

LL
13 July
VI - 495

ITALY

THE "CONGLOBAMENTO" AGREEMENT (WAGES UNIFICATION AGREEMENT.)

SOURCE ROME: ROME News Bureau.

DATE OF OBSERVATION: Current period.

EVALUATION COMMENT: This is an important report which, in view of the fact that the Communists hate all "Reformism," should be of some propaganda value. The unification of wages on a regional basis is one more step in Italy's efforts to alleviate the chaos inherited from the war and to grant a better standard of living to the Italian workers. Other steps reported earlier from our ROME office, are a fairly largescale land reform, and government guidance and support of better worker/industry relations, all done while maintaining political freedom. It would be too much to expect any quick and startling improvement in Italian prosperity from these steps, that country is too heavily burdened with problems such as a highly individualistic populace, great population pressure, a strong and implacable Communist Party, Fascist-inherited syndicalism, absentee landlordism, poverty etc.

For purposes of true RFE propaganda, an important point is that the Communist Workers Federation (CGIL) withdrew from the planning of the important reform described in this report, and began to attack it with customary viciousness as soon as it showed signs of leading to success. The Communists are not interested in bettering the lot of the workers, they are interested in keeping them in turmoil so that they may be led to world revolution.

* * *

On 4 June 1954, an agreement on the so-called "Conglobation" was reached between the Italian National Association of Manufacturers on one hand and the free Trade Unions on the other. (CISL - the Italian Confederation of Workers Unions, UIL - the Italian Workers Union, and CISNAL - the Italian Confederation of National Workers Unions.)

The Communist General Italian Federation of Workers (CGIL) was excluded from this agreement.

With this agreement, the laborious negotiations

(Over)

(cont'd)

1

or which had gone on with alternating successes and vicissitudes for more than a year and a half, the Italian industrial workers have achieved a series of direct and indirect benefits, the total burden of which will be borne by the employers at the sum of about 80,000,000,000 lire, corresponding to about a 5.3 per cent increase of the total salaries paid in industry.

Large Discrepancies in Post-War Italy.

To understand the importance of this agreement better, it is necessary to briefly illustrate the salary position in post-war Italy and go back to the origin of this Union problem.

In Italy, the vicissitudes of the war brought about tremendous loss of balance between incomes and the cost of living. Immediately after the Liberation, a minimum scale of wages was fixed for industrial workers, but this could not be applied because of the economic upsets of the post-war period and the necessary period of arrangement. However, following the efforts put forward by the Trade Unions, there were added to this, allowances bearing the name for which they were designed. In this way, bit by bit, there came about the "Contingency" allowance, a heavy allowance which amounted to about 2/3 of a salary and therefore almost doubled it. This allowance is understood to represent the increase in cost of living and varies according to the cost of living from province to province. Then there is the allowance known as "Expensive bread," which was instituted to meet the rising cost of bread, staple food of the working classes in Italy. In addition there was the "Third Food" allowance and the revaluation quotas.

All these new allowances and the variability of some from province to province meant that, according to their province, workers in the same category would be getting a difference in pay that reached the absurd, even when their provinces happened to be close together.

The Need to Readjust the Wage Picture in Italy.

Therefore there arose the necessity to unify the various parts of the wages and to recreate in the national program a wage order which would represent the greatest balance between the economic situation of the various parts of the country and the various provinces. This necessary arrangement was given the name of "Conglobamento" (Unification) which in this sense is the action of globating into a whole the various elements of the salary in different parts of the country.

(Over)

(cont'd)

2

The question of Unification had its official beginning on 14 June 1952. From what has been pointed out, it is clear that the questions were to be based on the supposition that they were not to be considered as a vindication claim to obtain indiscriminate increases in salaries, but as a technical operation of specified character and finality; a re-arrangement; with the unification of the various parts of the wages set-up and a re-assessment of the wages zones, to the end of eliminating certain anomalous situations which have almost always been caused by the "contingency" allowance.

Communists Withdraw when Success Seems Assured.

The Communist CGIL had accepted this, as it had more than once stated, both publicly and in the sitting on the negotiations, and on this basis had entered into discussion for a long time with the other Trade Unions and the representatives of industry.

At a certain moment, after a long period of alternating success and failure and struggle and union actions and negotiations, the Communist CGIL realized that the problems would reach a solution and they withdrew from the negotiations and started a campaign of calumny against the democratic Trade Unions, who continued to treat with the industrialists. The CGIL made the facile excuse that the Unification, as it has been imposed up to that time, had brought no sensible increase in wages, while it (the CGIL) tended to break down the purely technical nature of the question asking for high increases of salaries that would have definitely wrecked any Unification agreement. In effect, the CGIL did not wish to come to an agreement. Its end was not to help the workers, but to keep them in a continual state of agitation and strikes, because confusion and chaos favor the growth of Communism. They know too, that every real conquest for the workers and every bettering of their tenor of life thrusts Communism away from the country.

When at last the agreement was reached, the CGIL knew the extraordinary importance of the order, which was the major victory of the Trade Unions in the last ten years and they tried every means in their power to render them ineffective. They declared that they could not be valid because they had been reached without the CGIL, which represents the strongest Trade Unions organization in Italy and therefore the majority of the workers. They stated that the CISL conducted the negotiations secretly with the National Association of Manufacturers without letting CGIL take part, as is known from official publications, CISL

(cont'd)

3

always kept in touch with CGIL in the development of the negotiations, and in addition, solicited CGIL itself to unite on the question to obtain the best results. CGIL defined the agreement as a "Trick Agreement" and spread the rumor that CISL had pushed forward the interests of the ruling classes against those of the workers. And they organized protest strikes which, as it happens, have come to nothing thanks to the good sense of the majority of the workers.

In the face of actual facts, the CGIL sabotage of the agreement can be said to be destroyed by the Secretary of the CGIL himself, the Hon. Giuseppe DI VITTORIO, and they have recently been obliged to recognize that the question of Unification is already overcome. However, they continue to fight for an increase in wages.

In other words, the CGIL, at least to prevent loss of face, has transferred the problem of Unification to that of the wages increase plan, but implicitly recognizes that the case of "Unification" as such is now closed.

The worst blow that the CGIL received in their attempts to wreck the agreement came from the workers registered with the CGIL itself. In fact, at one point, while CGIL was asking that the validity of Unification should be conditioned by a referendum from the workers, the opposition stated that such a referendum would be absolutely useless in so far as those workers who did not wish to accept the Unification, would be able to declare that they wished to be paid in the old way. CGIL well knew that no worker would renounce the wages and other benefits which would come from Unification, and therefore hurried to declare that the workers would accept the wages increase pre-arranged in Unification, cavilling that such increase would be accepted only as leading toward future increases.

The Technical Organization of Unification.

From a technical point of view, the Unification was carried out in the following way:

As a natural consequence of the fact that unification of the various items concurrent in the wages had put the subdivision of wages according to territory into evidence (for practically every province had a different scale) the democratic Trade Unions put forward in the problem a request on wages revision. Such wages revision to be imposed in the sense of regrouping the various Italian provinces into a set number of zones according to their evaluation on the grounds of objective elements such as industrial potential, annual revenue, cost of living etc., which the various provinces present.

(Over)

(cont'd)

4

In the range of this regrouping there would be created a single wage scale for all the provinces.

It is obvious that in this way the various anomalies of the past will come to be corrected, including that of the neighboring provinces with the same characteristics and economic order but having a noticeable difference in wage level determined in the majority of cases by the anomaly of the contingency allowances.

As different to the CGIL which, under the title "Equal Distribution of Contingency Allowances" put forward a real request for wages increase, the other Trade Unions organizations (who conducted the questions as technical arranging) reached a stabilizing of the balance of wages in the agreement, eliminating the precarious situations of those provinces where the salaries were unjustly low for the principal cause of contingency allowances.

As has previously been stated, this operation has placed on the manufacturers an annual burden of about 80,000,000 lire, which therefore gives a wage increase worth an average of 5.3 per cent.

At present, there is in progress a meeting between the National Association of Manufacturers and the Trade Unions to attain the practical execution of the agreement which has been reached.

End.