of industry shall be established in each district or group of districts, constituted in the same way as the National Commissions.

District commissions of control will exercise within their respective territorial jurisdiction the functions entrusted to them by the National Commission of Control, within the limits of its own function and authority.

IV.

A General Council of Industries shall be established to co-ordinate the operations of the National Commissions of Control in the different branches of industry. This Council shall be constituted on the same basis as the National Commissions of Control. The functions of the General Council of Industry shall be the same as those of the National Commissions of Control, except that they will apply to problems of general interest for all branches of industry.

V.

The Law regulating industrial control should provide for its own revision at the end of a given period, sufficiently long to allow of judgments of the results of control and of modifications which it may be desirable to introduce.

This Act shall come into force six months after its publication.

In order to allow newly created undertakings to organise themselves, these undertakings shall be exempt from control for three years from the date of their foundation.

Moreover, small undertakings (employing less than 75 workers) shall be exempt from control.

VI.

The institution of Internal Committees, which at present are established in undertakings and industries of certain districts, may be extended to all industries if this appears desirable.
These Internal Committees are entrusted with the consideration, in co-operation with the management, of questions concerning the entire staff of the undertakings and of individual claims, clearly also of general interest, concerning the interpretation and application of the regulations.

In addition to its present duties, the Internal Committees might also be instructed to consider:

a) All questions relative to the material welfare of the workers;
b) The term of apprenticeship;
c) The technical library; lectures of a technical and social character relative to the industry;
d) Proposals for the improvement of methods and of the organisation of labour in the factories;
e) Circumstances which tend to reduce the efficiency of the workers and hinder a satisfactory yield from the supply of labour in the factories;
f) Methods of payment of wages;
g) Distribution of hours of labour, rest periods and the registration of workers;
h) Proposals regarding general holidays.

Engagement of Staff.

The Staff shall be engaged through Joint Employment Exchanges, which will be set up in each place or district for each category of industry. Where the establishment of these exchanges is impossible, the staff shall be engaged directly by the undertaking in the manner prescribed below.

The Joint Employment Exchanges shall be under the direction of a Committee composed of an equal number of employers' representatives appointed by all the undertakings concerned, and of workers' representatives appointed by the working class community.

The election of the workers' delegates will take place in each factory by secret vote in the presence of one representative of the undertaking and one of the workers. The voting cards must bear the names of a smaller number of candidates than the total number of members to be elected, in order to allow for the representation of the minority.

The votes from the different undertakings shall be counted by a joint ad hoc Committee composed of an equal number of employers' and workers' representatives.

The Committee of Management shall remain in office for a period of two years.

Any difference of opinion on the Committee of Management between the employers' and workers' representatives shall be submitted to the final judgment of two friendly
arbitrators, assisted by a third nominated in agreement by the two parties, or, if agreement is impossible, by the President of the tribunal.

The operations of the Joint Employment Exchanges are subject to the following rules:

a) Unemployed men within the meaning of the decree of October 19th 1918, No. 2214, shall at their own request be registered on the list of workers seeking employment:

b) Two separate lists of workers desiring registration shall be kept, one including workers who for any reason have left an undertaking situated in the district within the jurisdiction of the exchange, the other including those who have immigrated or intend to immigrate into the said district. Preference shall always be given to the workers registered on the first list.

c) The employers agree to engage only those workers registered at the Joint Employment Exchange. Exceptions to this rule may be made in the case of untrained workers and of those on regular leave returning to the factory on the expiration of their leave. Untrained workers will only be engaged if the exchange has no trained staff available.

d) Registered workers will be given employment in the order of their registration by category, without distinction between organised or unorganised workers. Employers should be ensured a staff possessing the necessary ability and skill. They should therefore have the right of recruiting staff freely, even outside the Exchange, if the latter has not available workers fulfilling the required conditions.

If the employer engages staff outside the Exchange he should notify the latter and communicate to it the names and special qualifications of workers engaged.

Exception may be made to the rule of registration and priority for workers who exchange from one undertaking to another, with the consent of the respective managements of the undertakings concerned, owing to a change of residence in the district within the jurisdiction of the Joint Employment Exchange.

e) The Exchange does not undertake the employment of auxiliary or specialist workers.

f) The Exchange does not find employment for workers in undertakings in a state of strike or lock-out, and neither registers nor finds employment for workers on strike or unemployed owing to a lock-out.

g) The Exchange may never refuse, except in cases provided for in paragraphs e) and f), to supply to undertakings the staff which it has available.

h) The service of the Exchange is free. Each exchange may only find employment for workers in the place or district within its jurisdiction. The Committee of Management may, in exceptional circumstances, decide temporarily to extend the limits of its jurisdiction.
i) In cases where either an undertaking or a worker desires that exception be made to the rule of classification by priority mentioned in paragraph d), the question may be laid before the Committee of Management, whose judgment shall be final.

j) An undertaking has a right to refuse workers which are sent to it if they have already been discharged by it. It is in no way obliged to justify reasons for the discharge or for the refusal to re-employ such workers.

k) Undertakings also have a right to refuse workers sent to them if they have been discharged by other undertakings for breach of faith or grave disciplinary reasons.

The internal workings of Joint Employment Exchanges shall be governed by a uniform system of regulation. In cases where an undertaking cannot engage its staff through Joint Employment Exchanges, it should keep a special register on which shall be noted in chronological order applications for work addressed to it and shall engage the staff which it requires according to the rules adopted by the Joint Employment Exchanges. The Committee of Management of the nearest Employment Exchange for the industry carried on in the undertaking in question has a right to supervise the keeping of the above mentioned registers and the observance of the rules regarding engagement.

Discharge of Staff.

When the management of an undertaking considers it necessary to reduce or completely to suspend the work of one or more departments, it may, before proceeding to discharge staff, and to the extent permitted by the exigencies and the nature of each undertaking, reduce the normal hours of work temporarily. If this is not sufficient, it may proceed, to the extent permitted by the technical exigencies of the work, to the transfer of staff from one department to another. If this transfer has the effect of moving a worker from a higher to a lower category of employment, it is understood that on his return to his usual position, he shall receive the same wages as formerly.

The workers' representatives shall be consulted as to the method of application of these regulations. Although the workers and the employers have the right to annul labour contracts, with the omission of notice and compensation for this, as determined by the different regulations, yet in cases where a worker is discharged for disciplinary reasons, thereby forfeiting his right to notice or equivalent compensation, the Internal Committee may intervene. If the management and the Internal Committee fail to agree, negotiations may be set on foot between the workers' and masters' organisations. If there are no representatives of the employers' associations in the
place where the undertaking in question is situated, negotiations may be carried on between the workers representatives and the management, and failing agreement, between the employers' and the workers' organisations chosen by those concerned.

The management shall decide if the employee may remain at his work or if he should leave it, pending the decision in the final award as to the allowance which should be made to him for the period of negotiations.

**Workers' Representation.**

The workers shall be represented in each undertaking by the Internal Committee, which shall be constituted according to the provisions of Article 27 of the regulations at present in force in engineering and metallurgical industries, namely: 3 members for 100 employees, 5 members for 500 employees, 7 members for a number of employees up to 1,000 and 9 for a number exceeding 1,000.

The method of election is determined by the regulations quoted above.

The management of the undertaking shall put a room at the disposal of the Internal Committee.

The Internal Committee shall act as the workers' representative in consultation with the management in all questions of a general or personal nature relative to the principles laid down.

Failing an amicable solution of points at issue between the Internal Committee and the management, the regulations provided above in cases of discharge for disciplinary reasons shall be applied.

The Internal Committee exercises its functions and holds its meetings out of working hours.

Whenever the members of the Internal Committee are summoned to discussion with the management during working hours; they shall receive their normal wage for the time so spent.

---

**Proposal of the Government**

In view of the inability of the Joint Commission to produce a single proposal as the result of agreement or compromise between the masters' and the workers' representatives, the Government took the initiative and provided a Bill based on the proposals submitted to it by the two parties. According to official statements in the Press, this Bill was drafted personally by the Premier. It was considered on January 22nd by the Supreme Council of Industry and approved by the Cabinet on January 24th.

Its text was as follows:—

---
1.

The control of industrial undertakings by the workers employed therein shall be established with the following objects:

a) to make the workers acquainted with the conditions under which the said undertakings are carried on; b) to promote improvements in the technical instruction and in the intellectual and economic conditions of the workers so far as is consistent with the conditions under which such undertakings are carried on; c) to secure the carrying out of all laws enacted for the protection of the working classes; d) to promote improvements in methods of production calculated to increase such production and render the same more economical; e) to promote normal and peaceable relations between employers and employed.

2.

Such control shall be established separately for each class of industry and particularly for the following:

a) iron and metal-working industries;

b) textile industries;

c) chemical industries;

d) electrical industries;

e) land transport;

f) navigation;

g) building industries;

h) extracting industries, mines and quarries;

i) hotels and similar industries.

The following shall be excluded from such control: industries carried on by the State; newly-established undertakings during the first four years of their operations and undertakings employing less than 60 workers.

3.

The workers of full age employed in each class of industry shall elect under the proportional system a Commission of Control consisting of nine members, of whom six shall be elected by the operative workers, and three by the engineers, employees and technical supervisors employed in the said industry.

The trade unions having members among the workers in the industry shall submit to such workers the lists of candidates. Regulations to be issued after consultation with the Supreme Council of Labour shall establish the form and procedure of such elections, having regard to the special conditions under which each class of industry is carried on. The Commission shall be renewed every three years; members shall be eligible for re-election.

4.

The Commission shall select for every industrial undertaking, whether carried on by a limited company, a firm or an individual, two or more workers according to the size of such undertaking, as the delegates of the Commission for the purpose of exercising control and reporting to the Commission. Such delegates shall be selected from the
workers of full age employed in the undertaking to be controlled, and, as far as possible, from workers who have been employed in such undertaking for at least three years. The regulations to be issued in pursuance of Article 9 of the present Act shall determine the manner in which such delegates shall exercise their functions, having regard to the special conditions of each class of industry. On the renewal of the Commission at the end of every three years the appointment of the said delegates shall also be renewed, and delegates shall be eligible for re-appointment.

5.

The Commission of Control shall be entitled to receive through its delegates the following information: 

a) The methods of acquiring and the cost of raw materials; 
b) the cost of production; 
c) the administrative methods; 
d) the methods of production, excluding all matters relating to secret processes; 
e) the wages of the workers; 
f) the constitution of the capital; 
g) the profits of the undertaking; 
h) the manner in which the laws for the protection of workers and the provisions relating to the engagement and dismissal of workers are carried out.

6.

It shall be lawful for employers to be present at the sittings of Commissions of Control by means of their representatives, not exceeding two in number. A representative of the Supreme Council of Labour may also be present at such sittings. The representatives of employers and of the Supreme Council of Labour shall have the right to make observations and to require the insertion of the same in the minutes, but shall have no right to vote. They shall have the right to prevent the publication or the insertion in reports or in the minutes of any meeting of any matters which may prejudice the interests of the industry.

7.

The employers carrying on each class of industry shall nominate in such manner as shall be determined by regulations a body of representatives for all dealings which may become necessary with the Commission of Control, for compelling individual employers to fulfil the obligations arising out of the present Act and out of the regulations made hereunder, and for appointing their representatives at the sittings of the Commission of Control. Every such body of representatives of employers shall, in like manner as the said Commissions of Control, consist of 9 members and be renewable every three years. Two delegates of the Commission of Control shall be entitled to be present at every meeting of the representative body of employers in the same class of industry, and shall have the right to make observations, but not to vote.
Whenever special circumstances shall require, and in any case at least once a year, the representative body of employers and the Commission of Control in each class of industry shall meet together, under the presidency of a representative of the Supreme Council of Labour, for the purpose of considering such improvements as experience may suggest in the conduct of the industry, with a view to increasing and improving production in the interests of public economy and of the workers, and for the purpose of settling any controversies which have arisen in regard to the exercise of control.

Special regulations shall be issued for each class of industry, after consultation with the representative body of employers, the Commission of Control, and the Supreme Council of Labour, for the purpose of regulating the engagement and dismissal of workers, having regard to the special conditions under which each industry is carried on.

All such regulations shall observe the principles established in the two following articles.

Employment Exchanges under the joint direction of representatives of employers and Commissions of Control shall be established in the localities designated in the regulations referred to in the last preceding Article. Such employment exchanges shall take note of all persons requiring employment and, except in the case of work requiring special qualifications, shall, as a general rule, fill all vacancies in the order of registration of such persons as aforesaid, but giving preference to workers residing in the commune in which the undertaking is situate and to workers discharged from military service who were previously employed in the same undertaking. In filling vacancies no regard shall be had to considerations of a political character or to membership or non-membership of a Trade Union. Whenever among the persons registered at the employment exchanges there shall be no workers suited to the special form of labour for which provision has to be made, employers may procure elsewhere any labour which they may require. Every employer shall be entitled to refuse to employ any worker who has been convicted of any serious offence or who was dismissed from the same undertaking on disciplinary grounds. All differences between employers and Commissions of Control relating to the engagement of workers shall be decided without right of appeal by two arbitrators, one to be chosen by each party, under the presidency of a third person chosen by such two arbitrators, or, in case of disagreement, nominated by the President of the tribunal.
11.

No worker shall be dismissed for political reasons or by reason of membership or non-membership of a Trade Union. Whenever the conditions of an undertaking necessitate a reduction of the staff it shall be the duty of the employer before dismissing any workers, so far as the nature of the undertaking permits, to reduce the normal working hours to a minimum of 36 hours per week, and if that shall not be sufficient to introduce, as far as possible, a system of shifts among the workers. When dismissals become necessary, the workers who have been employed in the undertaking for the longest time and those having families dependent upon them shall be retained in employment in preference to others. All controversies arising in reference to dismissals shall be decided by arbitrators nominated in the manner prescribed in the last preceding Article.

12.

Whenever the special conditions of any industry shall so require, and particularly when there shall be any great difference in the method of carrying on any given industry in different parts of Italy, the regulations to be issued in pursuance of Article 3 hereof may provide for the establishment of more than one Commission of Control for the same industry, and in such case the number of the representative bodies of employers shall be correspondingly increased. The expenses of the Commissions of Control shall be borne as to one half by the employers and as to one half by the workers. The rate of contributions and the manner of collecting the same shall be determined by special regulations to be issued in pursuance of Article 9.

The Discussions in the Supreme Council of Industry and the Permanent Committee of Labour.

The proposal of the Government reprinted above was discussed on January 22nd by the Supreme Council of Industry. The employers, who were represented by the deputies Miliani and Olivetti and by Messrs. Perrone, Quartieri, Bocca, Tarlarini, etc., immediately presented to Mr. Alessio, the Minister of Industry, a general declaration of principle in opposition to the Bill and formulated their reservations in the following motion:

The employers on the Supreme Council of Industry, before proceeding to the consideration of the proposed Bill; recalling that the employers' associations have almost all accepted the principle of control by categories of industry, desiring thereby of introducing more peaceful conditions, but also pointing out the danger to the development of industry constituted by this reform; seeing that industry is passing through a crisis, which is aggravated daily in the most disturbing fashion and which is caused by the
reaction of world economic conditions on each country and by our present unfavourable position; and that any reason for disturbance added to these economic causes will only make the position worse; the members of the Supreme Council of Industry, while adhering loyally to the principle of control, consider it their duty to draw the attention of the Government to the necessity of proceeding with the greatest prudence in the determination of the method of application of a reform which attacks the basic principle of the technical and economic evolution of production.

The Council then proceeded to examine the clauses of the Bill. The first clause was accepted without opposition, but objections were raised to the application of control to hotels and similar industries, provided in Article 2.

The representatives of the employers pointed out that Article 3 prescribes control by categories of industry, while Article 4 introduces control into particular undertakings in a manner likely to prejudice their good working and good order. They also observed that the functions of the delegates of Commissions of Control in particular undertakings and the internal committees already in existence would overlap. "The Bill," they said, "seems to ignore the existence of internal committees and factory councils, recognised and in operation for some time in the greater number of industrial undertakings; will the two delegates, who, according to the provisions of the Bill, should represent the National Commission of Control in each undertaking, be added to the existing Internal Committee or be substituted for them?".

The employers objected especially to the powers conferred on Commissions of Control by paragraphs a, c, d, e and f of Article 5, namely, information as to methods of buying and the cost of raw materials, methods of administration and production and the constitution of the capital. They declared that these details could not be published, since secrecy concerning them is one of the principal elements of success in the industrial sphere.

The employers also raised the most serious objections to the provisions of Articles 10 and 11 regarding employment exchanges and the discharge of staff. They insisted on the difficulty of accepting the principle of registration in chronological order and appeared dissatisfied with the restriction of their freedom by Article 10, which obliges employers to engage the workers which are sent them unless they have been convicted of grave criminal offence or been discharged on disciplinary grounds from the same undertaking which they seek to re-enter. They proposed to add to the reasons for refusal to engage, unpunctuality, inadequate product and notorious idleness in workers. At the end of the discussion the employers laid before the Ministry several motions and amendments which Mr. Alessio undertook to consider 7.

7 The General Confederation of Industry, in a meeting held at Rome on January 30th., discussed the Government's Bill for the control of industry and unanimously approved a motion refusing to support the Government's policy.
The Bill, as approved by the Cabinet, with the alterations made by the Supreme Council of Industry, was presented to the Permanent Committee of Labour, which commenced its consideration on January 28th. The discussion, which lasted several days, was opened by a protest from Mr. Cabrini, who complained that the Permanent Committee of Labour had only been consulted after the Supreme Council of Industry, and that it had never been invited by the Government to co-operate in the preparation and drafting of the Bill.8

Note 7 (contd).

"The General Confederation of Industry, in confirmation of earlier resolutions:

"Considers it its duty to call the attention of the Government, Parliament and the country to the economic crisis through which the world is passing, of which Italy is only beginning to feel the first effects, and to the danger of upsetting the present economic system, which will only aggravate the effects of the crisis and the difficulties of remedying them;

"Declares that the greatest possible freedom is indispensable to individual enterprise for the technical and commercial development of production, that it is only on these conditions that Italian manufacturers can cope with their present difficult situation, and that all further causes of upheaval must be avoided if capitalists are not to continue their failure to support industrial undertakings, if the mistrust of Italy manifested abroad is not to be accentuated and the industrial position of the country to become more serious;

"Recalls that other countries, where the results of novel social experiments have been experienced, have now given up these experiments, recognising that political theories lead nowhere, and that economic reconstruction is only possible by the united effort of all forces;

"States that the present economic system is in progress of re-establishing an equilibrium between consumption and production without the recourse to new social institutions which is said to be necessary;

"Considers that in view of the present economic situation it is wise to defer the introduction of a reform demanded when conditions were entirely different, also that the proposal for industrial control put forward by the members of the Joint Commission set up by the Ministerial Decree of September 19th, 1920, represented the maximum that can be admitted without involving disaster, and actually provides the means for establishing class co-operation.

"The General Confederation of Industry consequently instructs all its representatives and all employers' organisations to pursue at all costs the policy outlined in these conclusions, in order to avoid any responsibility for the grave consequences to the country of an economic upheaval;

"And states on the other hand that the General Confederation of Labour and the Socialist Party are increasingly making apparent the revolutionary, destructive and spoliatory nature of the control they propose to establish.

"It declares that the Government's proposal, by forcing employers to submit to the control of their workers, takes no account of the working conditions of management in certain industries; that instead of attaining the ends it has in view, namely, co-operation between employers and their employees, by removing all possibility of contact between them, it opens the way to renewed and serious pretensions on the part of the workers and introduces new elements of disturbance into production, which was beginning to right itself.

"And for all these reasons it decides that it cannot support the system proposed by the Government."

8 This protest was received with applause by the meeting, which unanimously passed the following motion, proposed by Senator Abbiate:
Mr. Targetti, the engineer, representing the employers, then made a long declaration enunciating the reasons for which the latter opposed the establishment of control.

During the discussions, which were very animated, the Committee endeavoured to reach agreement between the employers and the workers on the principal points of difference. The Senator Bergamasco declared himself in support of control, on condition that greater liberty was left to industrial undertakings in buying and selling. Mr. Reina pointed out that the Government's proposal, as against the tendency manifested by the workers' and employers' proposals, limits control to the power of the workers to know the conditions of development of the industry, while the employers and workers consider that control should have in view the regulation of internal conditions in the interest of the community. In his opinion the first clause was not sufficiently complete; on the other hand, he did not consider the fear of the employers, that the liberty of management of undertakings would be limited, to be well-founded.

Mr. Targetti recalled that the proposal for control and the social agitation arose in Italy at a time when industry was flourishing thanks to war production. To-day industrial profits were extremely small, and the workers had less to gain by obtaining control. He was therefore in agreement with Mr. Reina in demanding a more explicit definition of control.

Mr. Cabrini pointed out the political aspect of control and the importance of the movement which tends to give the system of production a constitutional form.

Senator Saldini, the Chairman, maintained that control should neither harm nor limit freedom of decision for the management of undertakings.

Mr. Turati, leader of the Left wing of the Socialist Parliamentary Party, agreed that the management of undertakings should be left entirely free, adding that when the workers wished to establish their own industries, they adopted the co-operative system, under which technical management enjoyed the greatest liberty of action. The Committee agreed with Councillor Baldini that the Bill should

— 24 —

Note 8 (contd).

"The Permanent Committee of the Supreme Council of Labour, before proceeding to discuss the Bill for the Control of Industry, in consideration of the special powers conferred on it by law, of the fact that it includes both employers and employees, and of the work which it has accomplished during the seventeen years of its existence, regrets that it was not invited to co-operate in the preparation and drafting of so important a measure. In order that the intervention of the Permanent Committee of the Supreme Council of Labour, coming after the Supreme Council of Industry has been consulted, may not be interpreted in the country as a one-sided expression of working class opinion, as opposed to that of the employing class, the Permanent Committee again declares that it is specially competent to consider and solve labour problems by the agreement and co-operation of the producing classes."
be preceded by a Preamble defending collective interests in principle against private speculation.

The work of the Committee ended after its tenth session, the workers' and employers' representatives having reached agreement except on the clauses in the Government's proposal relating to the engagement and discharge of labour. The employers declared that they could not admit any limitation of their freedom in choosing workers from the registers of the employment exchanges and that they rejected the regulations concerning the discharge of staff, in cases where reduction became necessary. The workers, meantime, supported the Government proposal, with a few modifications in the direction of the proposal of the General Confederation of Labour.

The functions of the workers' internal committees, already in operation in industrial undertakings, but not mentioned by the Government proposal, were defined. The committees were not to interfere in control, but would elect the Commissions of Control for each category of industry, six members being appointed by the manual workers' representatives, and three by those of the engineers, technical and clerical employees, on the principle of proportional representation. Moreover, the internal committees were to intervene for purposes of conciliation in disputes between the workers and employers, before work was suspended.

The establishment of a Council of Industry was decided on, comprising representatives of the workers' Commission of Control and the Employers Commission in equal numbers as well as delegates of the Supreme Council of Labour, of the Chambers of Commerce and of the Central Committee of Co-operative Societies.

The Council of Industry was to consider and discuss the reports and proposals of the workers' Commissions of Control. It had the right to obtain through the inspector of labour the necessary information in order to come to decisions with full knowledge of the case.

The duties of the Commission of Control in each category of industry were thus described: "To make known the condition of industry in its technical, economic and financial aspects and its development in relation to the needs of consumers; the economic and hygienic conditions of the workers, as well as their opportunities of education; statistics relating to raw materials and stocks on hand; faults in the industrial system, and improvements proposed in the interests of industry and of the workers".

Mr. Cabrini was instructed to draw up a report mentioning the points on which agreement had been reached, and those remaining in dispute. The two parties were unanimous in recognising that the Italian Government should take the initiative of proposing that regulations concerning the reduction of staff in times of crisis should be the subject of an international agreement.

The President, Senator Saldini, and Mr. Turati were
instructed to notify the Minister of Labour, Mr. Labriola, and the Premier of the decisions of the Committee, so that the question of control might be submitted for the consideration of the Supreme Council of Labour. It was resolved to request that the Supreme Council of Labour should hold an emergency meeting for this purpose\(^9\), but it was decided that in the meantime the Permanent Committee of Labour should hold another meeting to endeavour to reach agreement between the employers and the workers on the two points still in dispute.

**Press Criticisms**

When it appeared in the press at the end of January the text of the Bill received very severe criticism and comments. Only Government papers (*Tempo, Stampa*) congratulated the Premier on having maintained the attitude which had given rise to the publication of the decree of September 19th, 1920, and declared that the Bill, in spite of some faults of form and detail, met all the actual needs of the political and social situation. The principal organs of Italian public opinion considered that the proposed reform endangered the industry of the country, while the socialist press accused the Government Bill of taking too little into account the demands of its party, and gave it the name of “Controllo a scartamento ridotto” (control on narrow lines).

The *Corriere della Sera*, a Milanese Liberal paper, considers that the method proposed by the Bill of informing the workers of the conditions and functions of industry is very complicated, full of dangers and causes of dispute, and that, in fact, it constitutes “the acceptance of the trade union principle of control”. It adds:

To-day control as it is understood by the trade unions is very different from control established by categories of industry and by means of joint councils of workers and employers entrusted with the consideration of questions of wages, hours and other conditions of labour, in relation to the general economic position of the industry. On the contrary, the Government Bill subjects each industry to the perpetual control of two delegates appointed by a committee outside the undertaking, and of trade union origin. To carry out their mission these delegates will have to intrude continually in a more or less irritating and dangerous manner in the most delicate questions of industrial administration. The Bill substitutes for internal committees appointed by the workers of each undertaking, whose functions are limited to labour questions, strictly speaking, pseudo-commissioners, who have no interest in the undertaking and who are appointed by the “organisers” of the opposition to the employers. There is no question here of social peace. The end in view seems rather to be the strengthening of the trade unions, even at the risk of ruining production.

\(^9\) The Premier acceded to this request: the Supreme Council of Labour met at the end of February to discuss finally the Bill and the amendments proposed by the Committee of Labour.
The Giornale d'Italia, of Rome, writes:

It is doubtless an excellent thing that the workers — manual, technical and administrative employees — should have exact information as to the progress of the industry. The shareholders, who are kept in ignorance by the directors in order to deprive them of a large share of the profits, will also find this useful; but it would be absurd, on the pretext of giving exact information to those concerned, to hinder the legitimate activity of the manufacturers and subject them to the arbitrary and irritating interference of men capable of making illicit use of the delicate functions entrusted to them. In the general interest the thorny question of control of industries should be handled with tact, judgment and moderation. If this is the case, the distrust of foreign capitalists, which has had a disastrous effect on our credit, will rapidly disappear. National capital will be encouraged to support national undertakings and by inaugurating an important and excellent social reform, Italy will help to introduce peace and concord into the relations between capital and labour. If, on the other hand, we are carried away by imprudence and the demagogic spirit, the present economic crisis will be aggravated and will overwhelm the industry of the country. We must go carefully and avoid a false step.

The Sole, organ of the Milan Chamber of Commerce and of several employers' associations, is frankly opposed to the Bill.

Italy will be the first, and probably the only nation to introduce trade union control of industry, and the Government chooses a moment of crisis to propose such a step. We do not hesitate solemnly to protest and to point out the new and grave dangers to which the Italian economic system is exposed. One might agree that the question should be submitted to an International Labour Conference, and that the Italians should there defend the principle of control, in order to gain its acceptance by all other nations. But if we are the only ones to adopt it, even in a slightly attenuated form, we are precipitating the most deplorable results. Foreign capital will ever after avoid our undertakings, and the capital which is already invested in them will be withdrawn. Many companies and industries will liquidate their undertakings and advise their shareholders and supporters to invest their capital in commercial concerns or those not subject to control. Holders of industrial bonds will try to get rid of them. All industrial enterprises will be abandoned, for no one will care to undertake their management, and the most capable men will offer their services to other nations, where more respect is shewn to the spirit of individual initiative, to property and willingness to work.

The bill for trade union control of industries is not the natural result of an economic situation demanding new measures, but the sad expedient of an opportunist Government, which despises legal methods and has been unable or unwilling to withstand a gust of suicidal folly.

This paper also recalls what occurred in France, where, "when workers' control in industry was decided upon, the Government of the Republic did not hesitate to support the manufacturers in their opposition to control".

The Economista d'Italia, a Roman daily paper, considers that commissions of control should be the subject of an international agreement.

A reform of this kind threatens to be even more inconvenient than that of the eight-hour day. Its worst consequence could nevertheless be avoided if an international agreement compelled its simultaneous application in all the chief industrial countries. But this is not the case.
If Italy is the first and only nation to put into practice workers’ control in the factory, all our industrial activity will be checked and fall into decay. All efforts to limit, define and regulate control will be powerless to prevent its extension and increase in strength, especially if, as is inevitable, the socialist — or, even worse, the “communist” — element succeeds in permeating it.

This paper further speaks of the expense which will be involved by the different organisations, councils and commissions of control, and concludes:

This reform is too important to be adopted hastily. It deserves serious consideration. The effects and reactions of each provision of this Bill should be quietly and conscientiously studied. In such a sphere and at such a moment a leap in the dark would be pure folly.

The Idea Nazionale, the nationalist organ, violently attacks the Government, accusing it of wishing to annihilate Italian industry by a law which “creates in every branch of industry a one-sided council of workers, authorised to impose its will through its delegates on every undertaking, thus hampering the action of the employers in their efforts to cope rapidly with the effects of the coming crisis, making them slaves of the rank and file of their trade, and taking from them the will and mental energy necessary for their work of reconstruction”.

L’Avanti, a socialist paper, publishes an article by Baldesi, secretary of the General Confederation of Labour, to the following effect:

The ministerial Bill for the control of industries will satisfy no one, like all compromises, which, wishing to attain their end and fearing the consequences, vacillate between the wish and action, between their object and the first step towards it. It will arouse the resentment of those who fear to lose some of their authority and have their interests prejudiced, and are therefore opposed to a modest reform, which frightens them like a leap in the dark. On the other hand, it will attract the criticism of those who hoped that the trade union control of industries would result in a definite and final displacement of the politico-economic axis of the system of production, which would not only favour the working class, strictly so-called, but the whole community.

Going on to a detailed criticism of the Government Bill, Baldesi says:

The Bill names 9 categories of industry as subject to control, while that of the General Confederation of Labour provides for the application of control to all industries. The list was drawn up, not by the delegates of the Confederation, but by the Washington Labour Conference.

The Government Bill does not show how the controllers of private undertakings are to arrive at administrative or financial conclusions, if manufacturers and owners are not obliged to manage their undertakings and their private property separately. Nor does it say if the controllers of joint-stock companies have a right to take part in meetings of the boards of directors.

Article 4 of the Bill empowers the commission of control to appoint delegates in each undertaking, but this commission has no authority to choose the men charged with the most important part of control, that which is exerted on the boards of directors.
Baldesi declares that control, as understood by the Government Bill "hampers production instead of assisting it", and he ends by saying that "trade union control of industries is a problem which, once having arisen, can no longer be avoided. Its solution will mark a decisive turning-point in the development of the country.

The *Battaglie Sindacale*, organ of the General Confederation of Labour, points out that "the Government Bill limits the application of control to industry, while, according to the C. G. T., it should extend to all branches of economic production".

The *Domani Soziale*, the *Popolo Nuovo* and the *Corriere d'Italia*, papers of the Catholic party and trade unions (Partito Popolare Italiana) declare afresh and demonstrate that control alone, without profit-sharing, cannot satisfy the masses. Nevertheless, the Catholics realise that the institution of control is legitimate and that if applied with wisdom and caution may produce real advantages. The *Corriere d'Italia* writes:

> It is certain that in view of the present position of affairs and the task assumed by the Government, the application of industrial control in some form or other could hardly have been avoided. It is essential, however, that the introduction of control into industries should not hamper their progress, or imperil the elements of discretion essential in the management of any industrial undertaking. Control should be limited to possession of sufficient data to determine the exact conditions of development of industries, to prevent all excessive profits, which harm the consumer, and all exploitation of the workers. State intervention can be admitted solely for these ends. It is desirable, if not necessary, that industrial development should be re-established on a basis of good faith and sincerity, from which it wandered too often during the period of war production, and that there should be an end of the unjust increase in wealth of directors, as well as of unjustified demands for increase of wages. Within these limits, the exercise of control may be beneficial, but if they are overstepped, there is a danger of involving the country in irretrievable catastrophe.
APPENDIX.

The Bill to establish control of industry, previously submitted for the consideration of the Supreme Council of Industry and the Permanent Committee of Labour, was introduced in the Chamber of Deputies on February 9th. No change was made in Articles 1, 3, 4, 6, 7, 8 and 9, while some slight alterations were made in Articles 10, 11 and 12. The text of Articles 2 and 5 was re-drafted as follows:

ARTICLE 2

Control shall be established separately for each category of industry, namely:

a) metallurgical and engineering industries;
b) clothing and textile industries;
c) chemical and allied industries (manufacture of dyes, soap, sugar, etc.);
d) manufacture of foodstuffs;
e) tanning of hides, working and finishing of skins, etc.;
f) electrical industries;
g) road and sewer making, building, work in wood, glass, pottery and kindred material;
h) land transport;
i) navigation, loading and unloading of ships;
j) printing, paper and allied industries;
k) extracting industries, mines and quarries.

The following are exempt from control: state-managed industries; municipalised industries; new industries during the first 4 years of development, and those employing less than 60 workers.

ARTICLE 5

The Commission of Control shall be entitled to obtain through its delegates information as to:

a) cost of raw material;
b) net cost of production;
c) methods of administration;
d) methods of production, except any information regarding secret processes;
e) workers' wages;
f) the constitution of the capital;
g) profits of the undertakings;
h) observance of labour protection laws and regulations affecting the recruiting and discharge of workers.

Information of a financial or commercial nature should only be supplied concerning operations already complete. Information received by delegates must never be communicated to any person outside the Commission of Control.

The Report accompanying the Bill briefly summarises its antecedents and declares that it was so drafted as not to hamper production, but with a view to establishing it on a firmer foundation and assisting its development. The Bill was submitted in turn to the Supreme Council of Industry and the Permanent Committee of Labour. The former proposed certain modifications, the latter brought forward a Bill, drafted by itself, which omitted any regulation of engagement or discharge of labour, as the employers' and workers' representatives had been unable to agree on this question.

The Report continues: "As a result of the discussions of the above-named bodies and taking into account the observations and proposals of the two principal organisations of employers and workers, the Government drafted the final text of the Bill".

The Report then describes how, in other countries, workers' control of industry has already been instituted by
In Austria, it is regulated by the Works Councils Act of May 1915; in Germany by the Works Councils Act of February 4th 1920; in England, National and District Joint Councils are commencing operations; in America the activity of Works Councils is steadily extending, and in Norway there will shortly be in operation Works Councils, District Councils and a Supreme Council of Industry and Commerce, representing both workers and employers, whose duty it will be to stimulate production and regulate the progress of industry. The example of these countries is gradually spreading to others.

The Report continues: "The Government does not propose the establishment of Works Councils or similar legislation. It seems more desirable that control should be exercised by categories of industry in order to avoid a dangerous antagonism between the works or factory council and the other organs of industrial undertakings, also because an organisation which controls a whole branch of industry is the better able to safeguard the interests concerned and to reconcile the requirements, development and perfecting of production with the demands of the workers".
STUDIES AND REPORTS
already issued
Where the English or French text of a Report has not yet been published it
will be issued at a later date.

Series A


16. Tendencies of European Labour Legislation since the War, issued February 11th 1921. French and English.

17. The Growth of Trade Unionism during the Ten Years 1910-1919, issued February 16th 1921. French and English.
Series B


" 2. PAPERS RELATING TO SCHEMES OF INTERNATIONAL ORGANISATION FOR THE DISTRIBUTION OF RAW MATERIALS AND FOOD STUFFS, issued October 5th. 1920. French and English.


" 5. THE ESSEN MEMORANDUM ON THE SOCIALISATION OF THE COAL MINES IN GERMANY (6 Nov. 20), issued 28th January 1921. French and English.


Series C

No 1. BRITISH LEGISLATION ON UNEMPLOYMENT INSURANCE, issued October 26th 1920. French and English.

" 2. GOVERNMENT ACTION IN DEALING WITH UNEMPLOYMENT IN ITALY, issued October 27th 1920. French and English.


" 5. THE ORGANISATION OF UNEMPLOYMENT INSURANCE AND EMPLOYMENT EXCHANGES IN FRANCE, issued February 21st 1921. French and English.

Series D


Series E

No 1. COMPENSATION FOR WAR DISABLEMENT IN FRANCE. ACT OF MARCH 31st, 1919, issued February 28th 1921. French and English.

Series F

No 1. CANCER OF THE BLADDER AMONG WORKERS IN ANILINE FACTORIES, issued February 23th 1921. French and English.

Series H

No 1. CONSUMERS' CO-OPERATIVE SOCIETIES IN 1919 (Denmark and Sweden), issued September 8th 1920. French and English.

Series K.

No 1. First international congress of landworkers' unions affiliated to the international federation of trade unions, issued November 1920. French and English.


" 4. The eight-hour day in Italian agriculture, issued December 10th 1920. French and English.

" 5. The eight-hour day in agriculture, before the French Chamber of Deputies, issued February 10th 1921. French and English.