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## The fascist road to ruin

George Seldes

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# THE FASCIST ROAD TO RUIN

By GEORGE SELDES

- *How Mussolini "Saved" Italy*
- *Why Fascist Italy Plans the Conquest of Ethiopia*
- *How the Totalitarian State Works*
- *Trade Unions Under Fascism*

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# The Fascist Road to Ruin

## Why Italy Plans the Rape of Ethiopia

By GEORGE SELDES

**I**N 1925, when fascism advertised it was at the height of its success and began fishing for the first of the \$600,000,000 loans floated in America, several journalists began making the first objective investigation into Mussolini's claims. These were magnificently and briefly.

*That fascism had saved Italy from Bolshevism.*

*That it had ended the class struggle between workers and employers.*

*That it had balanced the budget.*

*That it had established order, discipline, hierarchy: Italian prestige had been restored.*

*That it had brought about economic security, raised the standard of living and, in short, produced a nobler era for one and all.*

Hiram Motherwell of the *Chicago Daily News* was the first to discover that most of the fascist claims were bluff and fraud: he found that conditions were in fact much better than in 1922, the year of the so-called March on Rome, but that this improvement should be credited, not to fascism, but to planning of the liberal regimes from the end of the war to the day Mussolini seized the government. He also found that the post-bellum premiers, Nitti, Giolitti, and the rest, had been paying out between five and twenty billion lire a year for the war, and that the *fascisti*, paying a billion or less a year, did not have the enormous deficits which their predecessors had to admit. Motherwell showed by graphs that every trend was upward between 1919 and 1922, and that the best the fascists could claim was that the upward trend in commerce, industry, saving bank accounts, etc., was continuing. This upward trend took place throughout Europe.

All foreign correspondents accepted the official statement made by Mussolini that the budget was balanced. The first person to call this claim a fake was James Murphy, who had been the Italian government's press representative in London in wartime and later contributor to the *Fortnightly Review* and *Edinburgh Review* from Rome. He was in 1925 the correspondent of the *London Daily News*. Mr. Murphy wrote:

"The fascists are striving with might and main to maintain confidence and good will abroad, especially among banking and large commercial interests. For this reason they have organized a system of propaganda to convince outsiders that the economic and financial position of the country has steadily bettered under the fascist regime. To bring this fact home to outsiders they have given to the public a state budget which has little or no relation to the real financial condition. It is simply a piece of propaganda. I should not make such a statement without being in a position to bring forward proof. Take De Stefani's budget for 1923-24. For that year I find that under one heading alone there was an expenditure of fourteen billions of lire (700,000,000 dollars) not a cent of which is debited in the state budget. The expenditure was officially announced in the *Official Gazette* (June 27, 1924, p. 16). It figures in the treasury accounts, but it is carefully kept out of the budget that has been published. That sum alone would practically consume the whole income from taxation for the same year. Therefore De Stefani's first budget had really a much heavier deficit than those of his predecessors, even if we confine the deficit to the above expenditure and say nothing of other treasury debts incurred. To keep all such questions dark, the press is muzzled and foreign journalists are watched and persecuted lest they begin to pry into the question of Italy's finances. By such means and by the expenditure of huge sums for propaganda abroad, the fascists think that they will be able to stave off the day when their real economic and financial position may become known to foreign bankers and foreign industrialists."

My own contribution to the exposure of the fascist myth dealt with two things: the so-called conquest of Bolshevism in 1920 and the secret terror system of 1925. It so happened that I had been assigned to Fiume in 1919 and could see the origins of D'Annunzian fascism, and again to Milan and Turin in 1920,

where, in September, the workingmen—all members of the Italian Confederation of Labor, whose leaders were about as radical as old Sam Gompers and the present leaders of the American Federation of Labor—had locked themselves inside the factories rather than face a lockout planned by the employers. In fact, the Italian Communists themselves blamed the defeat of the proletarian revolution upon the leaders of the trade unions and the Socialist Party, long before the fascist "March on Rome."

I was taken through the Fiat works and others; I saw everything going smoothly, and I predicted that inasmuch as big business would not deal with the men who were running the seized factories, the latter would not be able to make a go of it. I interviewed the labor leaders and the owners of the factories, and I also went to talk to a journalist named Benito Mussolini. He was known throughout Italy as the man who had sold out the Socialist Party in 1914 and committed other acts of duplicity in public and private life, and was not considered a person of integrity or standing. However, he was editor of a ranting, sensational newspaper, and was quite a political as well as journalistic power in Milan. Mussolini endorsed the seizure of the factories. He called it a "creative strike." He was disappointed only in one thing: that there was not enough violence, that there was no bloodshed, no revolutionary upheaval accompanying the seizure. "We need a bath of blood," he said.

The failure to find bloodshed was sorely disappointing to most journalists. One, a Frenchman, however, invented a miraculous story about the workingmen seizing the owner of a factory and throwing him alive into his furnace. The victim, this journalist reported, and the entire American press picked up the bloody morsel greedily, was none other than Monsieur Fiat, the head of the Fiat works.

Unfortunately this representative of the French press—the "reptile press," as the agent of the tsar, Arthur Raffalovich, called it when he sent his monthly statements of bribery of 30 Paris newspapers and weeklies to the Russian Finance Ministry in 1916

—made one little mistake. Fiat stands for *Fabbriche Italiana Automobile Torino*—the Italian auto works of Turin—and it was the equivalent of saying that General Motors had been murdered in Detroit.

But if the “Bolshevik uprising” in Italy was a disappointment for journalists who came to see the fighting, it was still worse for the press photographers. We at least could invent stories; but pictures, they say, never lie, and how were the movie men to get pictures? The Hearst man had an idea. With the aid of an interpreter and some of us who came to see the fun, he wrote “Viva Lenin” and “Hurrah for the Revolution” on the closed gates of the Fiat works; he bought up a lot of 1868 cavalry sabers and muskets; he distributed the lot to men and women, boys and girls, and instructed them to assume attitudes, and made a thrilling motion picture of the “revolution.”

Having personal knowledge, from actual experience, that there was no Bolshevik revolution in 1920, having Mussolini's own approval of the strike and its methods, and having Mussolini's own written statements that the post-bellum disorders of 1918 and 1919 had been followed by two years, 1920 and 1921, in which peace and prosperity had been restored, I was amazed when, in 1925, Mussolini propagated the claim that he had “saved Italy from Bolshevism.”

This claim was made coincident with the arrival of the representatives of J. P. Morgan & Co., Dillon, Read & Co., and other bankers in Rome. It was the banking fraternity which proposed to Mussolini the circulation of the Bolshevik myth, so that the Italian loans could float more easily upon its surface. In other words, it was an invention for the purpose of taking money out of the pockets of gullible American investors who from 1917 to the present day have been and are being fed on red scares, so that persons with ulterior motives—usually profit-seeking ulterior motives—can the more easily fleece them.

The American press in 1925 was still feeding the public stories about the Red Terror. But here in Italy was the Black Terror

operating all about us, and not a word was being printed in the world press. It did not take much investigation to prove that in 1923 Mussolini had organized a secret police, which had murdered or beaten all the leaders of the five or six opposition political parties, including the Socialist leader, Matteotti.

Matteotti was killed in 1924; the scandal had been so great that five leaders of the fascist party, including its treasurer and the editor of one of its official organs, had been arrested, thanks to public clamor. But the trial was being postponed by Mussolini's orders. While I was in Italy the courts were hearing the charge against General De Bono, who had been head of the police. Among the documents presented to prove that a fascist terror organization existed and functioned under direct orders from Mussolini was the following statement made by Dr. Donati, the editor of the Catholic organ, *Il Popolo Romano*:

"The criminal association—or the Cheka, as it is more commonly called—bound together under a pact of mutual common action in crime the highest leaders of fascism (Rossi, Marinelli, etc.), the professional assassins (Dumini, Volpi, etc.), and the non-official co-adjudors (*Corriere Italiano*, Filippelli, etc.). It had its headquarters in a government building, the Viminal, where Senator De Bono also has his dual headquarters, as Director-General of Police and Chief of the Militia.

"The Cheka, which had already existed in embryonic form, was endowed with a regular constitution of its own at a meeting held in the private residence of the Premier, in the Via Rasella. Among those present was General De Bono, who had already been appointed Director-General of Police and First Commander-General of the Militia. There is explicit mention of this meeting in the affidavit drawn up by Finzi, which was submitted to three gentlemen who can give evidence as to its contents. These are Signor Schiff Giorgini, Commendatore Guglielmo Emanuel, head of the Roman office of the *Corriere della Sera*, and the journalist Carlo Silvestri. This is also borne out by the evidence which these gentlemen have already given before the Crown Prosecutor and confirmed by Finzi himself in a recent conversation which he had with Silvestri. Therefore the Cheka represented a constitutional organ of the Fascist Party and the Fascist Government.

"As we shall see, the Cheka was entrusted with a twofold task:



(1) to spy attentively on all movements of political parties and persons opposed to fascism, also on lukewarm friends and open dissenters; (2) to suppress the more dangerous adversaries by violence 'in style,'\* under an astute system of protection which ensured the impunity of the assassins and their paymasters.

"The executive of the Cheka is identical with the General Command of the Militia. The General Command recruited the hired assassins, furnished the material and financial means, arranged the plans, gathered information, provided—through the office of the Premier's press agency (Cesare Rossi)—for the working up of public opinion, and made arrangements with the police authorities to guarantee the immunity of the direct culprits.

"The Cheka was considered as an instrument 'necessary for the government of the country,' according to the literal expression used by Finzi in his affidavit. To this Cheka organization we are to attribute the well-known acts of violence committed against the deputies Mazzolani, Misuri, Buffoni, Amendola, Forni, Ciriani, Bergamini, Nitti, and the journalist Giannini; also the murder of Father Minzoni at Argenta, the murder of the laborer Antonio Piccini, Socialist candidate in Reggio Emilia, and the murder of Giacomo Matteotti."

In July, 1925, I received, in addition to the foregoing document, several more important ones, including one to which the names of 100 members of the old Chamber of Deputies had been signed, and also the confessions of Mussolini's household friend, Cesare Rossi—"the Colonel House of the Mussolini Regime," as he was called before the murder charge was proved against him—and high ranking fascist officials. There is no doubt of their authenticity. They prove that the murder of Matteotti was committed by order of Il Duce. If President Theodore Roosevelt had ordered the murder of Senator Robert M. LaFollette or Woodrow Wilson the execution of Eugene Debs, it would have been an event comparable to the assassination of Matteotti.

Instead of smuggling out news of this sort, as was and is done by American correspondents in Rome, I foolishly sent it on the regular cable line to America, and was therefore deported.

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\* *Bastonature in stile*, bludgeoning, to break the jaws or inflict serious injury short of death.

Mr. Motherwell found it more pleasant to ask for a transfer from Rome.

Mr. Murphy was advised to leave and did so.

William Bolitho, the brilliant Englishman who came to Rome late in 1925, reported that Mussolini's claim of saving Italy from Bolshevism was a myth; that the balanced budget was a fraud; that most of the claims of fascism were frauds, and that the country was terror-stricken. Moreover, it was Bolitho who first reported that Il Duce's labor program was making serfs of the Italian workingmen and that the standard of living was going down. It was also Bolitho who in the course of three or four years exposed in *The New York World* all the pretensions of Mussolini and fascism at a time when myths, buncombe and propaganda were being sent out by the Italians who represented the American press in Rome. Mr. Bolitho was neither bludgeoned nor expelled. He wrote under three false names.

The point I want to make is that in 1925, three years after fascism had seated itself in the saddle, there was already suspicion that it was falsifying its books, that it had created a Bolshevik myth for the purpose of borrowing money to keep those books false, and that anyone who mentioned the fact had to keep his name a secret or leave the country.

All this took place during a period of relative prosperity; stocks were booming in America; business was good everywhere; the world had supposedly recovered from the wartime depression. Something was inherently rotten in fascism, however, and the course of economic inevitability from 1925 to date has proven it.

To meet the situation Mussolini has done many things, notably:

*Stabilized the lire*

*Issued the Labor Charter*

*Announced the Corporative State.*

These, with the annually announced balanced budgets, are the outstanding achievements which Mussolini claims, by measures which he advised the whole world to follow because he says they show the success of planned economy *a la fascismo*.

The main features of the syndicalist state are:

"For the first time in the history of the world, a constructive revolution like ours realizes peacefully, in the field of production and work, incorporation of all the economic and intellectual forces of the nation."

In announcing the Corporate State, Mussolini said:

in financial history. 000,000 lire. It was certainly one of the most expensive gestures 000,000; conservative British economists place the loss at 3,500,- to the dollar was insane. This brought about a deficit of 2,500,- American and European economists that stabilization at 19 lire back on a gold basis on a "sound ratio," despite the opinion of Rapturously Mussolini proclaimed in 1927 that the lira was the miracle-working Duce. Economics had defeated patriotism. fascism it dropped until in August, 1926, it reached 30.53 under marched on Rome, the lira was 20.15 to the dollar. Then under 1920; thereafter it rose in value, and just before Mussolini lira had gone down to 23.91 to the dollar in the second half of show that the "progress toward bankruptcy" has continued. The But facts found in official reports of the Italian fascist state achievement of fascism."

gation of the fascist Corporate or Totalitarian State, "the greatest resulted later in the gold stabilization of the lira, in the promul- The patriotic emotion engendered by this humiliating experience The journalist was none other than Benito Mussolini. must be cured by the vital strength of fascism." ward bankruptcy. Up leaped the thought that this situation self-respect of a victorious nation; it indicated our progress to- "It was a humiliation," the Italian exclaimed, "a blow to the many francs. In January of 1922 an Italian journalist went to a "peace" conference at Cannes. He handed a cashier of a bank several hundred lire notes. The cashier shoved back just half that Let us examine the results of these fascist measures:

Prohibition of strikes and lockouts, with machinery created for arbitration, and the militia to check the workers.

Enforced cooperation between capital and labor.

Industrial competition abolished.

State control of business and industry; state control of capital.

Creation of categories for all productive citizens.

Charter of Labor.

A new Parliament composed of 400 persons chosen by the Fascist Grand Council from lists supplied by unions, syndicates, etc. No opposition ticket or party permitted, no opposition politics permitted.

Considerable parts of the constitution of the Corporate State derive from D'Annunzio, the French Syndicalist Sorel, and other sources. Mussolini wrote an explanation:

"Our syndicalism differs from red syndicalism in one fundamental particular, namely that *it does not aim at destroying private property*. When the employer finds himself face to face with a red syndicate, it is one which fights for a rise in wages only in a provisional manner, whereas its real, ultimate aim is to reverse the situation, that is, to abolish the right to private property. . . . *Our syndicalism means collaboration* . . . when it helps to produce wealth; . . . and then it may fail to be collaborative when it is a question of dividing the profits. But then, if both parties act in good faith, collaboration still exists, because the balance which was temporarily destroyed is again naturally re-established."

The Labor Charter is a statement of aims, not a series of laws. It emphasizes the totalitarian idea that the state is everything, the individual nothing. Although the worker is called a partner in industry he has no voice in it. Although lockouts are equally barred with strikes, actually the right to strike is abolished and employers and the fascist party have full control of arbitration boards.

Exiled Italian labor leaders called it a charter of slavery giving all power over labor to the employers who dominated the corporations. Even the renegade labor leaders who accepted positions as leaders of the fascist syndicates complained that labor did not get a new deal, that workers were not fairly treated, that employers violated the terms of the contracts. No news-

paper in Italy prints such statements, however, even when they emanate from fascist officials.

The fascists announced at intervals that the Corporate State was functioning perfectly, but in 1933 John Strachey declared that "No corporations exist except on paper." Shortly afterward a report by fascist officials stated that "Only a single corporation, *viz.*, that of the stage, has so far been established in Italy." This admission has caused international laughter.

However, the important thing for us to consider is whether, functioning or not as a Corporative State, the fascist system of planned economy, the "substitute for Bolshevism," has or has not achieved anything up to date. It is Mussolini who said that the state's ultimate goal is

"... the well being of the Italian people"; it must be "judged and measured directly by the masses as instruments through which these masses may improve their standard of living. Some day the worker, the tiller of the soil, will say to himself and others: 'If today I am better off practically, I owe it to the institutions which the fascist revolution has created.'"

In just this manner let the following facts pass judgment:

In 1926, when the few untrammelled journalists reported that there was already a crisis in fascist economics and confirmed the 1925 report that the balanced budgets were mere jugglery, official figures showed that wages were below 1921 and that the cost of living had gone up 30 per cent. In 1927, with the stabilization of the lira, Mussolini found a much more serious economic crisis. He therefore announced a reduction in rentals, reduction in the price of manufactured goods, and a wage cut throughout the nation of between 5 and 20 per cent. He promised that the cuts ordered in the high cost of living would more than recompense for reductions in salary. At that time the general price index was 670; wages stood at 585; in real wages the workman was 13 per cent worse off than before the war.

That fascism had failed to improve living conditions for the working population of Italy long before the world crisis of

1929-1935 is openly admitted in the 1932 report of the Secretary of State for Corporations who wrote:

"Between June, 1927, and December, 1928, the wages of industrial workers have gone down by about 20 per cent, and a further reduction of 10 per cent was made in 1929; during 1930 there had been a general reduction, varying for the different categories of workers from 18 to 25 per cent. Many other adjustments (*sic!*) have been realized in 1931."

But that is not all. The decree effective December 1, 1930, cut the salaries of those earning more than \$3,000 a year by 35 per cent and those below \$2,000 by 12 per cent, and wages of 300 lire (\$15.70) to \$1,000 lire (\$52.35) a month, eight per cent, and those above 1,000 lire, ten per cent. This cut affected one million laborers in the industrial centers of the north, Milan, Turin and Genoa. The government announced it "hoped" to reduce prices of commodities accordingly.

Then, on the first of April, 1931, Mussolini, in another of his great public orations, informed Italy that it need fear no more wage reductions. Frankly he admitted that

"We have reached a limit in wage cutting; there is danger that the antidote may become a poison. . . . Italy was the first to apply what has now been adopted by almost the whole of Europe. . . . On the whole certain symptoms of recovery may be seen, but . . . we are still waiting for the factors of recovery—in the first place *moral* factors—to enter into play simultaneously and collectively."

By 1932, however, an official of the fascist syndicates\* figured that the wages of glass workers had declined between 30 and 40 per cent; signalmen's earnings were down 40 per cent; silk workers, 38 per cent; bricklayers, 30 per cent; miners, 30 per cent, while the cost of living had declined 20 per cent.

In 1933, moreover, despite Il Duce's poison-warning, every Italian salary and wage was ordered reduced an average of 10 per cent, and Mussolini announced a similar reduction in rents, food, manufactured goods, etc.

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\* *Living Age*, May, 1934.

And again, on April 14, 1934, "the urgent necessity of lightening the national budget, which shows an annual deficit of between 3,000,000,000 and 4,000,000,000 lire"—the admission is made by Arnaldo Cortesi of the *Times*, an ardent admirer of Mussolini—"caused the Cabinet council . . . to apply a general reduction in the salaries of state employees, effective April 16." Twenty per cent was cut from the income of high salaried officials such as cabinet members; 6 per cent, the minimum, was the tax on those making more than 500 lire a month; others were exempt. When it is considered that one man in five works for the government, the size of this, the sixth reduction since 1927, will appear evident. The fascist apologist, Cortesi, claims that the 1934 cut brings wages down to the pre-fascist era, and says

" . . . the general lowering of the cost of living, which will ultimately result in the lowering of production costs in industry and agriculture, is deemed necessary by economists."

The facts, however, are that real wages are far below the pre-fascist era; that living costs have never paralleled the decline in wages; that the buying power of the Italian people has decreased rather than increased, and that while the philo-fascist journalists continue to find explanations and publish excuses in the *New York Times*, the official figures of the League of Nations and the statements of Mussolini himself have admitted the economic degeneration of the Italian people.

To complete the chronicle, it was announced by Mussolini on December 11, 1934, that a nation-wide and simultaneous reduction in salaries and the cost of living was being worked out which affected every person in the kingdom, directly or indirectly, the cut being similar to that of October, 1930, and similarly carrying with it a reduction in cost of rent, light, heat, food and transport of between ten and twelve per cent.

But instead of mentioning the obvious collapse of the fascist economy, the American press heralded each of these seven events with an appropriate excuse furnished by the fascist propaganda department. The headlines, for example, said that the 1927

cut was due to the success of the stabilization on a gold basis; in 1933 Mr. Cortesi of the *Times* supplied a story which was headed "Italy cuts wages to aid recovery"; the first 1934 reduction was linked with one in Russia and the joint headline read "Russia and Italy slash payrolls in economy wave";\* the second 1934 cut was reported by the *Times* as "Italy to slash wages and cost of living to meet competition of non-gold nations."

The facts are that under fascism, from 1923 to 1932, the cost of living was reduced five per cent and wages reduced 40 to 50 per cent; if this is not a fact then the League of Nations has been badly fooled. These statements are from the *Bulletin mensuel de statistique*, Geneva, February, 1933, p. 74. Official fascist figures show a reduction in the cost of living of only 10 per cent as compared to 1914.\*\* In other words, six wage cuts averaging 40 to 50 per cent and a cut in living costs of 5 or 10 per cent. The fascist *Corriere della Sera* (July 27, 1932) admitted that in four years the wage cuts totalled 50 per cent. The official *Lavoro Fascista* (November 29, 1931) admitted that in some provinces wages had been reduced from 45 to 60 per cent in 1931.

The International Labor Office of the League of Nations made the following report on real wages, in July, 1930:

United States.....	190	Poland .....	61
Canada .....	155	Austria .....	48
Great Britain .....	100	Jugoslavia .....	45
Holland .....	82	Spain .....	40
Germany .....	73	Italy .....	39

The *International Labor Review*, March, 1932, gives the daily farm labor wage in 1923 as 12.88 lire; 1926, 14.24 lire; 1931, 10.49 lire. Real wages for agricultural workers stood at 107 in 1923, 89 in 1926, and 87 in 1931.

An examination of fascist official figures shows that the

\* The headline was misleading—real wages were increased in Russia but declined in Italy.—*Ed.*

\*\* *Bollettino dei prezzi*, January 12, 1933, p. 44.



average wage in 1928 was 2 lire an hour; that it fell to 1.75 lire in 1932 and 1.5 lire (or eight cents an hour) in 1933. In other words, labor in Italy gets lower wages than in any other European country.

Before fascism arrived it is true that Italy was not among the first of the thirty or more nations which reported to the League, but neither was it the very last. It reached that position in a steady retrogression under fascist rule from 1926 on. Moreover, the Labor Office in its statistics on social welfare of workmen throughout the world also lists Italy last among the important nations of Europe because it spends less per man and because it had not yet (1932) organized a decent system of unemployment insurance.

If the foregoing facts require an objective interpretation, here is one made by Constantine E. McGuire with the cooperation of the Institute of Economics:\*

"Rents are nearly four times higher than before the war.

"The low wages earned by employees and often by professional men frequently render it impossible for them to bring up their offspring according to the pre-war standard.

"The deduction may fairly be made that the standard of living of students living in university dormitories has distinctly fallen.

"The universities and higher institutions of learning are relatively deserted.

"One may gather . . . that those who are students today are likely to have in the life of tomorrow an efficiency below that of those who were students before the war.

"It is evident that a condition of this sort can hardly continue without progressive decay of the Italian national organism. At this very moment that organism is in a pathological condition. . . . By a pathological condition we mean precisely one which cannot continue without bringing about the breakdown of the organism itself.

"When the problem of the high cost of living continues on and on and for a greater or less fraction of the population without any other fraction thereof being able to realize exceptional profits—which is precisely the state of affairs existing in Italy for some time—the conviction that living is costly really signifies that at least for some

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\* *Italy's International Economic Position.*

categories of the population the national income is insufficient to maintain the standard of living which they have accustomed themselves to observe.

"So low is the standard of living of the Italian workman that it could not be lower without impairing his productive powers. The wage level . . . in Italy . . . is the same as in Austria, over whose population the world is in the habit of weeping; and Italy's wage level is actually lower than that of Spain or that of Poland."

*The facts are that the standard of living of Italy has fallen dangerously under fascism; the question is whether or not it has fallen below the subsistence level.*

In 1932, Professor Bottazi, physiologist and member of the fascist National Academy, published an academic study of this subject; it showed conclusively that the masses were not eating enough to satisfy hunger. In 1929 Mussolini had admitted that "there are communes in Sardinia and in South Italy where for months at a time the inhabitants have to live on wild plants,"\* and the Deputy Zingali had reported to parliament that "I have been collaborating in the preparation of the material concerning the American debt. It was my duty to ascertain the standard of life in Italy, and I arrived at this disturbing conclusion: that the food ration per head and per day amounted to only 3,100 calories, *i.e.*, to 200 calories less than the physiologists consider necessary for adults. *Our ration is probably lower than that of any other European country.*"\*\*

And finally, here is the statement of Il Duce in the fascist Chamber of Deputies, December 12, 1930:

"Fortunately, the Italian people is not yet accustomed to eat several times per day and, having a modest standard of living feels want and suffering less."

*The "modest standard of living" is the lowest standard in Europe, one of the lowest standards in the civilized world; it was reached during the fascist regime, and it is one of the chief results of the fascist economic program. In the United States, in*

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\* Discourse, Chamber of Deputies, June 22, 1929.

\*\* *Parliamentary Reports*, Chamber of Deputies, December 5, 1929.

1935, there was a serious discussion among the physicians attending their annual national convention, as to whether or not the amounts paid the unemployed and their food ration were sufficient to keep these millions above the subsistence level. Yet under fascism not the unemployed on the dole but *the entire working nation* has been reduced to just about or below that level.

And at the same time the burden of taxation has increased. In proportion to income, the Italian people pay more taxes than those of any other important country. In 1914 taxation amounted to 13 per cent of the national income; in 1925 it had already reached 20 per cent, and in other fascist years it has been higher. Mr. McGuire concludes:

“Even with much more substantial allowances per capita for the minimum of subsistence, it is probable that no other important country would show so great a percentage of income absorbed in taxation. Thus, Italy’s appearance of vigor and prosperity [in 1926] cannot cover the fact that from an economic point of view her people are poorer, taken on an average, than they were before the war.”\*

Compared with wartime, rents increased from two to three times, according to testimony given to officials by the Home Owners’ Association, while the purchasing power of money had fallen to one-fifth or one-sixth; taxes, on the other hand, had increased fourfold, and various expenses and dues increased an average of sixfold. From these figures the home owners concluded that the effective income has been reduced to one-half.

In 1932 a study of official figures revealed that taxation had almost doubled under fascism. The amount was 20,000,000,000 lire a year, or thirty per cent of the national income, as compared with 12,000,000,000 lire, or approximately 15 per cent in predictatorial days. Bread is taxed 1½ cents a pound, sugar 13 cents, salt 3 cents, and other necessities of life in proportion.

Despite Mussolini’s declaration, “I am the first to declare that the pressure of taxation has attained the limit,” despite his warning “not to tax the taxpayers to death,” this work continues.

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\* McGuire, *Italy’s International Economic Position*, p. 103.

Bachelor taxes have been increased, but when the desperate bachelor marries he is told he must pay 25 lire a year as family tax; he is taxed for keeping a hog, he is taxed if he slaughters the hog; and so it goes.

The latest available figures on the subject show that the workmen of Italy have to contribute 160,448,000 lire for the maintenance of the corporations. The individual worker pays not only his regular dues but contributes to the unemployment fund, sick benefit fund, summer resorts fund, winter insurance, federal secretariat, fascist home fund and to extraordinary levies, a total of somewhat over 216 lire. The American trade unionist pays an average of about \$30 a year in dues; the Italian pays less in dollars but more in real wages, since the American gives up about one week's pay, whereas the Italian is legally forced to surrender almost one month's pay to the corporations.

It is true that there has not been one first-class strike since 1926. In every instance where workmen threatened or began a strike the fascist militia has suppressed it with violence and bloodshed. And this is of course one of the great achievements of fascism—from the point of view of the chambers of commerce and industrialist associations. The Labor Charter prohibits strikes. The militia see that the Charter is enforced. That is how the struggle between capital and labor in Italy has been "abolished."

The stabilization of the lira was a costly failure; the Corporate State, whether it exists or not, is a failure, and the Labor Charter is a success only in that it prevents labor from exercising the liberties it enjoyed under the old regimes and still enjoys in most civilized countries.

What about finances? What about the balanced budget which Mr. Murphy in 1925 questioned? What about the claims for financial success which were made year after year by the Italian representative of the *New York Times*, Mr. Arnaldo Cortesi, the most enthusiastic of the voluntary agents of *fascismo*?

Mussolini's official words are: "We have a balanced budget. Self-ruling units, the provinces and the communes, have balanced

their budgets too." The answer to this statement comes from official fascist documents which the pro-fascist journalists have never taken the trouble to investigate. The government figures show:

<i>Debts in lire:</i>	<i>Provinces:</i>	<i>Capital Cities:</i>
January 1, 1925	954,000,000	3,066,000,000
January 1, 1928	1,326,000,000	5,481,000,000

Under Volpi, who had the advice of Andrew Mellon, 1,211,000,000 lire were cancelled from the cash items of the treasury accounts published July 31, 1928, as a sum "not liable to be spent." But the next year the treasury account announced that the fiscal year had closed on June 20 with a surplus of 2,352,000,000. This was widely heralded in the American press. But a month later a slight correction was made—a reduction of the "surplus" by 2,845,000,000 lire, with the explanation: "Reduction of the cash fund for operations to be credited to the preceding fiscal year." Next month there was a further "correction" of 83,000,000 lire. *Thus, two months after the fascist dictator had informed the world and particularly American bond holders that he had more than two billion credit, there was actually a deficit of 574,000,000 lire!*

In 1930 the budget showed a cash surplus of 2,261,000,000, and again supplementary accounts published a month later brought a "correction" of 1,581,000,000 lire.

On June 30, 1930, the Ministry of Finance issued the following amazing statement:

"The value in Italian lire of the total bonds floated abroad is 7,200,000,000."

But, if official reports are analyzed, the fact appears that in June, 1930, the Italian debts contracted abroad were 11,500,000,000 lire and not 7,200,000,000.

"One would think," says the French economist Valois, "that the official statement had been compiled by an adversary of fascism, seeking to discredit it completely."

Then came one of those master strokes of Machiavellianism for which great statesmen and bankers should pay tribute to Mussolini. On December 10, 1930, he delivered himself thus:

"The situation in Italy was satisfactory until the fall of 1929 when the American market crash exploded like a bomb. . . . We remained astonished because we had been given to understand that America was the country of endless prosperity. . . . Everyone was rich there. . . . Everyone gambled on the stock exchange and stocks rose incessantly. . . . Suddenly the beautiful scene collapsed, and we had a series of black days. . . . From that day we also were pushed into the high seas, and navigation has become extremely difficult."

Howard Brubaker commented:

"Mussolini has calmed growling Italians with the information that Wall Street is responsible for their lower salaries; their unemployment, their low returns on farm products. About the only crimes not attributed to Wall Street were the earthquakes of last July."

But despite intricate and ambiguous official statistics which made it impossible to arrive at a correct estimate of the situation in fascist Italy, a hundred instances can be found proving that three or four years before the American crisis began the Italian crisis was in full sway. Cash reserves of the treasury grew rapidly smaller and the public debt increased.

How can one trust fascist figures when they are so contradictory? The *Reconditi Generali Consuntivi* gives the annual deficits from July 1, 1928, to June 30, 1932, as 2,576,000,000; 507,000,000; 288,000,000 and 2,300,000,000; a total deficit of 5,671,000,000 lire. But the *Bolletino Mensile di Statistica* (August, 1934) claims for the same years, 555,000,000 surplus; 170,000,000 surplus; 504,000,000 deficit; and 3,867,000,000 deficit; total, 3,646,000,000 deficit.

American tourists have repeated Mussolini's boast that Italian trains run on time, magnificent automobile roads have been built, marshes drained, vast public improvements made. And yet the national debt has gone up only four or five billions. How account for this miracle? The fascist government has hidden its

debts by postponing them ten to fifty years! In the fascist Senate Finance Committee reports there are annuities listed as follows: March 29, 1924, 6,546,000,000 lire; December 31, 1930, 65,390,000,000 lire; March 31, 1932, 75,118,000,000 lire; February 28, 1933, 74,315,000,000 lire.

These figures, taken from official sources by Professor Salvemini, explain the

“... co-existence in Italian finance of an allegedly balanced budget with an elaborate system of public works. . . . The fascist dictatorship has dodged the difficulties of the moment by creating a mountain of hidden debts. It has left the future to take care of itself—*après moi le deluge!*”

Although the magazine *Fortune* in its Italian number, July, 1934, gave 176 pages of glowing words and pretty pictures to glorify Mussolini, it nullifies all claims by admitting that:

“The long established poverty of the Italian masses has been emphasized everywhere. . . . The average wage of Italian agricultural and industrial workers has fallen perhaps 25 per cent in the last five years. . . . The masses are struck at every turn by the indirect tax policy of the State. . . . Unemployment has been slowly increasing. . . . The standard of living of Italian labor has been estimated as the lowest of any country in Europe.”

*In other words, everything glorifying fascism is propaganda or window dressing. Behind this façade fascism is a failure.*

The last stronghold of free public opinion, the universities, were attacked and crushed by the Grand Fascist Council, with its two orders, one forcing students to join fascist groups and providing for none but fascist politicians as teachers, the other providing for the arming of the student groups.

In this way Mussolini answered the charge that not a single intellectual of any prominence and of his own free will or non-office holder had allied himself to the new order. The intellectuals of Italy are mostly on the side of Croce and Ferrero, both opponents of the regime, both under arrest or police surveillance, and reduced to silence.

To make the universities 100 per cent adherents of the ruling political party it was ordered that rectors in the future are to be chosen from directors of fascist professorial and tutorial associations. The heads of the universities, the professors and the teachers in grade schools must be members of the party, preference being given to those of five years' standing, and an official boycott is placed on all men of learning who are not active in fascist politics.

For thirteen years fascism has persecuted the professors of the universities of Italy, the last institutions where a little freedom and much liberal thought once flourished. For thirteen years men who refused to accept the so-called philosophy and ideology of the regime were either intimidated into taking out party membership or dismissed from their posts.

Years ago the historian Salvemini was arrested, tried, and when found not guilty, forced to flee into exile, where he has joined with hundreds of intellectuals who cannot stomach political absolutism. Recently Professor Joseph Rensi, one of the leading philosophers of the country, was arrested in Genoa because the censorship had found a letter from Mme. Rensi criticising fascism. In Milan Professor Livio Prati was dismissed from the chair of psychiatry and neuropathology, the official decree giving as cause "incompatibility with the political directives of the fascist government".

Some time ago, after the order forcing all university student to take military lessons to prepare them for the fascist militia, the secretary-general of the party issued a circular asking them to spy against their instructors, and finally the climax came, the echoes of which are still heard. Every university professor, lecturer and reader was asked to sign the fascist oath for university professors:

"I swear allegiance to the king, his royal successors and to the fascist regime; loyally to observe the constitution of the realm [which Mussolini has destroyed—*Ed.*] and the other laws of the State; to exercise the function of teaching and to fulfill all academic duties with the purpose of forming active and valiant citizens devoted to



the country and to the fascist regime. I swear that I do not belong and never will belong to any association or party the activities of which cannot be reconciled with the duties of my office."

Many professors immediately resigned including ex-Premier Orlando. (The official fascist statement that he had quit previously is not true.) Several fought the edict for a while. It was recognized throughout the world as the final blow to academic liberty in Italy. A protest, which the leading writers and scientists of Europe signed, calls upon the Committee on International Cooperation to help Italians "defend their intellectual liberty." Oxford and Cambridge professors by the score signed, and in the United States, Harvard University contributed its most notable names, but hardly a word ever appeared in the American press and not one word in the Italian press.

In 1935, in the midst of preparations for the war with Ethiopia, Il Duce again ordered the persecution of intellectuals.

"Mass arrests among intellectuals took place on May 15, in Turin, Milan and many other towns."

I am quoting the *Manchester Guardian* of June 7, 1935, since I have found no mention of this not unimportant news in any American newspaper.

"Among those arrested are university professors of established reputation like Professors Martinetti, Solari, Cosmo, Salvatorelli and Giua. . . . Particularly odious is the arrest of Professor Giua and his wife, both of whom are scientists of note, whose only crime is to be father and mother of a young refugee, twenty years of age, now living in Paris. The two younger children of Mme. Giua are left alone in their home."

In preparation for the African adventure Mussolini has also intensified the censorship of the press. David Darrah, who succeeded me in Rome almost ten years ago, was deported recently for reporting that several high military authorities frowned upon the war and that there had been peasant disturbances in Sardinia. The *New York Times* was barred from entry for publishing an editorial in which it suggested that the Italian people might get

tired of their tyrant and use the war as an opportunity to regain their freedom.

The case of the *Times* is particularly interesting. The readers may remember that in 1920 the *New Republic* published a long exposure of the falsehoods about Soviet Russia which appeared in the American press, and the *Times* was chosen because it has the best reputation in America for honesty and integrity. The *Times* a year or two later sent Walter Duranty to Russia and printed reliable news from then on.

But in Rome the *Times* has as its chief correspondent the aforementioned Arnaldo Cortesi who is an excellent journalist, whom I liked personally as a colleague, and whom I bore no grudge when he apologized for the fact that as an Italian he could not join in the Anglo-American press corps protest to Mussolini on the occasion of my expulsion. Nevertheless, Mr. Cortesi is congenitally incapable of sending unprejudiced objective news about fascism out of Italy, and in the past 13 years the fascist coloring of his news dispatches has been shown up in deadly parallels by the *New Yorker*, *Time*, the *Editor and Publisher*, the *Nation*, the *New Republic* and other publications. However, since the *New York Times* is a private profit-making institution, it can enjoy the privilege or freedom of the press in naming its own correspondents.

The case of the *Associated Press*, however, is somewhat different. The Associated Press is a non-partisan, cooperative, non-profit seeking public service institution. For the first decade of fascism the representative of this organization was Salvatore Cortesi (father of the aforementioned Arnaldo), a noted journalist, with close connections to the Quirinal and the Vatican. Signor Salvatore Cortesi in my time had under him two American correspondents who informed me they had orders to send no news except that found in the fascist papers; the others Il Duce of the A.P. bureau refused even to read, and the fact that some items got into the American press which showed a little of the fascist terror system was due to the fact the American assistants had

the run of the office from evening to morning and frequently cabled news which Cortesi *pere* failed to send in the daytime. He was a fascist sympathizer but refrained from party membership so he could claim nominal objectivity.

The importance of the foregoing facts is this: the Bolshevik myth, the balanced budget myth, and all the stuff and nonsense about the functioning of the Corporate State, and the successes of fascism are spread around the world largely by the Associated Press and its related agencies, and I insist that *the world has been receiving false or distorted news from Italy since the first days of the fascist censorship.*

Most of the news in Rome comes from the *Stefani Agency*, the affiliate of the *Associated Press* and the provider of information for all of Italy. The *Stefani Agency* has helped pervert world opinion about Mussolini, the fascist terror, the fascist failure. One has only to buy newspapers like the *London Times* and *Manchester Guardian* and compare them to the actual lies which frequently appear in the Italian press under the credit line of Stefani.

When one day the *London Times* said a certain fascist decree was, the "direct efflorescence of Mussolini's doctrine," that it showed there was no political liberty whatever in Italy, and that "no political liberty is possible under the fascist Corporate State," this article of the *Times* was changed in Roman papers to appear in praise of the political reforms (*sic*). Every reader thought the *Thunderer* was suddenly backing Mussolini. Stefani had rewritten the article. When Albert Thomas, head of the International Labor Bureau at Geneva made a public speech about labor in which the serfdom in Italy naturally was decried, so many perverted versions were issued to the Italian press that Thomas was forced to give out an explanatory statement.

The police keep a complete dossier on the history and activities of every American reporter in Rome. Should he once dare to speak to a politician who belonged to one of the five non-fascist parties, he would immediately be listed as dangerous.

The police pay porters at hotels and apartment houses to report on the mail received by journalists, to whom sent, from whom received, the names of visitors, the persons he dines with and the itineraries of his trips.

In almost every American newspaper office in Rome there is a fascist spy-journalist at work. If such a man is found out and fired, and a non-spy engaged, the fascist foreign office, through a special Cheka department (once presided over by Dino Grandi), pays or terrorizes the new Italian assistant to spy on the American journalist. Every interpreter and even the Italian office boys in American offices are visited by the secret service of the Foreign Office, and made to report to Grandi and his successors, and eventually to the ex-journalist Mussolini.

There is not a single non-fascist newspaper allowed in Italy. No one can therefore make propaganda for non-fascist ideas, foolish things like liberty, democracy and freedom. Yet at the same time fascism has a fund of 50,000,000 lire to use for buying up papers abroad. Every pro-fascist Italian newspaper in foreign lands is bribed and corrupted by the fascist government.

With the complete party control of the nation's press, the *fascisti* went a step further and passed a law making it impossible for a non-fascist to hold a newspaper job. The deputy Amicucci, head of the newspaper syndicate, said:

"There no longer exists any official liberal organ, but there are several so-called liberal papers owned by bankers and industrial leaders. They must change their color or disappear. We spare the lives of those who have consented to join the regime."

After the Italian journalists' register was made, the Foreign Office attempted to force all foreign journalists to declare themselves fascists or leave the country. The government did establish a register for Anglo-American and other foreign journalists. The Anglo-Americans are the big game. They cannot be bribed and they represent the most important part of the world public opinion, feared by Mussolini. The register has to be revised every six months. Any name can be stricken by request. The syndicate

committee or a public minister, or Mussolini or the unofficial Cheka, can say "suspend this man six months, or put him off the list entirely." The American or British journalist is therefore kept continually in fear, continually in line, otherwise he will lose his right to work in Italy—a more subtle blow than expulsion, which the *fascisti* found reacted very unfavorably against them in 1925.

Mussolini is doing everything to bring his dictatorship into favor. Every British and American newspaper editor or owner of importance gets a good handshake and from a minute to an hour in the Venetian Palace. Politicians, especially the loud blathering ones, likewise. For the resident journalist repeated doses of propaganda on the one hand, careful Cheka surveillance on the other; the censorship; discouragement for those who do not sympathize with fascism. Americans and British who get to know some hidden opposition politicians somehow do not remain long in Rome. When a new arrival is honest enough to say he came to do honest work, to report both sides of things impartially, he is put under a special surveillance immediately. He certainly is given to understand objectivity is not desired.

The lives of foreign journalists can run smoothly only if they avoid altogether any political subject wherein credit is not implied to fascism, implicitly or explicitly, and confine themselves to recounting the archaeological discoveries in Herculaneum, or Lake Nemi, and the activities of visiting Americans. If they give both sides of a question involving anything of a political nature, the task is complicated by the necessity of devising ruses to elude the censorship, and this means adding to the police dossier. All dispatches sent out by foreign correspondents go to the Foreign Office to be copied. One function of the Foreign Office, called the "Revisions," is to read everything. If anything displeasing is found the cable is held up till next day so that its value is lessened, more often destroyed. Sometimes the censor garbles up a dispatch so it arrives illegible. When merely held up, the message is sent back to the telegraph offices sometimes, and the

telegraph official telephones the correspondent to know if he still wants his item sent. When journalists protest against the censor, the censor blandly denies he had anything to do with the delay and says it was due to an error in the telegraphic service; which the telegraph director dares not refute, though he knows it to be a lie.

The foreign correspondents would much prefer an open to a secret censorship, but Mussolini prefers to pretend there is no censorship at all.

We may now draw our conclusions: Mussolini has saved Italy from everyone but himself. *Financially, economically, socially, culturally, pedagogically, spiritually and physically, he has led Italy on the road to war and ruin.*

It is an axiom that imperialism means war and Mussolini has preached nothing but imperialism. It is an axiom that militarism means war and no one except Hitler has been as militaristic as Mussolini; it is an axiom that armaments mean war and Mussolini has been among the first in fostering armaments.

The world's economic system has broken down. Everywhere leaders are trying or proposing other plans. But fascism is not a new plan; it is merely the old financial big business, profit-before-all system armed with rifles and calling itself a planned economy.

But despite terrorism something at last is stirring in the fascist land and the feet of the men bearing bayonets are no longer steady. And to prevent the bayonets from piercing the fascist regime, it is necessary to turn them against foreign "enemies". War is the inevitable climax of military imperialistic dictatorships.

Mussolini's only military victory so far has been the capture of Corfu, after a bombardment of an American orphan asylum, where *fascismo* killed 12 children. But he is a megalomaniac whose ambition is to be a Caesar, to win a place in history as a great military genius.

After ten years of sword rattling against France and Jugoslavia, the two nations fairly competent to take care of themselves, Il Duce has determined to annex the last independent African state where men still fight with bows and arrows. There he may be able to realize his ambition to be a conquering hero, and thus add to his prestige—which is on the wane.

There must be war, because war is the price of *fascismo*.

*But whether or not fascism is victorious in Ethiopia, the road it has taken leads inevitably to ruin.* The members of the Italian chambers of commerce, the Italian bankers, the members of the Italian manufacturers association, and the members of the patriotic societies *who financed fascism* may still be satisfied with their bargain. They at least are not bankrupt.

Nor have they been affected by the spectacle of the increasing misery of the teeming Italian population.

They need an imperialist war.

But whether or not Mussolini fights and wins imperialist wars, he has succeeded in winning the war against the people of Italy. *As the standard of living sinks below the subsistence level, the Italian masses are reduced more and more into the state of serfdom.*

Win or lose in a foreign war, they have already been defeated in the domestic economic war. That is fascism's main achievement. Serfdom is inherent in fascism.

But the end is not yet. Fascism does not work and cannot forever keep on lowering the standard of living of the Italian people. History teaches us we go forward not backward. Fascism is a temporary return to medievalism. We have had golden ages and dark ages but always the relapses have been followed by greater gains for the masses of people. Fascism in Italy, in Germany, in other countries, is an attempt, apparently the last, of the ruling powers, big business, finance capital, wealth, the profit system, to maintain itself by driving labor and the middle classes into anachronistic serfdom. Fascism ranks with the most tyrannical forms of government ever devised in the history of

man. Other tyrannies have flourished. *But fascism cannot succeed because it is in the grip of economic inevitability. Economic failure forces Mussolini and Hitler on the road to imperialistic war. Winner or loser, Mussolini faces defeat at home. The tradition of the slaves under Spartacus who defeated the Legions, the tradition of Garibaldi, the tradition of the martyr Matteotti, are not dead in Italy. Throughout the world the tide is rising against fascism and its whole terroristic spectrum of colored shirts.*



# Do You Know What Fascism Means?

## FASCISM IN U. S. A. WOULD MEAN

- wholesale killing of Jews, Negroes, and other racial minority groups.
- the suppression of the trade-union movement.
- the lowering of your standard of living.
- terror against liberals, Socialists, Communists, and all other progressives.
- loss of religious liberty.
- the denial of free speech and a rigid censorship of the press.
- the destruction of democracy and freedom.
- war to conquer new fields for exploitation by our finance capitalists.

## Do you want this sort of thing in the United States?

*Right now our liberties are being lost, our standard of living is declining, anti-Semitism is growing, compulsory arbitration is being forced upon trade unions, strikes are broken by police, National Guardsmen, vigilantes, gag legislation is passed by state legislatures and Congress, youth is being militarized in C.C.C. camps, and our government is spending a billion dollars on war preparations.*

### DO YOU KNOW WHAT YOU CAN DO RIGHT NOW TO PREVENT THE DEVELOPMENT OF FASCISM? TO PREVENT THE NEXT WAR?

If you don't know, it is high time that you find out. You can find out by reading *FIGHT*, monthly publication of the American League Against War and Fascism, and you can actually get into action by JOINING the American League Against War and Fascism.

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