

ACE

10000/129/20

18799

NO

10000/129/20

18751

Information Outgoing -
Lakow

NO DATE

14759

LABOUR.

Mussolini's Corporative Syndical System has been swept out of Sicily and all Fascist labor officials who did not flee in July have been removed. The Allied Military Government has set up instead a Regional Labor Office for the Island with subsidiary Provincial Labor Offices. Machinery has been provided for present and future self-determination in making contracts and settling disputes and a frame-work has been established for a free trade and labor association movement.

Two partial exceptions have been made. The Ispettorato Corporativo, the inspectorate of health, hygiene and similar laws for workers, has been kept and transferred to the Regional Labor Office for Sicily. And the substantive hour, wage and working condition provisions of existing collective agreements are still in process of revision and adjustment.

Invasion of Sicily threw a searchlight into the dark caverns of the Fascist labor racket, and the first free press in 22 years has brought strong expressions of public opinion on labor problems.

As of 26 October there had been no strikes or lockouts since the Allied Forces touched down in Sicily. Four important labor disputes which arose between employers and employees were resolved by agreement between the parties after reference by representatives of both sides to the new Regional Labor Office.

But a warning of possible difficulties in store for Sicilian labor is contained in a report of the Labor Division of the Allied Military Government issued this month. "The next phase," says the report, "will answer the question of whether or not the Sicilians will responsibly accept their new challenge of freedom. Much will depend upon the ability of the population and the Allies to meet the need for procurement and supply of food, eliminating the black market, and arresting the rise in the cost of living."

Labor experts of A.M.G., drawn from Britain and the United States, found chaos when they established themselves on the Island. Every important trade and labor association official had fled to Rome, most of them between 8 and 10 July. Personal possessions and correspondence in many cases had been left behind intact. But in each instance a clerical staff remained at work and records were found complete. There was no evidence of pre-invasion sabotage by workers.

But labor itself was in various stages of disorganization. Pre-invasion bombing had completely dislocated industry. Government employees, shopkeepers and domestic workers were variously affected. Agricultural employment was least upset, though cross-country military operations interfered with farming.

The earliest investigations disclosed that the Fascist Corporative Syndical System had been such a maze of confusion, inertia and tyranny that revision was impossible. Wage scales had not been reviewed since 1923. Collective bargaining had become a mockery. Collective contracts had been imposed by decree, without any reference to the workers.

There was general non-compliance by employers, employees, trade unions and associations, except government employees, with wage covenants or wage provisions stipulated in collective labor contracts. The level of wages was found to have depended largely upon supply and demand. Official Fascist commodity price lists were ignored. Cost of living was high.

The black market had become an accepted institution, and so deeply ingrained was the habit of "boot-legging" commodities that it still constituted a grave problem for A.M.G. authorities in Sicily.

"When the cost of living increased the State would add an indemnity for workers. But it would be called an indemnity for bombing, "bombardamento," or for appearing at work, "presenza", not a cost of living wage adjustment or wage increase. The result was a hodge-podge wage structure which started with a low base rate and concluded with an accumulation of indemnities which in many cases represented 60 or 70 per cent of a worker's total income. There was no relation between base pay, indemnities and the job."

"It was found that neither employers nor employees were able to calculate the precise wage due employees. Examination of State Government payrolls disclosed that this confusion was not limited to private employers and employees, but extended also to State agencies (including the Department of Finance) which were unable to give precise calculations of wages due government employees, and admitted they 'just did the best they could'.

One of the first evils abolished by A.M.G. was syndical taxes, of which the report says that: "Dues were collected from payrolls by employers and sent directly to the Ministry of Corporations in Rome, not to the Syndicates. Rome decided how much was needed for the next annual budget of the Syndicates, sent that amount to the Provincial Unions for partition between themselves and the Syndicates, and kept the balance.

"Collective labor agreements were negotiated by the Federations and approved by Mussolini, after which they became the law of the industry involved. Members had no voice in them, no right of ratification. Contracts stipulated hours, wages and working conditions. Strikes and lockouts were prohibited and punishable as crimes."

Sicilian reaction to this, after the Invasion, was rapid and definite, as the report makes clear. "The Corporative Syndical System was openly resented and protested against by the great majority of employers and employees. Syndicates were not labor organizations or trade associations but ... agencies of the Fascist party. The system to the public meant abject slavery.

"They literally asked to be freed from it - not by half measures but by a clean sweep which would leave them free to digest their new liberty and decide on a fresh course of action."

A.M.G. decided, after conferences with pre-Fascist labor leaders, anti-Fascist groups, government representatives, employers and employees, and following an intensive survey of the whole Island, that each group must be left free to build for itself what it thought would best serve its purpose, the social and economic welfare of the Island, and its sense of freedom.

Early problems met by the Labor Division are recounted in their report. During the period of planning in Africa prior to the Invasion, 10 July, no current Italian labor intelligence was available. Information on hand was limited to the approximate number of workers in Sicily, 1939 base wage rates, geographical distribution of workers, a general theoretical description of the Corporative Syndical System, and a list of types of industries in the Island. The only concrete step taken at this stage was the issue of a provisional wage scale to govern pay of civilians employed by the Armed Forces during invasion, based in the main on the experience of the British in Tripolitania plus indefinite intelligence from Italy.

Between the first landing and the occupation of Palermo, 22 July, the Labor Division did not function in Sicily. Labor was handled by Civil Affairs Officers of A.M.G. who were attached to tactical troops. They had many other problems to think about. A proclamation was posted in every occupied city and town, however, freezing wages and prices to 9 July 1943 level. Employment offices were opened in cities where labor was needed by the Navy or Army. Fascist Syndicate Offices were taken over for this purpose. The Forces had no difficulty in procuring labor from the large surpluses available.

During the second phase, after 22 July, a definite labor policy was worked out and established. The first study made was of the labor situation in Palermo Province. As the Allied tactical situation improved, the study was enlarged to include newly acquired occupied territory, until finally, 19 August, the entire Island was in Allied hands.

Two important studies have now been completed. The first is a survey of Italian wage structures and systems with recommendations for revisions and adjustments. The second is an analysis of the cost of living in Sicily.

A third inquiry, into co-operatives, workmen's compensation and public health systems, has been initiated and is proceeding.

The task of procuring and supplying labor for branches of the Armed Forces has been concluded.

Civilian government agencies for handling labor problems subject to A.M.G. guidance and supervision have now replaced the Fascist Corporative Syndical System.

Previous Fascist functions which were found to be of benefit to workers and the public have been consolidated under the Regional Labor Office and objectionable ones have been eliminated.

The framework for a free labor and trade association movement has been assured.

But officials of A.M.G. realize that the difficulties facing Sicilian labor in the immediate future are complicated by paralysis of normal trade between Sicily and the outside world. The strains placed on the life of the Island by the fact that active military operations are still in progress on the mainland of Italy are far from negligible. Sicilians have been accustomed for a generation to dictatorship from Rome and it is to be expected that their first steps toward autonomy in local affairs will not be easy to take.

The ruthless dictation to which Fascism subjected labor is made clear in one section of the Labor Division's report. "State labor-industry control," it says, "was the key to the Fascist theory of government and was accomplished through the Corporative Syndical System.

"The Syndicate was the basic cell of the Fascist social and economic concept. Workers and employees within certain occupations were organized into separate syndicates and permitted to function by positive law. The economic field (except government) was divided into industry, commerce, banking and agriculture. In addition there was the group known as artists and professional men.

"Each of the aforementioned economic divisions had a separate, independent organization for employees and employers, except artists and professional men who were combined into one organization. 219

"Each province had nine such organizations known as provincial "Unions". Syndicates were constituent members thereof.

- 4 -

"Provincial Unions then selected representatives who composed the Federations, and the Federations selected representatives for the Confederations.

"The Federations and Confederations were situated in Rome and represented the Unions involved, but at different levels.

The joker was that "all representatives of each unit starting with the base Syndicate and ending with the Confederations had to be members in good standing of the Fascist party and approved by Mussolini.

"On top of that," the report goes on, "was the Corporative super-structure. This was composed of 22 Corporations, the members of which were Corporation delegates and Fascist Party members appointed by the Ministry of Corporations. Each Corporation represented a whole cycle of economic activity.

"At the head of these Corporations sat the Minister of Corporations - Mussolini."

1783