

In Italy

Italian Fascism and the Economic Crisis

One can best explain the evolution of the fascist movement by following the transformations of Italian capitalism, its difficulties, and its vicissitudes in the course of the economic crisis provoked by the war.

Italian economy, despite its "victory" in the war, has retained its inferior position as compared with the great capitalist powers. The reasons for this economic inferiority lie principally in the lack of raw materials and capital, in the dependence on the importation of machinery from abroad, in the disproportion between the increase of population and the increase of wealth, a disproportion aggravated nowadays by the closing of the frontiers to emigration. All this lends justification to the definition of Italian capitalism as "a capitalism organically feeble" but it is not enough to recall this definition. We must at the same time analyze the changes which have taken place in the economic situation of Italy.

After the War

The war brought with it an extension of the basis of production and under the impulsion of finance capital, even a reorganization of the forms of production. Italian economy came out of the war profoundly transformed. The movement of the concentration and centralization of business enterprise had received a powerful impetus. During the war Italy was compelled to depend on its own resources in industry no less than in agriculture and commerce to provide the materials which it has been accustomed to receive from abroad and especially from Germany. Particularly active in the course of the war and consequently afterwards, were the mining, the machine, chemical and textile industries. Shipbuilding also experienced a big expansion.

As a whole Italian economy came out of the war considerably transformed and developed. But agriculture on the other hand had suffered enormously. The character of the soil was unfavorable to the change in the forms of cultivation required by the situation. In addition there was a scarcity of agricultural workers (the rural male population had been reduced by successive mobilizations from 4 to 2 millions). There was a lack of fertilizer. There was a dearth of cattle. Consequently there was a reduction in the area sown. But despite all these negative features, for the peasantry the war was a source of enrichment thanks to the rise in prices.

With the ending of hostilities, Italy entered on the period of economic crisis in which she still finds herself. In the official organs of the Italian Communist Party, this crisis is habitually characterized as an "organic and progressive crisis". In reality this feature of the crisis is not peculiar to Italy alone; it is what distinguishes in this period the quality of the world economic crisis of capitalism as a whole. It is not enough to say that we are in the midst of an "organic and progressive crisis"; one must study the origins of the crisis and the rhythm of its development.

If it is true that for capitalism to postpone its difficulties does not mean to surmount them, it is no less true that so long as these difficulties can be evaded, they can be momentarily overcome.

A country economically feeble, Italy thus experienced in the most direct and profound fashion the effects of the war crisis. As for other countries so for Italy also it was a crisis of raw materials, of lack of equipment, of capital markets, transport, etc. This raised the following problem: what class would be compelled to shoulder the expenses of the war? In other words, would it be at the expense of wages or of capitalist profits (that the problems of prices (the very crux of the present economic crisis) would be resolved? The significance of the violent struggles waged in the post-war period, before and after the advent of Fascism is rendered clear by this sharp contrast between the level of wages and capitalist profits.

In industry as well as in agriculture the cost of production is very high, a fact which does not facilitate sales. Given the specific character of Italian capitalism, it must solve the problem of net costs by operating principally on wages, by increasing the length of the working day, intensifying production, by raising tariffs reducing the cost of maritime and domestic transportation, settling the problem of monetary circulation, balancing the budget, etc.

and all at the expense of the working class.

It was from the necessity of giving a solution to all these problems that fascism was conceived and developed; to gag the workers, to establish the absolute despotism of the employers in the factories, ruthlessly to defend the interests of the bourgeoisie and to give it a single-willed leadership—in a word, as a special attempt of Italian capitalism to assure its own stabilization.

The "Crisis of 1921"

Having overcome the crisis of "demobilization" (1919), the period of factitious prosperity (1920) was followed in Italy as in other countries by a serious economic depression which reached its lowest point in the years 1921-22.

1921 was for Italian economy the most serious of all the afterwar crises. The crisis was industrial, commercial and financial. By comparison with 1920 foreign trade was reduced almost by half. Every phase of economic activity reflected this depression. The value of government bonds fell disastrously. Not only the smaller but even the more gigantic businesses were hard hit. The number of failures reached enormous proportions. The most resounding failure of this period is that of the Ilyc at the beginning of 1921 bringing in its wake the crash of the Banque d'Escompte and the ruin of several thousand small depositors. The army of unemployed reached the figure of 463,000 in July 1921. The one profiteer from the crisis was finance which extended its work of conquest.

We have already said that Italian capitalism came out of the war completely transformed and that the organizing activity of the banks assumed at this time a role of great importance. After the war, finance capital, its power reinforced by the war, developed its plan of conquest and domination of Italian economy at an accelerated pace and parallel with it the plan of subjecting to its control the whole state machine. This plan which went on the rocks during the "democratic" government of Nitti (against which both the proletarian masses, on the one hand, rose and the ruined petty bourgeoisie on the other) was completely realized by the government of Mussolini.

The big bourgeoisie (bankers, industrialists, landed proprietors) utilized the fascist movement to destroy the proletarian organizations (trade unions, cooperatives, etc.) but once in power, Mussolini could find no other solution for the demands of the petty bourgeoisie who had been mobilized against the workers—than that ordered by Big Business. From the

Rationalization and Capitalist Monopoly

Rationalization is the current term for a three-fold process (a) the introduction of newer industrial methods and more scientific organization to which no one but Gandhi can take objection in themselves, (b) the speeding up and intenser exploitation of the workers which they must resist furiously. This phase of the process is accompanied on occasion by a nominally higher wage, an illusion since it leads to greater output by fewer workers, to more frequent intervals of unemployment and to premature exhaustion. The American engineer, Taylor, formulated the underlying theory of the speed-up some 15 years ago in his "Principles of Scientific Management", and Ford proved their most successful practical exponent. A third phase of rationalization is the weeding out of the smaller and less "efficient" enterprises through the medium of the merger movement in the direction of more complete monopoly.

Before the war bourgeois economists tried to minimize the possible extent of trustification, arguing for example, its alleged failure to make headway in retail distribution. The chain store came to give these economists (always a few laps behind facts of social evolution) something to explain anew. The "marginal utility" theory of value scarcely proved less unreal than their hopes for the "individual entrepreneur", the individual business organizer who was supposed to represent the spirit of competition. The merger movement proved to be more powerful than the cobwebs of the "pleasure and pain" psychology

very first day Fascism exposed its role as the body guard of capitalism. A whole series of measures were adopted that were anything but what the petty bourgeoisie had hoped from "their" government.

The program of financial and economic reconstruction unfolded in accordance with the necessities of the defence of the bourgeoisie. Instead of the "return to a regime of full economic liberty", instead of a "renunciation on the part of the State of those of its functions bearing a monopolist character", etc. from the day of the arrival of the fascist government in power the victory of monopolist capital spread itself over the whole of Italian economy. From this there followed the necessity of a transformation: in the mechanism of production and in that of the state by means of which the bourgeois class exercises its own political domination.

The Revival of 1923 and the New Crisis

At the end of 1922 with a general revival of international economy there was a certain expansion of production. Unemployment decreased substantially. From December 1922 capital investments in joint stock companies acquired an intense tempo. Before the war stock companies numbered 48 with a capital of 2,212,000,000 lire and in 1914, 8,138 with a capital of about 5,000,000,000 lire; in 1923, the number of companies reached the figure of 9,078 with a capital of 28,500,000,000 lire. (At the end of January 1930 existing companies number 16,278 with a total capital of 49,842,500,000 lire.)

All the figures of economic activity during 1923 show the same revival. Money is cheap and its abundance engendered by the inflation still pushes to the development of enterprise and the increase of productive capacity, especially in specific industrial groups (hydro-electric, shipbuilding, chemical industry, artificial silk, etc.). But already towards the end of 1923 there are many signs of weakness. A great discontent prevails among the working classes as a result of the constant wage reductions and the continuous rise in the cost of living. In 1924 unemployment again begins to rise; the situation sharpens. In the meantime, the working class has regained vigor and wants to fight. In this year there are 163,000 unemployed in comparison with the 66,000 of the year before. The petty-bourgeois masses, thwarted by Fascism, crushed under the weight of the cost of living and taxation are in their turn in an agitated state.

That is the situation in which the Matteotti crime supervenes with its enormous repercussions throughout the country.

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may also be achieved through standardization, better equipment, all sorts of economies and worsening of labor conditions.

The aim of the international monopolies is either to raise or maintain prices, since there is no scope here for the reduction of the costs of production by more efficient management and organization of production. The rise of the monopoly is reflected in the changed attitude of the capitalist state which is no longer moved by the interests of the small businessman. Even in the United States which went through a Rooseveltian spell of "trust-busting" legislation, all kinds of loop-holes are now available to get round the Sherman, Clayton and other acts against "combinations in restraint of trade".

Socialist "Ultra-Imperialism"

As to the significance of the monopolies, there are two basically opposed interpretations. The social-democratic theorist Kautsky wrote some years ago: "From a purely economic point of view it is not impossible that capitalism will yet go through a new phase, that of the extension of the policy of cartels to foreign policy, or of ultra-imperialism". And Hilferding writes: "We have taken a step towards a stable economic society for the first time since the end of the war... capitalism has surrendered the principle bulwark it erected against socialism, the capitalist principle of free competition, for the socialist principle of production according to plan" and from this he sees but a short step towards organized production under state control. In the monopolies, he sees an "economy of conscious organization by the capitalist class".

Sharpened Contradictions

In contradistinction to this view is the revolutionary conclusion of Lenin that "there can be no doubt that development is tending towards the formation of a single all-embracing world-trust which will include all undertakings and all states without exception. This development, however is proceeding at such a rate, in such circumstances, with such contradictions, conflicts and upheavals—not only economic but also political, national, etc.—that even before we arrive at an ultra-imperialist alliance of national-finance capital, imperialism will inevitably collapse and capitalism will turn into its opposite".

The "New Industrial Revolution" cannot strengthen the profit system but increases its difficulties and sharpens its contradictions. The application of the newer industrial technique and the speeding up of labor, both raising the level of human productivity to unheard of levels will further aggravate the market problem of capitalist production, and the general crisis of the whole system. The growing productivity of labor results in lessening the opportunities for employment. This can only mean a contraction of the home market, and in view of the greater industrial competition in the world, a more desperate struggle for the foreign market with the certain perspective of the appeal to arms as the final argument.

The solution of the social crisis lies in the hands of the working class. Its revolutionary political and industrial organization to take power into its own hands as the force most necessary for production, would cut the Gordian knot. The way out lies in the abolition of production for private profit, and in the rational socialist organization and distribution of the world's resources. The New Chemistry and Giant Power must be harnessed to the service of a society of producers. The horde of parasitical coupon-clippers must be abolished, and no less the standing army of the unemployed.

Free March 6th Jailed

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will educate the workers on the kind of "justice" that capitalism dispenses to the workers. Maneuvres, dickers with politicians behind the scenes, failure to rally and to count upon a mass movement of the workers to free the class war prisoners, are methods wrong both from a practical and working class policy. Such ways smack of the methods of "petty-bourgeois politicianism" so vigorously condemned by the official Communist Party in theory and, apparently, so easily adopted in its practices.

Revive the campaign to free the unemployed victims. Build a broad united front movement on behalf of Foster, Amter, Minor and Raymond. Rank and file Communists! Demand that the Party leadership