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Comitati d'azione per la
universalità di Roma

Constitution and functions
of the corporations

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PREFACE.

The Law of Corporations on which the interest of the entire world is centred, has now been definitely explained, in its spirit if not yet in its particular developments, in the ministerial report submitted to the Senate and drawn up by the Head of the Government and Minister of Corporations as well as in that drawn up by one of the four leaders of the March on Rome, Cesare Maria De Vecchi and in the speech delivered by the Duce in the Upper Chamber. The guiding conceptions, the ethical and political essence of the law, and more so, its full and unmistakable revolutionary value, appear clearly determined in those two reports and in the speech which naturally completed the other historical speech delivered by the Duce at the National Council of Corporations on the 14th November 1933 in which the entire historical and typically Fascist genesis of the proposed law is included. In fact, if by means of that speech the Corporative revolution was raised to a historical world plane, the two above-mentioned reports definitively interlocked it on the practical and immediate lines of its functions and realization, a rigid juridical basis for which was afforded by the law recently approved.

It is for these reasons that we have integrally reproduced here the two reports and the speech, since by consulting them answers can be found to the many questions that will undoubtedly arise in the minds of students and men of action throughout the world in their attempts to understand clearly the latest development of the Fascist Revolution, a development inevitably and naturally destined to assume an universal character and substance.

REPORT OF THE HEAD OF THE GOVERNMENT
MINISTER OF CORPORATIONS ON THE DRAFT LAW
INTRODUCED TO THE SENATE FOR THE CONSTITUTION
OF THE CORPORATIONS

The Regime felt since the beginning of the year XI. that the time was ripe for a further and decisive step towards the completion of the syndical and Corporative system.

Seven years after the passing of the fundamental law dated the 3rd April 1926, the structure of the system based on that law could not be constituted. The principal reason for the delayed institution of these organs was due to the new historical experience that was being gathered. It was thought that higher and more complex developments of the system could not be promoted before its foundations, namely, the syndical organisations, had been entirely consolidated and unless these had brilliantly passed the hard test in the struggle against economic difficulties. It appeared necessary, therefore, to proceed with caution and to wait until the experience of syndical life had clearly shown the path to follow.

But when the institutions forming part of the syndical organisation began to function regularly and afforded evidence that they had attained the aims for which they were created besides fully justifying the confidence that the country reposed in them, it appeared evident that the time had come to resolutely pass over from the syndical to the Corporative phase by constituting those Corporative organs already foreseen in the law of the 3rd April 1926 and that certainly represented the most original and constructive conception of the social economic system the foundations of which had been laid by that law.

The question of Corporations formed the subject of a first and preliminary examination by the Central Corporative Committee in May 1933. Since that first examination of the question, it was clearly understood that the starting point for its settlement should be made from the law then in force both because that same law had laid down certain fundamental principles which it was necessary to leave untouched as well as owing to the fact that a change of the positive rules governing the subject might have easily led to a deformation of the entire syndical and corporative system.

The general guiding principles to be followed in the constitution of the new organs were therefore decided on the foregoing bases.

The three fundamental principles

The question was subsequently fully and amply discussed under every aspect, both general and particular, by each section and later on by the general Assembly of the National Council of Corporations.

The discussion was centred on three fundamental problems, namely in what way were the Corporations to be constituted, how many of them were to be formed and what functions were to be assigned to them.

In the course of the discussion various tendencies were outlined which considerably helped the concrete settlement of the question.

A settlement was reached on the 13th November 1933 Ann. XII when the Head of the Government introduced to the General Assembly of the National Council of Corporations the following resolution:

«The National Council of Corporations defines Corporations as an instrument, that under the aegis of the State actuates the integral, organic and unitarian discipline of productive forces with the object of developing the wealth, political power and the welfare of the Italian people:

« Declares that the number of Corporations to be constituted for the principal branches of production should be as a rule adequate to the real necessities of national economy.

« Decides that representatives of the State Departments, of the Fascist Party, of capital, labour and technical skill should be included in the direction of Corporations.

« Assigns to the Corporations conciliatory and consultative specific functions which are obligatory in questions of great importance and, through the National Council, the power to issue laws regulating the economic activity of the nation.

« Leaves the Grand Council of Fascism to decide upon further developments of a politico-constitutional character that will derive from the actual constitution and the practical functioning of the Corporations ».

On the following day, the Head of the Government delivered a long speech at the same Assembly in which after having resumed the origin and the genesis of the prevailing economic crisis, he affirmed the necessity that contemporary economy should be disciplined and alluded to the tasks that the new organs, namely the proposed Corporations, were called to perform.

The great enthusiasm aroused by that speech, both in the Assembly of the Council and throughout the entire country, showed that the

ideas developed in it formed the corner-stone on which the new edifice should be built.

These ideas, in fact, and the resolution referred to above, faithfully reproduce the draft law that, as it is known, was framed and approved by the Grand Council of Fascism in the session of the 9th December 1933.XII.

It consists of 15 articles regulating the presidency, composition, organisation and functions of the proposed Corporative organs and it has its starting point from the Labour Charter, the Law dated the 3rd April 1926, and the Royal Decree dated the 1st July 1926 which designated the juridical framework of that institution but did not fix the limites of its field of action.

As regards the institution of the Corporations (Article 1.) the only innovation in respect of existing laws, relates to the form of the decree of institution which must be issued by the Head of the Government on the proposal of the Minister of Corporations (instead of by the latter as laid down in Article 42 of the Royal Decree dated the 1st July 1926) advised by the Central Corporative Council.

The Corporations will be presided (Article 2.) by Ministers or Under-Secretaries of State or by the Secretary of the National Fascist Party appointed by decree of the Head of the Government.

The object of this provision is to assure that each Corporation should be presided over by the heads of the various Departments concerned according to their special competence and to the specific field of action of each one of them. The attribution of presiding functions also to the Secretary of the National Fascist Party assumes a high political value when it is considered that most important attributions in the syndical and corporative fields are assigned to the Fascist Party and that in the Fascist State the political and economic orders are knit together by indissoluble ties.

As regards the composition of the Corporations (Article 3.) the draft law refers to the Decree of institution which will determine the number of members forming its Council and the proportion of them to be designated by each of the Associations forming part of it. Such designations must be sanctioned by a Decree of the Head of the Government issued on the proposal of the Minister of Corporations.

As in the Corporations category units of different branches of economic activity can be represented, Article 4., provides for the formation of special sections within the Corporation the deliberations of which must be approved by the Corporation itself.

This provision is intimately connected with that of Article 6. contemplating the institution of Corporative Committees for regulating the economic activity of particular products. Representatives of the economic categories of the State departments concerned and of the National Fascist Party are appointed members of the said Committees.

The deliberations of the said Committees are submitted for the approval of the competent Corporations and for that of the General Assembly of the National Council of Corporations.

The above two provisions should be considered as a temperative modification of the principle assumed as a basis for the institution of the Corporations.

The basic principle of the draft law

The resolution introduced to the National Council solved the dilemma between the two opposed ideas of category and of the productive cycle, and affirmed the principle of the great branch of production which forms the basis of the present draft law.

This principle, while assuring to the Corporation that vast organizing basis which constitutes the presupposition of the continuity and efficiency of its functions, avoids the inconveniences natural to the two opposed ideas of category and production.

Had the former been followed all the contrasts between the opposed professional categories of the employers and the employed would have again cropped up unchanged and besides it would have hampered every fruitful action on the part of the Corporation in the economic field, principally as regards agriculture in which economic activity has an absolutely unitarian character and consequently relations between the syndical framework of the professional categories and each kind of production are lacking. The idea of separate products would on the other hand have led to the institution of an excessive number of Corporations and provoked unsurmountable problems as regards organization.

The principle of the great branches of production while avoiding serious inconveniences assures the advantages of both the above-mentioned ideas.

However, in order to prevent that the institution of the Corporations based upon the above-mentioned principle should lead to an inflexible system and at the same time to provide a safeguard for particular economic interests connected with each economic category and with the various products, it was deemed opportune to introduce the two provisions referred to. They in fact foresee the possibility of a further specification in the organisation and the functions of Corporative organs both in respect of the category and of the product.

The category sections

The Sections of Category, which are instituted only in case of justified necessity, are meant to safeguard the individual and to protect the particular interests of the various economic categories operating

in the same branch of production and which are represented within the same Corporation. In other terms, the Sections will act as Corporations of Categories within the ambit and the limits of the vaster Corporative groups corresponding to the principal branches of production.

Corporative Committees will, instead, include the representatives of all economic categories concerned in a determined productive cycle. They will be autonomous as regards their functions but their deliberations must be submitted for the approval of the competent Corporations and for that of the General Assembly. They can be constituted from time to time when necessary and they can only last for a short time when it is deemed opportune to have them constituted for the settlement of a determined question and have them dissolved as soon as that task is accomplished.

In order to better illustrate the conception of the said Committees some short example may prove useful. The textile industries which form a vast branch of production, could be united in one Corporation but the necessity may arise to create a special organ for each of the single products of that specified branch and in a similar case Corporative Committees may be constituted for silk, for linen, for rayon, etc. Similarly, in the ambit of a Corporation for the mineral industry, a committee may be included specially for sulphur, while in the Corporation for chemical industries, committees specially for nitrogen, colours, etc., may be included.

The provision in Article 5, completes the system by conferring to the Head of the Government the power to order, as regards questions relating to different branches of economic activity, that two or more Corporations be convoked together. Corporations similarly united in dealing with the said questions enjoy the same rights attributed to single Corporations as regards their respective competence.

Corporations are destined to form part of a complex and organic system. They cannot therefore be condemned to live isolated and disconnected and they must collaborate and cooperate every time the necessity for doing so arises. But the provision goes beyond such a practical requirement as it represents united Corporations as a single organ endowed with autonomous functions as regards the different branches for which they have been constituted.

The above organized system — Corporations for the principal branches of productions, Special Category Sections, Corporative Committees for a given product and united Corporations — has the remarkable advantage of being both simple and elastic. It renders possible the creation of a few large Corporations and at the same time it assures a quick and pliant mechanism for their functions. In this way the life of the Corporations is very close to economic reality the numerous and changing manifestations of which it follows.

Autonomous syndical association in the social field

The provision formulated in Article 7, more than with the organization of Corporations deals with the influences exercised in the syndical field as a result of the creation of new organs.

Having accepted the principle that the syndicate must not only survive but, moreover, be strengthened and always assume a stronger individuality, the necessity became evident of assuring to Corporations the direct and effective participation of the representatives of the categories for which they were constituted, and as a result, of granting syndical autonomy to the Associations connected with them.

As regards the question of the relations between the proposed Corporations and the syndical organs, the draft law in this way avoided the two extreme solutions, namely, that of maintaining the *statu quo*, in which case the Associations united by the Corporations would have remained in a condition of dependence too much accentuated in respect of the confederations, and that of the suppression of the latter. An intermediate solution has been adopted whereby the syndical Associations forming part of a Corporation become autonomous in the syndical field while continuing to adhere to their respective Confederations according to provisions that will be laid down by the Minister of Corporations.

The foregoing shows that Article 7, does not mark a departure towards a new orientation of the syndical order but rather a return to its origins. The Law of 1926, in fact, based its system upon categories and Associations of the first grade. The Associations of a higher grade were nothing else but organs of coordination. Two explicit provisions in the law confirmed, in an irrefutable manner, the above interpretation of the system, that, namely, of Article 39., of the Rules forbidding Associations of a high grade to impose contributions on individuals, and that of Article 10. of the said law, granting together with a representative character the power to impose contributions to to other Associations and consequently the representative character was not granted to those that were not empowered to levy contributions.

In practice the system was applied in an entirely different sense. While the syndicate and the elementary Association that should have lived in intimate and continued touch with individuals, gradually lost its importance and became atrophied, the Associations of high grade became stronger and developed.

Now as the syndicate was really the depository of the revolutionary idea and spirit while the Associations of high grade were organs of an essentially administrative and bureaucratic nature, it followed that with the gradual loss of vitality on the part of the category and the consequent increase of power on the part of the Confederations.

Syndicalism lost its revolutionary dash and acquired bureaucratic compactness.

Article 7. is a reaction against this tendency and it is certain that it will bring about the return of Fascist Syndicalism to the proud revolutionary spirit of its origin.

Their functions

Articles 8. and 13. of the draft law deal with the functions of Corporations.

The question of the attributions to be assigned to the new Corporative organs was particularly examined in the course of the discussions that took place within the National Council of Corporations about the question of Corporations in general, as it appeared more serious and hard than all the others. The tendencies that sprung up and the solutions proposed were numerous.

In order to understand clearly the limits of the problem it is necessary to start from the functions attributed to a Corporation by the laws now in force.

Corporative organs, as they were conceived by the law of the 3rd April 1926 and by the Royal Decree of the 1st July 1926, should have had a very limited field of action in as much as the functions attributed to them could not have practically exceeded the sphere of labour relations. The life of the Corporations should have exhausted itself within the social ambit. The Corporations, in other terms, would have been powerless to penetrate more deeply in the sphere of economic relations.

The Law of the 20th March 1930 on the National Council of Corporations left unchanged the functions assigned to Corporations. That law, in fact, only aimed at reorganising the National Council and defining and increasing its attributions. Corporations, therefore were outside the limits that the legislator could not then exceed.

Evidently the powers attributed to the Corporations by the laws in force were entirely insufficient to assure their vitality and efficiency.

It was therefore deemed necessary to attribute to Corporations more consistent functions that those provided by the law now in force and especially to assign to them the powers necessary to act, not only in the field of labour relations, but also in that of all other economic relations.

The present law, in the first place, safeguards the powers and attributions assigned to Corporations by the legislative provisions in force. This appears quite logical when it is considered that the new law is above all a law of development and integration. It proceeds from the construction, already accomplished, to complete and integrate

the Corporative system and it develops an institute the figure of which had already been outlined by the law of the 3rd April, and a principle the power of which was already included in that law, more so in the spirit of the entire system of the Labour Charter.

As a result of the present draft law the Corporation, in the first place, is empowered to lay down provisions for collectively regulating economic relations and the unitarian discipline of production.

This power makes the Corporation an instrument of self-discipline and control of economic activities. It marks the definitive change from the system of economic liberalism to that of corporative economy. The formula used, in fact, embraces in its abstractness the various forms of intervention and discipline in the economic field.

As regards the exercise of the said function, the fact that the request on the part of one of the Associations united to a Corporation is sufficient to set into action the Corporation itself, is worthy of particular consideration.

Article 12. of the Law No. 206 dated the 20th March 1930 subordinates the exercise of the power to lay down rules entrusted to the Council in the field of economic relations on the concurrence of two conditions, namely 1) that such an exercise should be conferred by the Associations concerned concordantly, 2) that the consent of the Head of the Government should be secured. It follows, that if the syndical Associations are not in agreement and they do not provoke the exercise of the power to lay down rules, the Council of Corporation is powerless, the rules laid down by the National Council of Corporations have therefore, their first source in the consent of the Associations. There is not much difference from the agreements that the same Associations are empowered to conclude and submit for the ratification of the Council.

In attributing to the Corporation the power to issue provisions for regulating economic relations, it was, instead, considered opportune to free the exercise of this function from the condition of the concordant request on the part of the Syndical Associations. This provision and that contained in Article 11. practically give a legal character in a substantive sense to the rules laid down by the Corporation.

Article 9. of the draft law provides that the agreements made in pursuance of Article 12. third paragraph. of the Law No. 206 dated the 20th March 1930 by Syndical Associations forming part of a Corporation must, before their approval by the National Council, be submitted to the judgment of the Corporation itself.

Article 10. empowers the Corporation to establish, in the branch of activity it is competent to deal with and according to the provisions contained in the second paragraph of Article 8. tariffs for specified labour, for economic services and for the prices of products offered for the public consumption at privileged conditions.

This provision has the object of explaining that corporative discipline also extends to specified labour and economic services that cannot be disciplined by means of inter-syndical agreements, because face to face with the syndical Association that represents those that supply the labour or the service, there is no other Association representing those who benefit by them because these are dispersed and confused in the indefinite and amorphous category of consumers and as such they lack syndical representation.

It has likewise been deemed expedient to explain that, in the application of corporative discipline, the products supplied to the public at privileged conditions are also included. This provision, the importance of which is so obvious that it is needless to point it out, will justify, when circumstances render it necessary, the control and discipline of these productive activities that owing to the economic and technical conditions in which they are developed render particularly necessary the adoption of an adequate safeguard of collective interests.

Article 11. provides that the rules, agreements and tariffs are subject to the approval of the General Assembly of the Council and that they become obligatory when they are published in a Decree of the Head of the Government to be included in the official lists of laws and decrees of the Kingdom.

A characteristic feature in connection with the above corporative provisions is that in cases of their non-observance the legislative provisions relating to collective labour contracts will be applied.

The consultative function of the Corporation is regulated by Article 12. which empowers the Head of the Government to establish the cases in which the opinion expressed by the Corporation is obligatory and to suppress pre-existing consultative commissions irrespective of the nature of the provisions in force of which they were instituted.

The Corporation is moreover empowered to express an opinion on all questions that in any way interest the branch of economic activity for which it is instituted, any time it is requested to do so by various State administrations.

Articles 13. deals with the conditions for the exercise of the conciliatory function in cases of collective labour controversies.

The constitution of a special Board of Conciliation composed of members from the same Corporation, chosen from time to time by the President having regard to the nature and object of each controversy, is contemplated.

The new synthesis

Article 14. empowers the Government of the King to take the necessary action for the coordination of the present law with the

other laws of the State. The granting of similar powers to those granted to the Head of the Government in Article 12. has been motivated by obvious considerations of a practical character. An accurate and careful analysis of the various administrative procedures contemplated by the existing laws on economic and social questions is needed to ascertain whether in the mechanism of every single one of them the Corporation can be usefully inscribed.

Article 15. finally, contemplates alterations of the organs of the National Council of Corporations. It is evident that these, after the institution of Corporations, cannot remain as they are at present. The ties between the Council and the Corporations must be close and intimate because they originate from the same idea and they have been created for the same aim.

From the analysis of each provision it appears evident that the draft law tends to bring about that collective direction of production that is the most sorely needed remedy in the modern economic world.

It has already been said that « Corporation is disciplined and therefore controlled economy, because a discipline cannot be conceived unless there is a control. The Corporation goes beyond Socialism and Liberalism and it creates a new synthesis ».

The provisions referred to above are inspired by this high idea. They aim at conciliating a two-fold requirement, on one side that of not killing private initiative on the spontaneous force of which the entire economic system is based, while on the other that of avoiding the insane dispersal of wealth fatally implied in a ruthless war.

The geniality and originality of the Italian solution lie in the fact that the direction of production is not imposed from on high and not by an organ or by a body outside any productive activity, but by a Corporation, namely by the same categories because these categories have been revived within the Corporations. In a word the law realizes the conception for which the Corporation was defined the instrument of the organic self-discipline of production.

With these ideas and with this spirit the new law has been framed. framed.

REPORT SUBMITTED TO THE SENATE OF THE KING-
DOM OF ITALY DRAWN UP BY HIS EXCELLENCY
COUNT CESARE MARIA DE VECCHI DI VAL CISMONE,
PRESIDENT OF THE SPECIAL COMMISSION APPOINTED
TO EXAMINE THE DRAFT LAW ON " THE CONSTITU-
TION AND FUNCTIONS OF CORPORATIONS „

An act of will

The law introduced by the Fascist Government for our approval is an epoch making document in the life of the Italian people. And yet, it is not based on either a new or improvised decision and much less is it a non-political attempt to give life to new customs by a method, that would be barren and meaningless, as that of a simple legislative measure. The act of will that is thus accomplished represents, instead, the compliance with a deeply felt ethical necessity, the fulfilment of a solemn promise and the arrival at a milestone on the path of the Fascist Revolution that will certainly prove more useful for its further development than to mark the distance covered for those who can spare the time to look back and measure it.

Fascism advances in steady strides along this path of 1915. Irrefutable evidence is afforded by the entire history of the great movement originated by Mussolini, which now forms a fundamental part of the history of Italy as everybody ought to know. Since 1919, when the March on Rome was accomplished, the leader set the aim to be attained in his numerous lapidary writings and utterances that sowed the good seed since those early days, when the few men that followed him gradually increased in number until they formed the greatest unitarian human current ever recalled in history. What was accomplished is so clear and wellknown that to ignore it amounts to a blameworthy open confession of indifference to ordinary life and of historical ignorance.

The Senate, which represents the active and living expression of Italy's soul with a solid attachment to older traditions than the quite recent Revolution, certainly does not need the re-evocation and the remembrance of such important events in our contemporary history and the mere suspicion of their ignorance would be offensive. It is certain the Corporative Idea originated in the mind of the Leader with the origin of Fascism itself, so much so, that the two are conatural because it was born with the first battle of the Blackshirts.

Although Fascism has been in power for over eleven years, during which the Duce held the Government with a steady and sure hand upholding a doctrine founded on a similar attribution and engaged in a struggle with a similar objective in view, it was only now that he decided to give life to the Corporation. The deepest ponderation and the most careful introspection that wears the spirit were not considered enough even for such a young and ardent movement. Fifteen years of struggles hardly fought, of study improved with tenacity and of hardships serenely borne, were needed. And it was only to-day, when not only the entire country personified in Fascism itself is keenly interested in our events but the eyes of all the world are turned on Italy, when the Great Revolution has filled to overflowing every conscience and when Fascism has laid down foundations worthy of Rome, that columns destined to bear the weight of a larger edifice that will defy centuries are raised, namely, of a new economic and social system essentially political in character.

This law is one of those columns, and others will follow it later on to shape the new institutional structure that Italy and the world expect from the Duce and from the Regime he founded.

After the struggles of days gone by, the Senate certainly remembers that law of the 3rd April 1926, the fourth of the Fascist Era, upon which the economic legislation was based through the recognition and the strengthening of Syndicates to which responsibility towards the State was attributed. That was the first step up on the great stairway.

This idea, like all those destined to become historical, originated and grew in the course of a struggle and the fact that it became a law afforded confirmation of that great principle announced by Mussolini, according to which nothing should exist that was not only against the State but also outside of it. The real and proper Corporations had been announced, advocated and accepted as a necessity, but before they came into existence the adequate form of association was naturally lacking during the continued, gradual and characteristic ascent connatural with the Regime. Some economic organizations, that either pre-existed in Italy or were common to other countries as well, survived, in spite of the fact that they could be compared to old drapery ill-suited to the young combative spirit of the Revolution which they seemed to set back as they were almost exclusively of bureaucratic and administrative character, out of touch with the new spirit and recalled too much class warfare and economic strife among the various productive categories.

These institutions had become obsolete and their formal structures retarded the creative action that was expected to disperse the mists that darkened the clear sky of the new period. Other difficulties arose from the fact that the question was talked about too much with a

great display of doctrinism, often very shallow and involved, which provoked the combative spirit of the new converts to Fascism who, as often happens in similar cases, exceeded the mark. Analysis then threatened to put synthesis on the wrong road. Action and facts, indissolubly bound to the very essence of Fascism, threatened to be nired. Interpretation threatened to precede the law or to suffocate it. Thought became so involved that the clearness of ideas was threatened. In order that ideas can form the foundation of the social life of an entire people they must necessarily be simple and clear and live unaided in spirit before they are shaped into State laws. The darkness was rent and daylight appeared with the speech delivered by the Head of the Government on the 14th November An. XII, at the Council of Corporations. The guiding principles of the Fascist Revolution were again brought out in full light and found the great economic and social movement created by Fascism, which having reached full maturity afforded them their natural outlet and confirmation.

The Duce's resolution

The resolution proposed by the Head of the Government to that same Assembly on the previous day, which is reproduced in the complete and precise ministerial report on the present draft law, already embodied the main points of the same law which could not have been possibly framed in any other way as the path that had to be followed was already marked.

The law does not only revive the ancient Roman «Ministeria» with their «Trades» and «Corporations» but also that undefined romantic aspiration that recalls the Middle Ages, during which the memory of Rome obstinately survived in the remains of similar institutions and which was revived, although vaguely as the result of Christian opposition against the rise and spread of Marxism, during the last century. But the ancient doctrine bestowed by Providence on humanity as a beacon, which although always alight humanity often refused its guidance, is not being revived alone. With it, is in fact united a new scheme organizing modern society along new lines and in opposition to the obsolete world of Voltaire and Marx, of Illuminism, Liberalism and Socialism and based on the absolute supremacy of the spirit over matter which is hereby affirmed from this place. The Duce discovered and pointed out the new path against materialism of every kind which impied that the inhabitants of a blind world uselessly knocked their heads against a wall harder than reality. By such means it will be possible to seek for the causes of what is still obstinately called a crisis, but which instead as we have learned, is nothing less than the phenomenon, equally vast just as it is clearly visible, of the dissolution of the entire world.

Fascism marks an era. The gates of the world that has been surpassed will close behind us and by means of a building of which the present law is an element, we are opening the gates of a new world. Those who are not blind should turn back to look at the world of 1914 and they will find it not less far away than that when men wore powdered wigs, and dressed in embroidered silks with lace ruffles falling in cascades.

The development of the revolution

The idea inspiring this law which, as is always the case, emanated from Mussolini, is quite new and fundamental for the life of the Regime. The main reason why the world has finally realized, if not rapidly at least, the Lord be thanked, wisely, that ours is not an evolution but a Revolution and among the most far-reaching ones in history, is precisely due to the creation of Corporations which are shaped and brought to life by this law.

The Revolution is far-reaching and definite during a long period of time, exactly because it is included within the spiritual realm and affects all the aspects of life. This law crowns one of our revolutionary efforts in as much as it coordinates and regulates all the aspects of life on purely spiritual grounds, thus strengthening that unity which is the greatest and highest boast of Benito Mussolini's achievement. No people could ever attain greatness if they dispersed their energies in the disorganized, disordered and often wild struggle after material interests connected either with economic life among the various categories or with class warfare, but in every case always leading to discord. Unity arises from concord which is connatural with the very origins of Fascism and from the symbol of the Lictor that the Duce gave to it.

A similar conception in its absolute simplicity reaches the highest levels of human thought according to which the essential attribute of a Government's function consists in unity. Every Government that seeks the Kingdom of God in the world even through human society, cannot but aim towards unification as its first fundamental objective.

Government is nothing but the tendency of those who govern towards one end, namely, the common welfare. Unity is so closely tied to the search of common welfare that anything needed towards common welfare is also implicitly needed by unity so that one cannot exist without the other. « *Unumquodque in tantum est in quantum unum est* ».

Thus, the organized crowd or the people, will find spiritual and material welfare only when all are joined together and tend, without dispersal or loss of forces, towards the same end. And the people will do so logically only when all their forces are coordinated. When every individual and every single interest has been set by the State, which

thus unites all efforts, in its proper place according to its possibilities and its competences and skill, labour and every fraction of wealth is profitably employed. The strength of a people and the efficiency for great tasks, follow from the union of all energies.

This is Mussolini's idea; this is Fascism.

Unity is the same as peace, social peace in the pure realms of the spirit. Unity is the same as strength, the combative strength through which every individual or collective activity is merged into one mass, in perfect synchronism without any dispersion of forces, changing the entire people into an army. Admirable in peace time, and it is not difficult to realize how efficient it will prove in the war of Corporations.

But this new institution does not only bring about unity with all its beneficial consequences. The idea of distributive justice, that we can describe as economic and social justice, is by no means a less important foundation of this reform. The useless contests among the productive categories as we said will disappear, likewise the dire and parricidal class war; as every effort will be directed towards the common welfare. Every individual just as every interest, duly coordinated will be able to develop. Every liberal or democratic principle is clearly repudiated but, as anyone can see, every oligarchical degeneration is likewise repudiated especially any shape of materialistic government according to which the possession of wealth becomes a reason for holding power. By means of an institution to which all the productive forces of the country form part on terms of equality with the State, it is clear that power cannot be held except through free will. And here Fascism, according to the old aspiration, finally confers a juridical existence to all its hierarchy and shows them how they can renew themselves within the system.

The aspects of the law

By means of this law the Government has the possibility of constituting the Corporations as homogeneous bodies of all the activities in every great branch of production. Unity and the other beneficial results referred to above, have their origin here. The structure and framework of the Syndicates thus created are such that the single categories will acquire the habit of living in common, which is the most profound aspiration of the law and which it satisfies entirely in every branch. That moral atmosphere will follow in which the collaboration of all the forces of national life will cease to be a purely ethical principle and a more or less vague inspiration, based possibly on very solid foundations of thought and confidence to which we have already alluded but which will always retain the character of a theoretical doctrine.

After having examined the origin of the law we now pass to examine its synthesis as a historical phenomenon.

The law has a skeletonized structure reduced to the utmost simplicity as all fundamental laws should be. If, besides examining its historical and ethical genesis we were to examine the process followed in its drafting, we would find that it was gradually simplified after its different stages of preparation until it was brought before the Grand Council where it was completely, exhaustively and definitely discussed.

Although many social, economic, constitutional and finally political aspects are dealt with, yet the law was reduced to an outline as regards the simplicity of its wording. It is not intended to examine and settle all doctrinal problems and all the cases more or less connected with it that can arise or happen in dissertations, occasionally very sad like those meant to kill time and held at Byzantium when the priority of the Son over the Holy Ghost was debated.

It is really a document of a Roman character. Its simple provisions afford sufficient guidance to those who govern and create and operate Corporations. On the great tracks of history similar simple institutions are of considerable value because they regulate the live question apart from doctrinal side issues.

The legislative text may be divided into four parts.

- 1) The institution of Corporations and their organization in articles 1. and 6.
- 2) The influences exercised by Corporations over syndical organization are governed by Article 7.
- 3) The functions and attributions of Corporations are dealt with in Articles 8. to 13.
- 4) Articles 14. and 15. delegate to the King's Government the work of coordinating the new law with those preceding it and deals with the reforms of the organs of the National Council of Corporations.

The ministerial report on the draft law is already so precise and exhaustive that it renders further examination unnecessary. It is useful to point out, however, that Article 2. settles one of the points raised in connection with the new organs created. By having a member of the Government, including the Secretary of the Fascist Party, as their president, a double guarantee is afforded for the close ties uniting, in the first place the Government of the State and the Corporations, which are State organs while they represent the moral and material interest of the people adhering to it in the most direct and absolute manner possible, and in the second place, one Corporation to another. The above absolute adherence which has a high political value is justified by the considerations made above.

The structure of the new organization

The organic creation founded on Articles 4, 5 and 6 really forms the pivot of the law is as much as it determines the structure of Corporations based on a mixed system chosen from among these dealt with during the preliminary discussions on the first draft of this law. The ministerial report deals at length and with clearness about the structure of these organs and the various tendencies from which the Duce made his choice. It does not appear out of place to repeat, that instead of category or product Corporations from which, as we have seen, class war would have continually and fatally resulted as well as an economic war between the various categories of producers, the Head of the Government discovered the principle of the «great branch of production». Here in perfect accord, the two particular tendencies can co-exist with advantage while their defects and evils are avoided. There will be only a few large Corporations endowed with an unitarian structure that forms the ethic and political basis of this fundamental law.

The principle of State intervention, as a result of this genial and unmistakable solution, becomes a measure of temperance. It is not the State that intervenes but the same associates who created the State organ and who will take action according to the requirements of their interests and only in the common interest.

In every field and among all the people during the present period of crisis the State intervenes in economic and social life. But the Fascist State, instead, only intervenes at the united request of the interested parties and after guiding them towards a common objective through the organization that took shape and life from the present law and those that preceded it. As a result, instead of quieting conflicting interests and contrasts and averting an upheaval by means of a clever system, full harmony is brought about as when many instruments play the same tune, or in other terms a perfect state of balance strong enough to support itself. The provisions of these articles contain the secret of unity.

All the complex considerations made so far victoriously meet the objection, absolutely misplaced and unfounded, that the obstinately anachronistic spirits of Liberalism still advance in connection with the limitation of individual initiative. It is evident that our structure regulates it in such a way that one initiative should not damage another and hence it promotes instead of limiting it. Those wishing to damage their neighbour damage themselves.

We have already amply dealt with Article 7 when we referred to homogeneous bodies framed directly within the syndicates so that categories can get accustomed to live in common and collaborate with all their strength towards a common objective. Provision is made for the activities of the Confederations, which are neither new nor original

and much less corporative organs, not to impede in any way, provided they survive, corporative life. Social and economic forms, that had either survived or arisen and that might have attempted even without success to impede corporative life, have been omitted from the provisions of Article 7.

The grafting of Corporations in the state machinery

The powers conferred to Corporations are governed by the group of articles from 8 to 13. Here, what has been aptly called the Gordian knot of contemporary economy is clearly cut. Here is the organic self-discipline of production. The absolute novelty and originality of such self-discipline is due to the fact, already pointed out, that it does not come from outside nor from a more or less friendly State but from within the Corporation itself which forms a live and substantial part of the State. In the unitarian harmony, individual interests are submitted to collective one. Nature is not allowed to run riot and at the same time stones are not thrown at the moon, but embankments are built so that the waters of the river will not spread and form marshes but, flowing in well ordered canals, they will benefit cultivation.

Article 8, deals with the power of laying down rules which with further developments within constitutional limits may assume in future the qualification of legislative power, when such power is extended without being changed.

Article 10, is the beneficial result of old numerous discussions. Measures of temperance and defence, will, automatically and legitimately representing collective interests, be taken through corporative action in respect of public services. This provision, the importance of which need not be pointed out, constitutes a decisive step towards the control and discipline of similar productive activities which owing to the economic and technical conditions in which they are developed as well as to the extreme delicacy of the services they render, require an adequate safeguard of collective interests.

An comment on articles 14. and 15. is superfluous. They deal with the grafting of the Corporations in the entire organization of the State. The Government will examine all the laws in force on this matter and find out in what way Corporations can be included in the mechanism of each one of them. After competing this hard coordinating task the National Council of Corporations will be raised to those higher destinies already preannounced by the Duce.

Your Commission realizes, that by means of a similar courageous and trustworthy action, a structure is raised, open to the beneficial sun and winds of Italy, that will assure the perpetual renewal of the Regime owing to the continual young lymph that now can flow into it.

Nor is your Commission less certain of the ethical and political strength of this law which is equally revolutionary as it is beneficial and constructive.

With absolute security the Commission spurns any timid fear due to personal or temperamental opinions or to insufficient knowledge of economic and social phenomena.

The above is by no means a hasty anticipation of events but a meditated step towards the light. The law embodies the rules studied, tried and acquired by the Fascist Revolution, that advances with the heavy stride of the mountaineer without stopping, without resting and without stumbling. It is the Fascist organization of an entire people that advances, following the Duce, towards the conquest of the future for itself and for the world.

SPEECH ON THE DRAFT LAW OF THE CORPORATIONS
DELIVERED BY THE DUCE AT THE SENATE OF THE
KINGDOM ON THE 12th JANUARY, 1934, A. XII

Honourable Senators,

Had the subject not been really inexhaustible I would have willingly renounced to address you, the more so, as the law now submitted for your approval has been carefully and profoundly elaborated and was not improvised. Its antecedents will be found in that period that could be defined as the primitive history of the Regime, namely the first meeting of the *Fasci di combattimento* (combative Fascist groups) at Milan fifteen years ago. After the March on Rome the first corporative attempts were the gathering at the Chigi Palace and the Pact of the Vidoni Palace.

Then the law of the 3rd April, 1926 was passed, followed by the Rules of the 1st July, 1926 and by the Labour Charter of the 21st April 1927. The first law on Corporations dates from March 1930.

This law was first examined by the Central Corporative Committee, then it was discussed at the National Council of Corporations, it received its baptism in the course of a long and detailed debate at the Grand Council, it was re-examined at a Cabinet Council and it was submitted to you with a report by the Ministry of Corporations. To the above must be added the report, square as to substance and inspired by loyalty, drawn up by your *retator*, the comrade and Quadrumvir De Vecchi.

Doctrine and experience

This law is not only the result of doctrine. One should not despise doctrine which illuminates experience while experience tests doctrine. Not only doctrine but also twelve years of experience, alive and lived through and practical, daily experience, during which all the problems of national life from an economical point of view, always many sided and complex, were brought before me. I had to face them and often to solve them.

What are the premises of this law? The fundamental ones are the following:

There is no economic fact of an exclusive private and individual interest. Since the day when man resigned or adapted himself to live in a community of his fellow men, no act he accomplishes, starts, is developed or is concluded in him, but it has repercussions that go beyond his person.

Cycle of capitalistic economy

It is necessary to set in history the phenomenon known as Capitalism, namely that determined form in economy known as capitalistic economy.

Capitalistic economy belongs to the last century and to the present one. Antiquity had no knowledge of it. Signor Salvioni's book on this subject is exhaustive and definite. It was also unknown during the Middle Ages when a more or less vast artisan organization still prevailed. Capitalism implies machinery which in turn implies the factory system. Capitalism is therefore connected with the invention of machinery and it is principally developed when energy can be transported over distances and when, in entirely different conditions from those in which we live, a rational and general division of labour is possible.

And it was this kind of division of labour that in the second half of the last century caused the English economist Stanley Jevons to say that «The plains of North America and of Russia are our wheat fields; Chicago and Odessa our granaries; Canada and the Baltic countries are our forests; Australia breeds its flocks for us, America its oxen; Peru sends us its silver; California and Australia their gold; the Chinese grow tea for us and the Indians coffee; sugar and spices are discharged at our ports; France and Spain send us our wines and the Mediterranean is our vegetable garden».

All the above was naturally exchanged for coal, cotton goods, machinery, etc.

The appearance of the limited liability company

One would think that during this first phase of capitalism (which elsewhere I defined as dynamic and also heroic) the economic fact was of a prevalent individual and private nature. The theorists, at that time, excluded in the most absolute manner the intervention of the State in economic matters, and claimed that it should only remain apart while guaranteeing security and public order to the nation. It was also during this period that the capitalistic industrial phenomenon acquired a familiar aspect as regards those who directed it, which

where it was preserved, proved of the utmost utility. There were the dynasties of the leading industrialists who transmitted from father to son not only the factory but also a sense of pride and a point of honour. But Fried in his book «The end of Capitalism», although he limited his observations to the German field, was bound to admit that between the seventies and the nineties these great dynasties of industrialists had already declined and were falling to pieces, getting lost and becoming insufficient. It was during this period that the limited liability company appeared. It should not be thought that a similar company was a diabolical invention or the result of human wickedness. The gods and the devils should not be mixed up with our events very often. The anonymous company originates when capitalism, owing to its increased proportions, can no longer count on the wealth of families or groups, but is forced to appeal through the emission of shares and obligations to anonymous capital, extraneous and indifferent to the enterprise. This is the time when instead of names trading titles appear. Only those initiated by practice in this kind of mystery financial science are in a position to read between the lines.

Senator Bevione in his speech alluded to the «Sofindit» and I think, that many among you do not exactly know what is hidden under the word that has a vaguely barbarian sound. The «Sofindit» is not an industry but a convalescent home where more or less deteriorated organisations are kept under observation and treatment. You will not be so indiscreet, I hope, to ask me who pays for these more or less long treatments.

During this period, when industry fails to place its capital either through its prestige or its power, it resorts to the banks.

When an enterprise appeals for capital to everyone, its private character ceases and it becomes a public event or if you prefer it, a social one.

And this phenomenon that was practiced before the war had profoundly transformed the entire capitalistic constitution, — you can find evidence by reading the book of Francesco Vito «The industrial syndicates and cartels», — and this transformation hastened its rhythm before, during and after the war.

State intervention was no longer spurned but instead solicited. Should the State intervene? There is no doubt that it should but in what way?

Now, during recent times, the forms of State intervention are different, various and contrasting.

There is disorganic intervention, empiric, case for case. This has been applied in all the countries including those which, until the latest times, kept the flag of economic liberalism hoisted.

Communism and americanism

There is a form of intervention, communistic intervention, towards which I have absolutely no sympathy not even as regards space. I exclude, in my opinion, that Communism applied in Germany would have yielded different results from those yielded in Russia! In any case it is evident that the German people would not have it.

This Communism, as it appears in some of its manifestations of exasperate Americanism (extremes meet), is nothing but a form of State Socialism, that is the bureaucratization of economy. I think that nobody of you wants to render bureaucratic, that is to freeze, that which is the reality of the Nation's economic life, a complicated and changing reality connected to what happens in the world and, above all, such that when it leads to the commission of mistakes these mistakes have unforeseen consequences.

The American experiment should be followed with great attention. In the United States intervention in economic matters is direct and sometimes it assumes peremptory forms. These codes are nothing but collective contracts to which the President compels both parties to submit.

Inflation is the path leading to a catastrophe

Before expressing a judgment on that experiment one should wait. I would like to advance my opinion somewhat, and this is it: that monetary manoeuvres cannot lead to an effective and long rise in prices. If we want to illuminate mankind one could resort to what once was known as coin clipping. But the opinion of all those who do not obey empiricism of an economic and social order is quite clear, namely that inflation leads to a catastrophe. Who in fact can really believe that the multiplication of the coinage increases the wealth of a people? Someone has already made a comparison: it would be the same as if by reproducing a million times the same negative of the same person one could think that the population had increased by a million men. Experience is by no means lacking and it ranges from the « assignats » in France to the German post-war marks.

The characters of corporative economy

The fourth experiment is the Fascist one. If liberal economy is that of individuals in a state of more or less absolute freedom, Fascist corporative economy is the economy of individuals as well as of associated groups and of the State.

What are its characters? Or rather what are the characters of corporative economy? It respects the principle of private property. Private property completes the human personality and it is a right and therefore an obligation. So much so in fact, that we think that it should be considered as a social function and therefore that it should not be passive but active and not be limited to the enjoyment of the fruits of wealth but that it should develop, increase and multiply them.

Corporative economy respects individual initiative. It is expressly stated in the Labour Charter that only when individual economy is deficient, non-existent or insufficient the State should intervene. An evident example is afforded by the fact that only the State with the powerful means at its disposal can reclaim the Pontine Marshes. Corporative economy also sets economy in order.

If there is a phenomenon that needs setting in order and should be guided towards certain determined ends, then that is precisely the economic phenomenon that interests all the citizens.

Not only must industrial economy be disciplined but agricultural economy as well (in easy times even some agriculturists went off the rails) also, commercial and banking economy and arts and crafts.

Category self-discipline and state intervention

In what way should discipline be exercised in practice? Through the self-discipline of the categories concerned.

Only during the second stage when the categories fail in reaching an agreement towards the re-establishment of balance, the State will intervene and when it does it will enjoy sovereign rights in this field, because the State represents the opposite party namely the consumer.

The anonymous mass which is not included in appropriate organizations representing the body of consumers must be protected by the organ that represents the collective mass of the citizens.

Somebody at this point might be induced to ask me « And if the crisis were to end? ». My answer is: « More so in that case ». One should not cull the false hope that this crisis will end soon. Its tails will be long. In any case even if, for instance, a general economic revival happened to-morrow and we returned to the conditions of economic latitude prevailing in 1914 that we recalled above, then, more than ever, will discipline be necessary because men who forget easily would then be induced to commit the same mistakes and repeat the same follies.

The popular plebiscite: fight milliards subscribed

This law, Honourable Senators, has now penetrated into the conscience of the Italian people and evidence of that fact was afforded

during these last few days. This admirable Italian people, laborious untiring and thrifty, passed this law by eight milliard votes and each vote was worth one lira; and simultaneously with your debate it was thus shown that the law is not a menace but a guarantee, not a peril but supreme safety.

When the law will become operative

The law will become operative as follows. After its approval, Corporations will be constituted. The Grand Council examined the text of the law in the course of its preceding discussion and defined the character and the composition of the Corporations. When these are formed we shall follow their functioning, which must be easy and not hampered by bureaucracy.

Even in the functioning of these institutions their cost must be taken into account. The result yielded by an institution must be judged in relation to its cost. There should not be an increase of bureaucracy but, on the other hand, it must be admitted that no human organization can be conceived without a minimum of bureaucracy.

After we have seen, followed and controlled the practical and effective functioning of the Corporations we shall reach the third stage, namely, that known as constitutional reform. Only at this third stage will the fate of the Chamber of Deputies be decided.

As you see from what I have already explained and from these short statements, we proceed with great calmness. We do not in any way hasten events because we feel sure of ourselves and because, in as much as the Fascist Revolution is concerned, we have the entire century before us.

**END OF
TITLE**