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The Corporate State

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# THE CORPORATE STATE<sup>1</sup>

By HAROLD GOAD

I AM going to speak to you about the Corporate State, or rather about certain items in the Corporate State, because one cannot possibly deal with the whole subject in a short talk. I am not going to say anything about Fascism or about Dictatorship. There are three things entirely distinct which should never be confused : one is Fascism, the passion for national cooperation which arose in Italy in a period of chaos, spiritual, political, social and economic, after the War—a great wave of emotion with certain vague general principles behind it ; the second is Dictatorship ; and the third is the Corporate State. It is true that but for the dictatorship of a great man like Benito Mussolini the Corporate State in Italy might not have come into being. But these three factors, the Corporate State, Fascism and Dictatorship, are only linked together in the historical sequence of events in Italy. There can be a Corporate State without Fascism and without Dictatorship ; you can certainly have Fascism or Dictatorship without a Corporate State.

The Corporate State is an experiment in a new form of democracy. Some people think it is half-way between the collectivism of Socialism, and Liberal individualism and *laissez faire*, but that is not the right way of looking at it. It has approached the whole political problem from a different aspect altogether. That is the great difficulty—to make people get rid of their old prejudices, their ways of looking from Right or Left, and see things in the problem of government from a new point of view. In the Corporate State there is a very stable balance maintained between the two sides which one may call Right and Left, if one must use the old phrases—Syndicalism on the one hand and Corporationism on the other. I do not like the phrase “ Corporative State,” because it gives the idea that the State is composed of Corporations. It is not ; Corporationism is balanced with Syndicalism in such a way that the word “ Corporative ” is not a true description of the State. On the other hand, you cannot call it a Syndical State, but the word “ Cor-

<sup>1</sup> Address given at Chatham House on October 17th, 1933, Sir Charles Petrie, Bart., in the Chair.

porate," carrying with it as it does in English the sense of the kind of unity that exists in the human body, members acting all together, fairly conveys the significance of this new Italian State. For the Corporate State is partly corporative and partly syndical.

First of all, I want to deal with the syndical organisations. The various orders are briefly as follows. There are the syndicates which may be of either working men or employers; there are the groups of syndicates united together, sometimes in provincial associations, sometimes in national federations, or category federations, as we may call them; these are united once more in thirteen great national confederations,<sup>1</sup> which are the highest of the purely syndical organisations; then you get the corporations which emanate from the National Council of Corporations, which is, as it were, the General Staff of the whole productive forces of the country. The corporations take their being and their power from the National Council of Corporations which consists of members who are delegated by the national confederations—the syndical organisations. You must notice that there are thus two forces, one which comes up from below and one which comes down from above, and that the two are harmonised.

I will begin with describing the syndical organisations. The syndicates must be free and open, not exclusive nor monopolistic; they must be voluntary and, as it were, spontaneous. They are bodies like our trade unions, but they may consist either of working men or employers. A certain number of the syndicates—one for each category in each province—are "recognised." In order to be a recognised syndicate certain conditions must be fulfilled: the syndicate must include at least 10 per cent. of the workers in a certain category in that district, or it must include the employers who employ 10 per cent. of the workers in that category. The syndical organisations are entrusted with operating the national insurances against disease, against unemployment, old age and so on, maternity and child welfare services and, above all, the *Dopolavoro*, that is the after-work association. In every town there is an institute, dependent on the central organisation, but supported by local contributions, which embodies all the recreational, educational and cultural aspirations of the working man. It has both vocational schools and adult

<sup>1</sup> Two of agriculture, two of industry, two of commerce, two of banking, two of land transport, two of sea and air transport, employers and employed in each case, and the thirteenth consisting of professional men who are neither employers nor employed.

educational schools; where very often they teach languages, history or science; and it has a library. Often these institutes are little short of small popular universities. They have choral societies, dramatic societies, sports grounds, and they organise excursions and tours. They get reduced fares on the railways and cheap entrance to the cinematographs. They are great or small societies intended to satisfy the social and educational aspirations of the workers, and they are centred in the local syndicates.

The local syndicates naturally also exist for the defence of the economic interests of the workmen, or, on the other hand, of the employers. They negotiate collective labour contracts, and if the workers' syndicate cannot come to agreement directly with the employers' syndicate it submits the matter to the higher authority for consideration and adjustment between the two sides. These collective contracts are in part national and in part local. Every collective contract consists of two parts. In the first, the national, contract there must be stated its duration, the hours of work, the remuneration in case of dismissal, and so on. In the local contract there must be stated the amount of wages, the special holidays, and so on—in fact all that must depend on local conditions. Anybody who knows Italy knows that it would not be possible for a workman in Sicily, with its semi-tropical conditions, to be paid at the same rate as a workman in Lombardy, with its Alpine hardship of climate. Disputes are taken to the superior associations, to the corporations, and if they cannot be settled there, eventually to the Labour Courts.

Here I should like to point out the superiority of the judge over the arbitrator, in that his decisions are law, and therefore must be obeyed by both parties, and secondly, in that his aim in judging between the working man and the employer is not merely peace or a compromise, but equity. That is an important difference. He considers his judgment not only in relation to the two sides between whom he is arbitrating, but also in relation to the community in general, to the consumer, to the interests of production, and so on.

One of the most important points about the syndicates is that all advantages gained by the recognised syndicate in its negotiations with the syndicate of employers apply to the whole category. That is why they are free and open. If there were special advantages that accrued to this particular type of syndicate, obviously it would not be free and open. There would be

others outside who would be penalised by not being in the recognised syndicate. Because the same advantages accrue to all who work in the category, the recognised syndicate is not monopolistic and the danger of "integral syndicalism" over the whole country—which about six years ago in Italy was a real danger—has been eliminated. These syndicates are open and free even to foreigners who have worked in Italy for ten years, on exactly the same conditions as to Italian workers.

Sixty-six per cent. of the working men and women of Italy are said to be enrolled in these recognised syndicates, and the rest are "represented." I think personally that this proportion is probably as high as it should go, if the perfect elasticity of the whole system is to be preserved. If in any particular branch of industry or category the whole body of workers were in its recognised syndicates there might be a tendency to become exclusive or monopolistic and a temptation to keep others out. We have examples in England in our sheltered industries of trade unions not allowing a fair dilution by new labour. We also know how English union men have protested against the employment of non-union men. These things cannot happen in Italy, because the advantages are the same for those who belong to the recognised syndicates and for those who belong to other syndicates, to the old Catholic syndicates, for example, and for independent workers.

Now I want to speak of the other side—the corporations. The corporations came into existence, both logically and historically, through the National Council of Corporations. Each of the thirteen national confederations was invited to send delegates to a National Council, which was to be a General Staff of the whole productive body of the country. The delegates were to number seven from each national confederation, making twelve for each "section" of production—that is to say, two groups of six for agriculture, two groups of six for industry, and so on, together with the President and a certain number of experts and administrators, making, say, a body of sixteen to twenty for each section, and, including Ministers and other functionaries, amounting to as many as 160 members for the National Council of Corporations (the numbers have gradually been increased).

This body, of course, had been working for some time before it was definitely legalised and recognised. That has always been the Fascist principle. First get your body together and see how it works, then afterwards constitute it and give it powers in accordance with the work that it turns out. In March 1930 the

National Council of Corporations was constituted by law and, in the thirteenth article of the law, authority was given to the Head of the Government to give corporative powers to the seven sections of the National Council of Corporations, whenever he thought fit. They worked in this way for the space of about ten months, and then, by Royal Decree on January 27th, 1931, the sections were given permanent corporative powers. It is constantly said that there are no corporations in Italy. That is because people are confusing them with "category corporations"—another thing altogether. The Corporations have been legally constituted for nearly three years, and before that they worked in an intermittent or informal fashion.

The corporations only intervene to adjust the difficulties between working-men's syndicates and employers' syndicates when invited to do so by those syndicates. That is for the protection of the syndicates against the corporations. They are dependent on the National Council of Corporations, of which they form part, and that is the supreme check on the danger of "corporationism." If they had created these bodies, as many of the enthusiasts for the "Corporative State" wished, they would have run the danger of forming great trusts that could have exploited the nation. Signor Rocco, for instance, twenty years ago—long before the War—was urging corporationism on Italy. We see the difficulty facing President Roosevelt to-day in the great trusts of the United States. There was the same problem of the corporations in mediæval Italy; the Medicis, Sforzas and others owed their power to the support of the people because they kept in control the corporations which oppressed the people. In the system as it now works you have a balance between these two forces. The syndical forces are controlled by the fact that they are free and open and cannot monopolise their gains. There is no longer any question of having a single syndicate for the whole of the Italian workers, which might have led to a state of things similar to that which exists in Soviet Russia. The single corporation advocated by Rocco, on the other hand, might have imposed one great trust on the nation and sacrificed the interests of the consumer. All through, if you study the building up of these organs, you will see the constant conflict and balance that has been kept between these two forces in the Corporate State.

The category corporations are the last hope, one may say, of the corporationists, who would like to make them into guilds for silk or wine or bread, with corporative powers. I do not

think they will have the power that many people wish. I know that Signor Mussolini himself is quite certain of the position they are to hold. They will be "sub-sections of the sections of the Council of Corporations," that is, of the sections which form the present corporations, and they will have no powers to impose regulations on their dependent syndicates except the powers they derive from the Council of Corporations. The Council of Corporations is the national body combining all the interests of the nation, and there is no danger that in it any particular branch—agriculture or industry or commerce or banking—will exploit the rest of the nation, for each section is controlled by all the other sections. As these corporations obtain their power as representatives of the Confederations in the Council of Corporations, they will always be controlled by the authority of the Council, and will never be able to take the bit between their teeth and run the country for the benefit of any single branch of industry or other form of production.

I should like to say something about the Corporate Chamber. The Corporate Chamber is a syndical body, and that is why I think it is a mistake to call it the "*Corporative*" Chamber. If there is a *Corporative* Chamber it is the National Council of Corporations. The political Chamber which takes the place of the old Chamber of Deputies is chosen from lists of names sent up by the national confederations, and they are syndical bodies. It would never do for a Chamber that is to be the political representative of the people to be a *corporative* Chamber, because it would depend on government authority; the corporations are organs of government in so far as they combine both sides, working men and employers, of each section and meet under the presidency of an official of the Ministry of Corporations, if not of the Minister himself. So the Corporate Chamber is not a *corporative* Chamber; it is the political Chamber of the Corporate State and it is a syndical Chamber. The syndicates send up the names of prominent members through the associations or federations, and so to the national confederations, and these are proposed for the national list of Members of Parliament.

There are many advantages in this system, first of all in the type of member who is chosen. He is obviously a man well versed by experience in his own branch of production; he is a successful man who has been tried out in syndical committees. He has represented his syndicate in many of the small battle-fields between syndicate and syndicate, category and category. He is therefore well known to the men of his syndicate; his name has appeared in their syndical magazines and bulletins;

he has spoken to them about his opinions on particular technical points concerning their particular trade. By this method is eliminated that much-abused, often unjustly abused person, the professional politician. You get men well versed and successful in their own departments of production. In consequence there is quite a different type of debate in the Corporate Chamber—more dry, far less rhetorical, with no appeal to passion or party. Each member who has any criticisms to make or amendments to propose to the bills which come before the Chamber does so according to his personal convictions and experience. That is a great advantage. A greater still is that he has a very easy method of consulting his constituents, for they are the members of his confederation, and any bill that may have any relation to that particular branch of industry is often discussed in the syndicates and associations and federations and confederations before it comes into the Chamber. Any members of a syndicate or group of members, workmen or employers, who wish some amendment of the law to be made or some public funds to be applied to a special purpose in their province, may put it before the secretary or some official of their syndicate, and it will then be thrashed out with other officials and other syndicates, and it will have been discussed in its special aspects by these people whom it will most affect before it reaches the Corporate Chamber. In this way time is saved, mistakes are avoided and everyone is consulted in the perspective of his experience and interest in the particular matter which the measure will concern.

It is a form of vocational devolution. We talk a good deal about devolution of parliamentary powers here, such as the formation of a Chamber for Scotland, a Chamber for Wales and so on. There seems to be no reason why the interests of a man in Scotland should be different from those of a man in Wales, but interests on vocational lines are obviously far more likely to unite the miner in Scotland with the miner in Wales, for example. This form of vocational devolution seems to be more practical than any provincial or geographical devolution. It saves the time of the Chamber and makes it possible for an immense amount of legislation to be presented in a form that has already been discussed and reduced to that which is least likely to upset the actual state of affairs, and most likely to fulfil the purpose for which it is intended.

Another important thing, though it is not an innovation of the Corporate State, is that the Cabinet knows no joint responsibility. There are no parties, and the resignation of a particular Minister does not entail the resignation of the other Ministers.

This gives greater liberty to each member to criticise or amend government bills, not according to party lines but according to conviction and technical experience, than in a Parliament where each member is bound to support his party. I think that one could prove that the measures brought into the Italian political Chamber have been far more amended in the Chamber and in Committee than most measures that are brought into our Parliament. Amendments are either accepted by the Minister or not, as the case may be. If they are not accepted they go before one of the six Standing Committees, and are discussed and returned once more to the Chamber. They may have the backing of a corporation or confederation, and if that is so they are given strong support in the Corporate Chamber. It is quite false to say that the consent of the Italian Corporate Chamber is a mere "rubber-stamp" upon the proposals of the Italian Government. Bills are generally passed unanimously or almost unanimously, but they have first gone through a number of discussions in different bodies and have been constantly amended before they take their final form. Yet the work of the Italian Chamber runs into hundreds and thousands of measures that have been put forward and carried for the good of the country. Many Government measures have been so amended that they have been withdrawn; many have been held up for months or even years; but in the final form they have generally proved satisfactory to all, and few members in the final reading have taken upon themselves the responsibility of refusing to vote for them.

If Signor Mussolini had wished to be a dictator for life he would have kept the old inefficient Parliament in being. Nobody trusted it. Everybody would have supported him against it. The fact that he has created a Chamber which enjoys so much of the confidence and backing of the people is a proof of his disinterestedness, and that he wishes not to override the will of the people, but to guide and educate it before he brings it to follow a special policy. He has shown himself in this to be the servant of his people and not its master.

I think we ought to consider how we in this country are dominated by groups—groups in business, groups in finance, groups in the Press which are supposed to educate public opinion, groups in the social world and still more in the world of the working man, groups that impose strikes upon people who have no intention of ruining, as so often happens, the trade of the particular district to which they belong, and all the groups to which we all subscribe, if we have any money, by leaving it in deposit in the banks. The money is used for some purpose;

we have no control whatever, so far as I know, as to what the banker may do with it, and the money of the pacifist may be used to subsidise an armament firm. The Corporate State is, above all, machinery with checks upon every wheel. The wheels of the syndicate operate in the field for which the syndicate was made, namely production and the welfare of the working man and his employer. The confederations and the corporations are kept in their place in balance with the syndicates. The individual is protected against the tyranny of the group, and as time goes on I think there is no question but that if we leave the groups in the world to grow with the immense power that they have behind them to-day in money and the Press, we shall find that their tyranny will become intolerable to us all as individuals. These groups are kept in place by the Corporate State, the object of which is to limit the action of each group to its proper field and therein to reinforce it.

This has been a wide and rather discursive talk, but that is the difficulty of dealing with a subject so immense as the Corporate State. It is not only necessary for the student to look at the machinery as it is to-day and as it works to-day; he must also turn to the vast scrap-heap of discarded pieces of machinery which for one reason or another have been found not to work successfully. If I have said enough to stimulate you to the study of this great new philosophy, this new system of government, I shall have done all that I intended in venturing to address you.

*Summary of Discussion.*

SIR CHARLES PETRIE, THE CHAIRMAN, referred to the lessons which could be learnt from the corporate system. The corporate system was not dependent on any particular form of government. It had been suggested in 1848 as the basis of the Sardinian Constitution, which was of extremely Liberal tendencies, but was then rejected owing to the fact that Italian industry was still in its infancy. Mazzini had been strongly drawn towards the system, being a syndicalist in many of his views. And in France in 1871-73 the Monarchical Constitution put forward had a definite corporative basis with many similarities to the Corporate State in Italy.

The Corporate State was the only system devised in recent years for letting industry run its own show, and it seemed to avoid the three dangers facing industry elsewhere: the danger of impending strife between capital and labour, the danger of a few corporations working to the disadvantage of the nation and the individual, and that of excessive governmental control.

QUESTIONS: Had representatives in the Chamber the right to become heads of departments? What part did they play in the formulation of foreign policy?

MR. GOAD replied that there was no question of deputies to the political Chamber holding office under the Crown unless they were particularly interested in a particular branch of administration. Ministers could always speak in either Chamber. Signor Mussolini in his choice of Ministers had followed the old Italian custom of having an expert in the particular work which the Ministry represented—a General as Minister of War, an Admiral as Minister of Marine, a Professor as Minister of Education, a banker as Minister of Finance, and so on. There had not been much promotion of successful members of the Chamber, and office was not a reward for defence of government policy in the Chamber.

Foreign policy was primarily discussed in the Senate, which also discussed measures of wide scope, such as policy with regard to the Church and with regard to the major lines of education, leaving to the Corporate Chamber the discussion of the more technical questions of internal policy. Any member could bring up a question with regard to foreign policy in the Corporate Chamber, but it was recognised that, except in the matter of commercial treaties, for which there was a special committee of the Chamber, the members of that body were not experts on that subject.

QUESTIONS: How was the Senate constituted and what was its relation to the Corporate Chamber? Did the selection of the deputies on a purely vocational basis imply that the whole Constitution was founded on the principle that the barrister, for example, looked at politics purely as a barrister, and the miner as a miner, while nobody looked at politics as a citizen without any particular vocational bias?

MR. GOAD explained that the Senate had not been changed since the days of the old Constitution. It consisted of life peers chosen by the King at the instance of the Prime Minister, distinguished successful men in all spheres of life. They were most of them old men, and they had to have a certain minimum income. It was therefore a dignified old-fashioned body largely resembling the House of Lords, but without any hereditary members.

A certain tendency towards provincialism did exist in the Corporate Chamber, and each member tended to look upon matters from his own angle, but the mere fact of their having been chosen meant that they were men of a larger point of view, not merely interested in their own work. The reports of debates, which were all published verbatim, showed that measures affecting a certain calling were debated chiefly by members of that calling rather than by outsiders.

MR. J. H. HUMPHREYS questioned the statement that a Corporate State could work without some super-political authority such as a dictatorship. In Italy syndicates could function only when "recognised" by the super-authority. The same authority arranged, in the form of a Royal Decree, all the details of the Corporate system based on "recognised" syndicates. The Fascist Grand Council selected from the nominations of the corporations such candidates as they

chose and did so irrespective of the forces and numbers to be represented. This Council could add candidates not selected by corporations. If a deputy criticised government policy his name could be eliminated by this same Council from the next list of candidates.

No scheme for a Corporate State based on a free Press, free elections, freedom of education, has yet been framed. How could the relations between the different corporations be determined? Who would decide their relative importance, the number of their representatives? Without a super-political authority agreement would be difficult to get. How would a government be formed or replaced? Agreement on national policies in a Chamber composed of deputies taking an occupational point of view would be more difficult to obtain than in a chamber elected by citizens. Man was a spiritual and a political animal as well as an economic animal, and as a citizen he is invited to look at questions from the point of view of a human being interested in national and world questions, and not merely from the narrower standpoint of his occupation. He therefore questioned on broad philosophic grounds the superiority of the Corporate State, even if feasible. A Corporate State in its infancy might be energetic and active, as was the case with other new institutions. But its very basis suggested that it might become more stereotyped than the political institutions of a nation based on freedom and on citizenship. To divide the citizens by State authority into organisations of employed and employers was to give a permanent form to, or at least to strengthen, this division; it was a lower form of human organisation than one in which both were united; and in a free country industrial co-partnership and cooperation had found a place, and could be very greatly extended. There was no problem in government which arose in a citizen State that would not also arise, often perhaps in a more acute form, in a Corporate State if this were based on conditions of freedom.

MR. GOAD replied that syndicates to be recognised need not be in any sense Fascist syndicates; it was enough that they should have given up the resort to strikes or lock-outs, and the original syndicates were simply bodies that, having done this, desired to have their collective contracts legally confirmed. There could be only one recognised syndicate for each category in each province, because it represented that category in the superior associations, and more than one syndicate could not be given a mandate in any particular branch of production. But other syndicates shared in any advantages secured by the recognised syndicate.

The Royal Decree was the sort of Order-in-Council which existed in most countries, including Great Britain. Before the War these Decrees had been much more numerous. Signor Mussolini had seen the anomaly of imposing a law on the country in that way, and had introduced a measure to the effect that unless a Royal Decree were confirmed by the Chamber, the Senate and the King within two years it lapsed and ceased to be law.

As to the membership of the Chamber, it was impossible in almost

any State for any member to be deliberately and obviously against the Constitution of which he was a representative. That every member of the Corporate Chamber accepted the Corporate State as the form of government of the country was an obvious assumption, therefore it must be admitted that for the time being the members were all more or less adherents of the Fascist party, if it could be called a party when it embraced so large a proportion of the whole population. The list of candidates for the first political Chamber had been "hand-picked" by the Fascist Grand Council, and four hundred were selected out of a thousand, but this hand-picking was not likely to take place in the next election, which was due in 1934. It would not be necessary to resort to the safeguards that were used on the first occasion, and the lists of names put forward by the confederations would probably be passed without intervention. The selection of the first Chamber was a matter of emergency.

It was not the aim of the syndicates to keep the nose of the worker to the grindstone, but to widen his view as much as possible. The whole conception of citizenship in Italy was to make every worker conscious of the fact that he had a definite place and part in the State as a whole, but, as in other countries, the miner retained a special point of view and produced a special type of representative in the Chamber different from that of the lawyer or the doctor. A man could be a member of more than one syndicate and be represented both as a worker and an employer, although there were no mixed syndicates. The system of mixed syndicates had been tried and definitely discarded. It had worked during the revolutionary years when workers and employers in certain syndicates were united by a feeling of patriotism, but when peaceable conditions returned the tendency had been for the syndicates to become definitely socialistic, and there had been no confidence for capital investors, profits being all distributed as income instead of being partly added to reserve for the stability of the organisation. So it was felt that until the Government, as the supreme trustee of the national wealth, could intervene in the corporations, the syndicates of workmen and employers were best kept apart. But the federations often seemed to combine and short-circuit the corporations, while the provincial corporative councils were constantly growing in importance, especially in agriculture. But in all experiments of bringing syndicates of employers and employed together for business purposes the Government was proceeding very slowly, letting them combine in recreational and social service matters as much as possible, where workmen and employers shared the same amenities.

MR. HUGH MOLSON said that it was important to keep quite clear the functions of the syndical organisation, on the one hand, and of the corporations on the other. The recognised syndicates were able to enter into collective agreements with regard to wages and labour conditions, which were binding upon all engaged in that industry. In England, the doctrine of liberty was held to entitle a workman

to stand out of a Trade Union, and a Trade Union to coerce that man into joining. In Italy, disputes of this kind, dealing with the open shop or the employment of non-union labour, naturally did not exist. Although usually the recognised syndicates of employers and employed were able by negotiation to come to an amicable arrangement, the effectiveness of the system depended upon there being always in reserve the obligation to accept arbitration by a Court set up by the State. The fact that Unions were obliged by law to keep reserve funds out of which fines had to be paid for the offences of a strike or lock-out, made compulsory arbitration in Italy successful, whereas in Australia it had been unsuccessful because of the difficulty of punishing a recalcitrant Union.

The Corporations had a broader purpose. Representing both employers and employed in the industry, they were responsible for undertaking whatever was needed in the interests of the industry as a whole. This experiment was of special interest, because in Great Britain to-day industries were being compelled to improvise machinery for carrying out the same kind of functions. The marketing schemes of the Government were obliging branches of agricultural production to organise themselves in this way, and the iron and steel industry was obliged to set up a Committee for its own complete reorganisation as a condition precedent to receiving protection.

Throughout the world, it was becoming clear that the old system of cut-throat competition had exhausted its usefulness, and industries were now required to organise themselves. Italy was therefore affording us an example, in the Corporations, of how to produce these self-governing institutions in industry, while in the syndicates it had shown how it was possible to eliminate industrial disputes.

QUESTIONS: How were the district and provincial councils constituted, before which rather than before the National Council the ordinary disputes between worker and employer would come? To what extent did the worker choose the representatives who spoke in his name? Having given up the right to strike, had he any other practical safeguard against oppression? A striking result of the Italian system was the fall in wages of the Italian worker.

MR. GOAD said that he had come to admire the Corporate State from the angle of an old Socialist, and all the principal creators of the Corporate State in Italy had also been Socialists. The new system was felt to be giving more power to the working man to obtain redress of his grievances; the opponents of the Corporate State were usually from the class of employers. Signor Mussolini admitted that capital was necessary for industry and that the demands of the working men to run industries on the Soviet principle would lead to failure in so highly developed a country as Italy.

The provincial corporative councils, where the lesser quarrels were settled, were very much in favour of the worker, and their decisions had certainly been to his advantage. Working men and employers

were equally represented on the councils by seven representatives of the National Confederation of the employers and seven representatives of the National Confederation of the employed.

The crux of the whole question was admittedly the problem of representing the inarticulate workman and peasant fairly. Unless he was given education comparable to that of the employers it was difficult for him to state his case clearly. The peasants were therefore generally represented by some educated man who had been among them and sympathised with them, and the working men were mostly represented by middle class people.

Wages had gone down, but it was on the average only by 15 per cent., while the fall in prices had been over 50 per cent. There was no question that the real wage of the Italian workman was far higher than it had been in the past. One of the great problems was how the old debts and mortgages were to be paid with such a rapid fall in prices. The consumption of meat and bread by the Italian peasant was out of all comparison with that in pre-War days. There was, of course, a good deal of unemployment in the industrial towns, but on the whole Italy was holding her head out of the water to a greater extent than most other countries in Europe and was rejoicing and proud of that fact.

QUESTION: How were the representatives chosen? Was there any definite method of electing them?

MR. GOAD said that except in the primary syndicates it was not by show of hands. A number of candidates were put forward by common consent and the choice was made between them.

DR. MAX SALVADORI said that wages in Italy had gone down by more than 15 per cent. The highest wages paid were 25 lire per day, about half of what was paid in 1925. In the country wages were between 6 and 8 lire a day—about two shillings, whereas in 1925 they were between 25 and 30 lire.

With regard to the Fascist Parliament, it was noticeable that both in Fascist and Anti-Fascist circles this body was held in no estimation at all. The Ministry and the Fascist Grand Council were appreciated—in some circles—but not the Parliament.

MR. GOAD pointed out that 600 lire a month was a good wage at the present price of raw material and food, being the equivalent of £10 or £11 a month. Agricultural wages had gone down, but they were supplemented by payments in kind. In Tuscany, hands were taken on and fed and given a small remuneration. Uncultivated land had also been cultivated by extra hands in return for a remittance of taxation to the farmer employing them. It was not a fair comparison to take the level of 1924 to 1926 as a standard, for at that time there was a boom all over the world, though even so the workman getting 20 or 22 lire a day as a mason or carpenter was well paid, and could buy with it more than in 1925.