

**Varieties of Organised Capitalism:
Technocracy, Corporatism and Industrial
Policy in Modern France and Italy (1937-58)**

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Short Abstract

This comparative doctoral study analyses the role that fascist authoritarianism and state-led democracy played in the consolidation of organised capitalism in mid-20th century France and Italy. It argues that the Italian Fascist regime, Vichy's French State, the Italian Social Republic (RSI), the French and Italian Provisional Governments, the Fourth Republic and the Italian Republic from 1946 were all developmental states, which utilised organised capitalism to modernise key industries such as iron and steel. Technocratic institutions such as Italy's Institute for Industrial Reconstruction (IRI) and France's General Planning Commissariat (CGP) became in this way pivotal industrial policy instruments.

The national structures that resulted from these innovations had much in common, but they also had differences, which were the consequence of the post-war reformers' interactions with the institutional legacies of authoritarianism. French post-war policy-makers exploited the techno-corporatist industrial planning bodies inherited from the Vichy regime to create a framework capable of orienting both public and private industries under the guidance of the CGP. The rationalisation of the French iron and steel industry during the 'Monnet Plan' was exemplary of the CGP's capacity to co-opt an entirely private industrial sector. The post-war Italian Republic also inherited the IRI and its nationalised enterprises from Fascism. Nevertheless, due to the resistance of business organisations and liberal-conservative policy-makers, Italian reformers were unable to maintain the corporatist instruments that had allowed the Fascist

regime and then the RSI to plan the development of private enterprise. As a result, the effort to restructure the Italian iron and steel industry was limited to IRI's industrial shareholdings. By the late 1950s both states adopted a model of organised capitalism, which combined state direction with the permanence of private initiative. Yet, the lack of instruments capable of strategically orienting private investments continued to distinguish Italian industrial policy from its French counterpart.

Long Abstract

This research project explores the continuities and ruptures that characterised the evolution of the technocratic and corporatist industrial policy instruments in two states that were important protagonists of the mid-20th century shift towards organised capitalism: France and Italy. The time period under consideration stretches from 1937 to 1958, between the inauguration of Fascist Italy's autarchic industrial strategy and the accession of both Italy and France to the European Economic Community (EEC). Particular attention is devoted to the sectorial case study of the iron and steel industry, and especially to the modernisation strategies that French and Italian developmental states launched during the "long reconstruction".

The fundamental thesis of this study is that the Italian Fascist regime, Vichy's French State, the Italian Social Republic (RSI) in 1943-45, the French and Italian Provisional Governments, the French Fourth Republic and the Italian Republic after 1946 were all developmental states with a strong *planiste* ambition intent on utilising organised capitalism to modernise national socio-economic structures. Industrial renewal and expansion were an integral part of these projects, which required the mobilisation of technical expertise, organised business and labour as instruments of state action. Institutions such as Italy's Institute for Industrial Reconstruction (IRI) and France's General Planning Commissariat (CGP) were products of these mid-20th-century authoritarian and democratic efforts to empower the developmental state. The crucial institutional reforms that defined the French and Italian varieties of post-war organised

capitalism occurred between the Liberation and the early stages of reconstruction.

The divergent characteristics of the two models that resulted from these reforms were the consequence of the reformers' interactions with the institutional legacies of authoritarianism. The French Provisional Government and the Fourth Republic exploited the techno-corporatist industrial planning bodies inherited from the Vichy regime to redefine the relationship between the state and industry and create an administrative framework capable of dictating a strategy for both public and private enterprises under the guidance of the CGP. A particularly zealous French business leadership dominated by managers sympathetic to the planners' agenda facilitated the consolidation of this outcome. The rationalisation of the French iron and steel industry during the first Modernisation and Equipment Plan (PME) of 1946-52 stands out as an important instance of effective co-optation of a private industrial sector into a state-led strategy; and techno-corporatist sectorial planning remained a permanent feature of French industrial life throughout the Fourth Republic.

The post-war Italian Republic also maintained major tools of Fascist industrial planning, especially the IRI, which contributed to the rationalisation of the Italian iron and steel industry through the implementation of an ambitious sectorial plan, funded by Marshall Aid and championed by a group of technocratic veterans of Fascist economic administration. Nevertheless, Italian post-war reformers were unable to maintain the corporatist industrial planning bodies that had allowed the Fascist regime and then the RSI to control the development of private enterprise. Following the collapse of the RSI, the anti-Fascist resistance and the provisional coalition government in Rome had initially

preserved these agencies to ensure the post-war re-activation of Northern Italian industries. Opposition from business trade organisations and liberal policy-makers as well as the divisions among *planiste* reformers however contributed to the dismantlement of these instruments after the centrist turn of June 1947. The loss of these planning bodies prevented the Republic's Ministry of Industry from subjecting private enterprises to industrial rationalisation. Thus, attempts to plan coherently private industrial development failed, thus leaving the vast public sector inherited from Fascism as the sole planning instrument available to the Italian developmental state. By the late 1950s both states adopted a model of organised capitalism, which combined state direction with the permanence of private initiative. Yet, whilst French private industry continued to dialogue with public administration within the framework of a second PME, an increasingly politicised system of public enterprises – still led by IRI and other managerial agencies – remained the chief industrial policy instrument available to the Italian developmental state.

These differences constitute a clear indication of national 'path dependency'. Organised capitalism was an international phenomenon, facilitated by transnational forces such as the Great Depression, autarchy, war mobilisation and reconstruction. Yet, the two case studies illustrate that national peculiarities – people, ideas, and interests – shaped divergent institutional outcomes, which heavily conditioned the capacity of post-war developmental states to impose modernisation strategies on their national industrial systems.

This study has significant implications for several fields of contemporary European history, especially for the history of capitalism, fascism and democracy. Additionally, the conclusions drawn from the analysis of the two

national case studies also have important implications for the political-economic history of contemporary France and Italy. Despite its affinities with the works of Charles S. Maier on the stabilisation of Western European capitalist societies in the mid-20th century, this is not an analysis of the resilience of bourgeois elites to institutional change. Rather it demonstrates how the shocks of the interwar, wartime and post-war years allowed dictatorships and democracies alike to question the liberal order by shifting the balance between public and private power and ensure the rise of a new elite of civil servants, technical experts, and trade officials, who challenged bourgeois elites of parliamentary notables, family capitalists and financiers.

Additionally, this study aims to redefine the timeline of European organised capitalism. By taking fascism seriously as a major challenger of the disorganised capitalist order that liberal reformers sought to restore in the 1920s, it argues that the timeline of European organised capitalism began much earlier than 1945 and that the influence of the New Deal should not be exaggerated. According to this study, the timelines of Italian and French organised capitalism can be respectively traced back to 1937 and 1940 when Fascist and Vichy economic administrators redefined the boundaries between public and private power in the industrial order to meet the challenges of autarchy and war mobilisation. Several of these institutional innovations survived the political transition at the end of the war and played a pivotal role in promoting the restoration of France and Italy as industrial powers and protagonists of the post-war economic miracle. By endorsing this new time-line this study will also respond to Martin Conway's invitation to question the interpretation of 1945 as a "0 hour" separating the turbulent and unstable

interwar years and the prosperous democratic age that followed the Second World War.

This suggests that Fascism and the Vichy regime contributed to the institutional and strategic foundations of the post-war growth model. The thesis does not deny that under the impulse of the Bretton Woods institutions and the General Agreement on Trade and Tariffs (GATT), post-war capitalism abandoned autarchy in favour of free trade and international cooperation. But, as Alan S. Milward pointed out, the post-war era did not see the eclipse of the nation-state, but its reconfirmation as a central political-economic actor in key realms such as industrial modernisation. The post-war era was therefore a period of ambitious big-push industrialisation projects, full employment policies, and regional development initiatives, which involved the mobilisation of private economic actors to fulfil the modernising agenda of ambitious civil servants. Thus, rather than an independent actor dis-embedded from political and social constraints, post-war European capitalism largely remained an instrument of state action. In line with Maier's concept of the "activist project state", this study therefore seeks to redefine organised capitalism as a consequence of the re-assertion of dynamic state power – authoritarian and democratic – in mid-20th century Europe.

By identifying the interwar, war and early post-war years as the conjuncture in which modern organised capitalism took shape, this study also seeks to respond to the work of Quinn Slobodian and the broader scholarly trend, which traces the origins of neo-liberalism back to this moment. This study indeed shows that the years from the 1930s to the end of the 1950s were predominantly a time of *dirigiste* states, expert-led industrial planning commissions and platforms for corporatist interest mediation. Post-war

technocrats, whether from ideological conviction or simple pragmatism, were firm supporters of state-led economic modernisation and advocates of the primacy of the national interest over the sectarian claims of social groups and individual private actors. Even liberal figures, who occupied key policy-making positions such as Antoine Pinay and Luigi Einaudi were unable to reverse their countries' shift towards organised capitalism.

This redefinition of the timeline of European organised capitalism also implies a recasting of the role played by fascism in the political and economic history of modern Europe. In contrast to scholars such as James Bradford DeLong and Clara Mattei, this study argues that Fascist Italy and later Vichy France's economic policies constituted two varieties of an authoritarian and yet reformist alternative to liberal capitalism, bent on shifting the balance between public and private power in favour of the developmental state. Italian Fascism's interventionist turn of the 1930s gave an opportunity to a group of ambitious technocrats and trade organisers to alter fundamentally the institutional foundations of Italian capitalism by placing the levers of credit and industrial policy in the hands of the totalitarian state. This was not a mere opportunistic turn, but an expression of the statist, technocratic and corporatist traits that had characterised Fascist economic ideology since 1919. The IRI, the Banking Law of 1936 and the Ministry of Corporations constituted the spearheads of this assertion of state power, which redefined the boundaries between industrial and finance capital, created a new elite of political-economic administrators, and thereby challenged the very economic elites, who had backed Benito Mussolini's rise to power in the 1920s. The Fascist RSI built upon these institutional innovations, and even attempted to initiate its own 'managerial revolution' in

economic administration by staffing its new Ministry of the Corporative Economy with technical experts from the ranks of the IRI.

The political-economic reforms undertaken by the French State in 1940-44 demonstrate a similar technocratic spirit. Despite its cultural conservatism and its 'gerontocratic' leader, Marshal Petain, the Vichy regime was also a developmental state, which brought into power a new elite of technocratic planners, bent on operating a managerial revolution in both French economic administration and French business. Stimulated by the disaster of the 1940 defeat and the perceived failure of the liberal Third Republic to prepare French industry for the war effort, between 1940 and 1944 these ambitious planners initiated technocratic and corporatist administrative reforms, which redefined the institutional foundation of France's industrial organisation initially to ensure the short-term survival of the French economy and subsequently to re-adapt its structures to post-war challenges. The creation of the Ministry of Industrial Production (MPI), its network of sectorial Organisation Committees (COs) and the General Delegation for National Equipment (DGEN) resulted from these efforts.

In line with the provocative arguments formulated by Stanley Hoffmann and Robert Paxton, and more recently by Luc-André Brunet, this study argues that Resistance-affiliated political-reformers built upon Vichy's techno-corporatist institutional legacy to create the agencies – the CGP and its sectorial Modernisation Commissions (CMs) – that shaped the country's post-war industrial reconstruction. This view challenges the interpretations of those such as Richard Kuisel and Frances Lynch, who have treated the planning agencies

created by Jean Monnet as a distinct set of bodies, independent from Vichy's institutional legacy.

Furthermore, by comparing the case studies of the French and Italian iron and steel industries this study questions the assessment of the CGP's efforts offered by French political-economic historians such as Philippe Mioche, which have highlighted the post-war central planners' limited ability to guide the investment programmes undertaken by private producers during the reconstruction period. The success story of the state-led development of the French iron and steel industry only emerges if properly contrasted with the Italian planners' failure to enforce a coherent industrial strategy that would involve both public and private producers. These outcomes were largely due to the extent to which French and Italian economic administrators were able to maintain, reform and coordinate the entirety of the industrial planning bodies they inherited from the Fascist and Vichy regimes.

Overall, the French and Italian case studies demonstrate that the emergence of West European democracy after the war as a "state-led" polity characterised by a professionalised pervasive administrative framework capable of shaping key aspects of economic development such as industrial expansion was in large part a legacy of interwar and wartime authoritarianism. Post-war economic planning agencies with their professional armies of technocratic cadres and their corporatist links with private organised interests would have hardly been imaginable without the fundamental administrative inputs of previous authoritarian experiments. Furthermore, the sectorial case study of the French and Italian iron and steel industry illustrates that the extent to which the way that post-war economic reformers salvaged the technocratic and corporatist

industrial planning bodies of the defunct Vichy and Fascist regimes heavily conditioned the capacity of the post-war developmental state to impose its own strategy upon this crucial sector.

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KEY ABBREVIATIONS:

Archives and Collections

AAR – Archivio Agostino Rocca

ACS – Archivio Centrale dello Stato

AN – Archives Nationales

CHSGM – Comité d’Histoire de la Seconde Guerre Mondiale

FA – Fondazione Ansaldo

FD – Fondazione Dalmine

FJME – Fondation Jean Monnet pour l’Europe

FJM – Fonds Jean Monnet

HAEU – Historical Archives of the European Union

SGG – Secrétariat Général du Gouvernement et Services du Premier Ministre

Text:

CIAI – Northern Italian Industrial Council

CCI – Central Industrial Commission

CGP – General Planning Commissariat

CMs – Modernisation Commissions

CMSID – Modernisation Commission for Steel

COs – Organisation Committees

CORSID – Organisation Committee for Steel

CSSF – Syndical Chamber of the French Iron and Steel Industry

DGEN – General Delegation for National Equipment

IRI– Institute for Industrial Reconstruction

FME – Modernisation and Equipment Fund

MEN – Ministry of the National Economy

MIC – Ministry of Industry and Commerce

MPI – Ministry of Industrial Production

OCRPI – Central Office for the Allocation of Industrial Products

OPSID – Professional Office for Steel

PME – Modernisation and Equipment Plan

SIAI – Northern Italian Industrial Sub-Commission

INTRODUCTION

Fascist Authoritarianism, State-led Democracy and Organised Capitalism

In his *The New Industrial State* (1967), the Canadian-American political economist and former civil servant John Kenneth Galbraith (1908-2006) pointed out that the most important novelty of “modern economic life” was that “the forces inducing human effort have changed”¹. According to Galbraith, this transformation had questioned, “the most majestic of all economic assumptions, namely that man in his economic activities is subject to the authority of the market. Instead, we have an economic system which, whatever its ideological billing, is in substantial part a planned economy”². Galbraith’s statement on the changing nature of modern industrial economies epitomises the theses advanced by a broader intellectual consensus, which highlighted the shift towards state-led “organised” or “coordinated capitalism” in Western societies in the mid-20th century³.

The term ‘organised capitalism’ was first employed in the 1920s by the Austro-Marxist economist and Social Democratic politician Rudolf Hilferding (1877-1941) to describe the stage of political-economic development that would follow the breakdown of the highly concentrated and cartelised industrial system that had emerged in most Western European countries by the end of the

¹ J.K. Galbraith, *The New Industrial State* (London, 1967), p. 6.

² Ibid. p. 6.

³ J. Kocka, *Capitalism: A Short History* (Princeton NJ, 2016), p. 150.

First World War⁴. Social Democrats such as Hilferding indeed argued that the primary task of the labour movement would be to shift regulatory and planning powers away from financial institutions and industrial trusts, and place them in the hands of the democratic state⁵. This would constitute the first step towards the construction of socialism. Although Western Europe hardly ever transitioned towards socialism, a broad scholarly consensus has recognised that most Western European economies shifted towards organised capitalism after the Second World War.

A major commentator of this shift was the British institutional economist Andrew Shonfield (1917-81), whose *Modern Capitalism* (1965) analysed the “change in the balance between public and private power” that took place in Western European industrial economies in the twenty years after the end of the Second World War⁶. According to Shonfield, this period was characterised by structural and administrative reforms, which allowed Western democracies to plan the development of key economic sectors. These reforms included nationalisations, the creation of expert-led planning agencies capable of directing private investments, and the involvement of labour and business organisations in the policy-making process. As Shonfield pointed out, “governments in their anxiety to increase the area of the predictable for purposes of economic planning have encouraged firms within an industry to evolve agreed policies on the basis

⁴ T. Bottomore, ‘Introduction to the translation’ in R. Hilferding *Finance Capital: A Study in the Latest Stage of Capitalist Development* (London, 1981), p. 6

⁵ R. Hilferding, *Finance Capital*, pp. 366-368; W. Smaldone, ‘Rudolf Hilferding and the Foundations of Social Democracy’, *Central European History*, 21 (1988), 284, 293.

⁶ A. Shonfield, *Modern Capitalism: The Changing Balance of Public and Private Power* (Oxford, 1965), pp. 65-7.

of their common long-range interests”⁷. As a result, “the classical market of the textbooks” became “more remote than ever”⁸.

This project studies three key features of modern organised capitalism: industrial policy, technocracy and corporatism. Italian institutional economist Mariana Mazzucato has defined industrial policy as “an overall strategy to encourage the development and growth of all or part of the economy” to modernise essential sectors, boost employment or stimulate the development of backward regions⁹. Industrial policy was a key feature of modern organised capitalism, as post-war economic recovery required the state-led coordination of public and private investments towards the vital industries necessary for reconstruction such as power stations, coalmines and steelworks.

The implementation of national industrial strategies required planning agencies, staffed with technical experts capable of building permanent links with private enterprises and organised interests. “Technocracy” – defined by French sociologist Jean Meynaud as “the rise to power of those who possess technical knowledge” was therefore an essential feature of modern organised capitalist economies¹⁰. Since the early 1920s technocracy was associated with the specific figure of the engineer, who “appeared not so much as a master of machines as a potential manipulator of all industrial relationships”¹¹. This type of “engineer-economist” – embodied by the French *Polytechnicien* – contributed “to the emerging field of econometrics and statistical monitoring and forecasting (...)

⁷ Shonfield, *Modern Capitalism*, p. 66.

⁸ *Ibid.*, p. 66.

⁹ M. Mazzucato, *Mission Economy: A Moonshot Guide to Changing Capitalism* (London, 2021), p. 50.

¹⁰ J. Meynaud, *Technocracy* (London, 1969), p. 31.

¹¹ C.S. Maier, ‘Society as factory’, in C.S. Maier, *In Search of Stability: Explorations in Historical Political Economy* (Cambridge, 1987), p. 23.

helped to develop tools of economic management that would soon be considered essential instruments of modern government”¹². In the specific context of mid-20th century efforts to subject modern capitalist economies to state planning the term “technocrat” has been employed to describe civil servants and industrial managers characterised by a “pragmatic, technical mentality; a commitment to modernisation (...) and a strong sense of caste and duty”¹³. This type of technocrat has thus often been associated with the “developmental state”, meaning “a particular type of state bureaucracy (...) animated by a certain kind of ambition (...) not only one of economic growth, but also one of protection and promotion of national interests, as perceived or determined by the administrative elite”¹⁴. Planning agencies such as the French General Planning Commissariat (CGP) and the Italian Institute for Industrial Reconstruction (IRI) can be regarded as the technocratic spearheads of the two countries’ post-war developmental states.

The necessity to include the representatives of organised socio-economic interests in the planning process, and pressure the private sector into endorsing state plans required a “corporatist formula for managing the economy”, which thus became a key feature of modern organised capitalism¹⁵. Corporatism took various forms across this period. Authoritarian regimes yielded what the political scientist Antonio Costa Pinto has defined “political corporatism”, a system to channel political representation and channel social conflict by replacing parliamentary representation with social “organic units” (e.g.

¹² J. Clarke, *France in the Age of Organisation: Factory, Home and Nation from the 1920s to Vichy* (Oxford, 2011), p. 119.

¹³ S.S. Cohen, *Modern Capitalist Planning: The French Model* (Cambridge MA, 1969), pp. 45-6.

¹⁴ M. Loriaux, ‘The French Developmental State as Myth and Moral Ambition’, in M. Woo-Cummings (ed.), *The Developmental State* (Ithaca NY, 1999), p. 235.

¹⁵ Shonfield, *Modern Capitalism*, pp. 230-2.

professional associations) as the primary and/or complementary body of the executive¹⁶. Yet, not all forms of corporatism derived from this lineage. As the institutional economist Frederick Pryor has demonstrated, from a political-economic point of view corporatism constituted “a type of organised or coordinated capitalism where power to make important economic decisions is transferred from parliament and government to semi-private organisations”¹⁷. This might imply a diminution of state power; but many of the corporatist structures of the wartime and post-war years, were intended to reinforce the power of the state by subordinating trade organisations and industrial enterprises to public directives enforced by technical experts. These “techno-corporatist” institutions became the transmission mechanism between the developmental state and private interests¹⁸. Given this similarity of structures and purposes, scholars such as Simon Reich have stressed that it would be misleading to differentiate authoritarian “state corporatism” from democratic “societal corporatism”¹⁹.

Post-war commentators of the 1960s such as Shonfield predominantly associated the rise of organised capitalism with the wave of political-economic reforms that followed the Second World War. Only Franklin Delano Roosevelt's New Deal (1933-45) was identified as a trans-war experiment with economic planning outside the Soviet World. Nevertheless, commentators of the 1940s such as the Austro-Marxist political economist Karl Polanyi (1886-1964) and the

¹⁶ A. Costa Pinto, ‘Corporatism and organic representation in European Dictatorships’, in A. Costa Pinto (ed.), *Corporatism and Fascism: The Corporatist Wave in Europe* (London, 2017), p. 5.

¹⁷ F.L., Pryor, ‘Corporatism as an economic system: A Review Essay’, *Journal of Comparative Economics*, 12 (1988), p. 317.

¹⁸ A.S., Miller ‘Towards the Techno-Corporate State’, *Villanova Law Review*, 14 (1968), 3-4; R.L., Frost, *Alternating Currents: Nationalised Power in France 1946-1970* (Ithaca NY, 1991), pp. 2-3.

¹⁹ S. Reich, *The Fruits of Fascism: Post-War Prosperity in Historical Perspective* (Ithaca NY, 1990), pp. 47, 49-50.

American philosopher James Burnham (1905-87) suggested that New Deal capitalism hardly constituted the only non-Communist challenge to liberal capitalism.

In *The Great Transformation* (1944), Polanyi argued that throughout the interwar period, and especially during the Great Depression of the 1930s, the liberal capitalist economic order built prior to the First World War fell into an irreversible crisis due to the irreconcilability between market self-regulation and societal demands for state intervention. This crisis gave birth to a number of conflicting solutions, which shared the same conviction that state authority had to be re-asserted to save society from the disruptive consequences of economic liberalism²⁰. According to Polanyi, the corporatist reforms undertaken in Fascist Italy and Nazi Germany constituted parallel attempts to subordinate economic mechanisms to state authority²¹. In a 1937 essay Polanyi identified the state corporatist political-economic orders consolidated in Italy and Germany as the expressions of a “fascist solution” to the problems of modern industrial society²². The Austro-Hungarian political economist thus suggested that the origins of European organised capitalism were deeply intertwined with the reforms undertaken by fascism in the interwar years.

In a similar manner, Burnham’s *The Managerial Revolution* (1941) argued that a new form of socio-economic organisation had emerged in the first half of the twentieth century: the managerial society. Its principal features were the introduction of a centrally planned economy, the progressive undermining of

²⁰ K. Polanyi, *The Great Transformation: The Political and Economic Origins of our Time* (Boston, 2001), pp. 79-80.

²¹ *Ibid.*, p. 252.

²² K. Polanyi, ‘Conflicting Philosophies in Modern Society’, in K. Polanyi, *For a New West: Essays 1919-1958* (Cambridge, 2014), pp. 198-200.

markets and parliaments as the chief areas of political-economic sovereignty, the gradual take-over of all industrial activities by the state, and the eclipse of the capitalist entrepreneur in favour of a new political-economic leader: the manager²³. According to Burnham, the managers were the “operating executives” and technical cadres who assumed a directive role in organising production in major industrialised economies²⁴.

For Burnham, the Soviet Union constituted the quintessential managerial state, dominated by the technical cadres whom Lenin and Stalin had placed in charge of the new industrial planning apparatus in the 1920s and 1930s²⁵. According to this interpretation, Soviet Socialism was an ideological façade employed by these cadres to ensure mass support for the managerial state²⁶. Nazi Germany and Fascist Italy were in contrast much less developed managerial states, still struggling to emerge from the “cocoon of capitalism”²⁷. Nevertheless, certain managerial structures had emerged in these fascist polities, including state control of credit, the nationalisation of some industries and the institution of planning commissions to allocate raw materials and labour²⁸. The American intellectual also identified managerial tendencies within FDR’s New Deal, which was shifting legislative powers away from the US Congress towards executive economic agencies such as the Tennessee Valley Authority (TVA)²⁹. Like Polanyi, Burnham thus presented these diverse regimes as manifestations of a transition from economic liberalism into the ‘age of organisation’.

²³ J. Burnham, *The Managerial Revolution* (Bloomington, 1960), pp. 71-4, 118, 157.

²⁴ *Ibid.*, p. 152.

²⁵ *Ibid.*, pp. 213-5.

²⁶ *Ibid.*, p. 221.

²⁷ *Ibid.*, p. 239.

²⁸ *Ibid.*, pp. 236-7.

²⁹ *Ibid.*, p. 147.

These interpretations raise important questions about the role that right-wing authoritarian regimes played in laying the institutional foundations of post-war Western European organised capitalist national economies. The two writers particularly invite reflections on how far the technocratic and corporatist institutional reforms that interwar and wartime fascist developmental states introduced in the field of industrial organisation provided the template – and in some cases institutions and personnel – for the industrial strategies deployed by democratic regimes during the political and economic reconstruction that characterised Western Europe’s “democratic age” (1945-68)³⁰.

This research project explores these continuities and ruptures by analysing the evolution of technocratic and corporatist industrial policy instruments in France and Italy. The thesis’ timeline stretches from the inauguration of Fascist Italy’s autarchic industrial strategy in 1937 to the entrance of both Italy and France into the European Economic Community (EEC) in 1958. Particular attention is devoted to the sectorial case study of the iron and steel industry, and especially to the modernisation strategies that French and Italian developmental states launched during the “long reconstruction” (1944-62)³¹. The final years of this period (1958-62) are excluded from the timeline, as they constituted a separate phase in the political-economic history of the two countries. In France, this phase witnessed the establishment of the Fifth Republic, the abandonment of colonial rule in Algeria and West Africa, and the imposition of the austerity programme that ended post-war inflationary expansion. In Italy, too, these years were dominated by the formal end of the

³⁰ M. Conway, *Western Europe’s Democratic Age, 1945-1968* (Princeton NJ, 2020), p.1.

³¹ H. Chapman, *France’s Long Reconstruction: In Search of the Modern Republic* (Cambridge MA, 2018), p. 13.

reconstruction, and the beginning of the economic 'boom'; and by the gradual shift from centrism to centre-left coalition. Moreover, during these years, the two states adopted policies that marked their greater integration into the world economy symbolised by their return to gold convertibility and their adherence to the EEC. Conversely, the project also excludes the French Popular Front (1936-38), which despite the *planiste* intellectual fervour of the 1930s, failed to yield institutional reforms capable of ensuring a shift of towards organised capitalism in France's industrial order³².

³² R.F. Kuisel, *Capitalism and the State in Modern France: Renovation and Economic Management in the Twentieth Century* (Cambridge, 1981), pp. 123-5; B. Eichengreen, *The European Economy since 1945: Coordinated Capitalism and Beyond* (Princeton NJ, 2007), pp. 44-5.

Case Studies, Thesis and Literature Review

National and Sectorial Case Studies

Italy and France have been selected for their respective experiments with both technocratic and corporatist industrial planning during the years of “further Fascism” (1936-40) and the “national revolution” of the Vichy regime (1940-44)³³. Political economists and historians alike have stressed the technocratic credentials of planning agencies such as Fascist Italy’s Institute for Industrial Reconstruction (IRI) and Vichy France’s Ministry of Industrial Production (MPI). The influence these institutions within French and Italian economic administration was such that radical voices within both regimes often accused their cadres of harbouring dictatorial ambitions of their own, aimed at building a technocratic state³⁴. Post-war French civil servants such as Louis Rosenstock-Franck – a major foreign analyst of Italian economic policy in the 1930s – also pointed to the significant influence that the Fascist corporatist state had on the political-economic reforms undertaken by the French State in the early 1940s³⁵. By the mid-1960s, some Italian economic administrators went as far as affirming that France’s post-war industrial planning apparatus reprised the model of the Ministry of Corporations, one of Fascist Italy’s chief industrial planning organs³⁶.

³³ P. Nello, *Storia dell'Italia fascista, 1922-1943* (Bologna, 2020), p. 309; J. Jackson, *France: The Dark Years, 1940-1944* (Oxford, 2001), pp. 161-2.

³⁴ Kuisel, *Capitalism and the State*, p. 143; E. Cianci, *Nascita dello stato imprenditore in Italia* (Milan, 1977), pp. 113-6.

³⁵ L. Franck-Rosenstock, ‘Ricordi’, in *Il corporativismo e l'economia dell'Italia fascista* (Turin, 1990), p. 30.

³⁶ F. Bloch-Lainé and C. Gruson, *Hauts Fonctionnaires sous l'occupation* (Paris, 1996), p. 250.

The two countries have however also been chosen because they demonstrate divergent characteristics that the French and Italian varieties of organised capitalism acquired in the post-war era. As Shonfield emphasised, by 1965, French planners relied on an administrative framework capable of enforcing a coherent industrial strategy on public and private enterprises alike. Post-war Italy in contrast may have constituted “the most extreme example of public sector enterprise and intervention in the whole of Western Europe”³⁷, but it lacked the instruments necessary to treat these public enterprises and the private sectors “as adjuncts of a coherent national policy”³⁸. The comparative study of the French and Italian planning systems therefore serves to demonstrate the complex web of administrative, and economic factors – as well as simple differences in political will – that determined the divergence in their post-war planning projects.

The focus on the iron and steel industry was motivated by the fact that since the advent of the industrial revolution, this sector was often subjected to political pressures and concerted investment programmes, which “called into question the relationship of private ownership of industry both to the state and to the common good, as well as the relative merits of free and controlled markets”³⁹. As a result, “the European steel industry has since its birth been at the heart of the very nature of the capitalist economy”⁴⁰. Charles S. Maier also recently identified the modernisation of the national iron and steel industry as a “favoured objective” of the ambitious planning agencies available to the activist ‘project states’ of the mid-20th century, especially the IRI and the French General

³⁷ Shonfield, *Modern Capitalism*, p. 177.

³⁸ *Ibid.* p. 178.

³⁹ A.S. Milward, *The Reconstruction of Western Europe, 1945-1951* (London, 1984), p. 362.

⁴⁰ *Ibid.* p. 362.

Planning Commissariat (CGP)⁴¹. This study thus analyses how the institutional evolution of French and Italian industrial policy organs has influenced the developmental state's capacity to direct the restructuring of the iron and steel industry during the critical pre-war, wartime and post-war conjunctures. Answering this question also implies investigating whether the industrial modernisation strategies developed by Fascist and Vichy planners were still implemented during the reconstruction period and whether the institutional reforms that occurred after the Liberation eventually affected the outcomes of these strategies. The project thus does not merely intend to study the impact that the introduction or reform of planning bodies had on the formal relationship between the state and the iron and steel industry, but also seeks to analyse how successful these agencies were in influencing the investment strategies of French and Italian steel producers, especially between the Liberation and the institution of the European Coal and Steel Community (ECSC) in July 1952.

The Argument In Brief

The fundamental thesis of this study is that the Italian Fascist regime, the Italian Social Republic (RSI), Vichy's French State, the French and Italian provisional governments, the Italian Republic, and the Fourth Republic were all developmental states, intent on utilising organised capitalism to modernise national socio-economic structures. Industrial renewal and expansion were an integral part of these projects, which required the mobilisation of technical

⁴¹ C.S. Maier, *The Project State and its Rivals: A New History of the Twentieth and Twenty-First Centuries* (Cambridge MA, 2023), p. 134.

expertise, organised business and labour as instruments of state action. Institutions such as Italy's IRI and France's CGP were products of these mid-20th century authoritarian and democratic efforts to empower developmental state. The crucial institutional reforms that defined the French and Italian varieties of post-war organised capitalism occurred between the Liberation and the early stages of the long reconstruction. The divergent characteristics of the two models that resulted from these reforms were strictly related to the reformers' interactions with the institutional legacies of authoritarianism.

The French Provisional Government and the Fourth Republic exploited the techno-corporatist industrial planning bodies inherited from the Vichy regime to redefine the relationship between the state and industry and create an administrative framework capable of dictating a strategy to both public and private enterprises under the guidance of the CGP. A particularly zealous French business leadership dominated by managers sympathetic to the planners' agenda facilitated the consolidation of this outcome. The rationalisation of the French iron and steel industry during the first Modernisation and Equipment Plan (PME) of 1946-52 stands out as an important instance of effective co-optation of a private industrial sector into a state-led strategy; and techno-corporatist sectorial planning remained a permanent feature of French industrial life throughout the Fourth Republic. The Kingdom of Italy and the Italian Republic after 1946 also maintained major tools of Fascist industrial planning, especially the IRI, which contributed to the rationalisation of the Italian iron and steel industry through the implementation of an ambitious sectorial plan, funded by Marshall Aid and championed by a group of technocratic veterans of Fascist economic administration. Nevertheless, Italian post-war reformers were unable

to maintain the corporatist industrial planning instruments that had allowed the Fascist regime and the RSI to control the development of private enterprise. Opposition from business trade organisations and liberal policy-makers as well as the divisions among *planiste* reformers contributed to the dismantlement of these corporatist instruments. The loss of these planning bodies prevented the Ministry of Industry and Commerce (MIC) from subjecting private enterprises to industrial rationalisation. Thus, any attempt to plan coherently private industrial development failed, thus leaving the vast public sector inherited from Fascism as the sole planning instrument available to the Italian state.

These differences constitute a clear indication of national 'path dependency'. Organised capitalism may have been an international phenomenon, facilitated by transnational forces such as the Great Depression, autarchy, war mobilisation and reconstruction. Yet, the two case studies illustrate that national peculiarities – people, ideas, and interests – shaped divergent institutional outcomes, which heavily conditioned the capacity of post-war developmental states to impose modernisation strategies on their national industrial systems.

Literature Review

The thesis presented in this study has significant implications for several fields of contemporary European history, especially for the history of capitalism, fascism and democracy. Additionally, the conclusions drawn from the analysis of the two national case studies also have important implications for the political-economic history of contemporary France and Italy. Overall, despite its limited focus on France and Italy, this study constitutes a sequel to Maier's *Recasting*

Bourgeois Europe (1975) as it continues Maier's analysis of the breakdown of liberalism in interwar Europe in favour of a political-economic order increasingly dominated by the administrative state and its corporatist appendages⁴². Yet, differently from Maier's work, this is not an analysis of the resilience of bourgeois elites to institutional change. Rather it demonstrates how the shocks of the interwar, wartime and post-war years allowed dictatorships and democracies alike to question the liberal order by shifting the balance between public and private power and ensure the rise of a new elite of civil servants, technical experts, and trade officials, who challenged bourgeois elites of parliamentary notables, family capitalists and financiers.

One of the chief aims of this study is to redefine the timeline of European organised capitalism. Even the recent works of Jürgen Kocka and James Bradford DeLong retain the familiar narrative of identifying the "high point of organised capitalism" and the "mixed economy" with the third quarter of the 20th century (1950-75) and the "thirty glorious years of Social Democracy (1945-75)"⁴³. In their narratives, the American New Deal emerges as the sole major interwar and wartime anticipator of the age of organised capitalism. Jeffrey Frieden and Ronald Rogowsky also reiterate "the defeat of fascism in 1945 set the stage for a triumphal revival of world capitalism, (...) and indeed for another 'Golden Age' of economic growth, social peace and expansion of the welfare state"⁴⁴. According to historians of post-war reconstruction such as David W. Ellwood, New Deal

⁴² C.S. Maier, *Recasting Bourgeois Europe: Stabilisation in France, Italy and Germany in the Decade after World War I* (Princeton NJ, 1975), pp. 12-15.

⁴³ Kocka, *Capitalism*, p. 150; J.B. DeLong, *Slouching Towards Utopia: An Economic History of the Twentieth Century* (New York, 2022), pp. 395-7; 427.

⁴⁴ J. Frieden and R. Rogowski, 'Modern Capitalism: enthusiasts, opponents, and reformers', in L. Neal and J.G. Williamson (eds.), *The Cambridge History of Capitalism Volume II: The Spread of Capitalism from 1848 to the Present* (Cambridge, 2014), p. 413.

liberalism even largely influenced the re-organisation of Western European national economic management instruments, thus limiting reformist radicalism and preventing the extension of excessively illiberal wartime *dirigisme*⁴⁵. Yet, Kiran Klaus Patel's recent analysis in a global context has illustrated that the most radical administrative reforms undertaken by the Roosevelt administration drew largely on European authoritarian experiments with planning. Italian Fascist corporatism for example significantly inspired "early New Deal" industrial policy initiatives such as the National Recovery Administration (NRA), while some of Roosevelt's closest advisors "displayed an irritable fascination with fascism" at least until the mid-1930s⁴⁶. Patel's nuanced study therefore invites further scholarly explorations of the role played by fascism and its authoritarian allies in ensuring the rise of organised capitalism in Western Europe.

By taking fascism seriously as a major challenger of the liberal disorganised capitalist order of the 1920s, this study argues that the timeline of European organised capitalism began much earlier than 1945 and that the influence of the New Deal should not be exaggerated. According to this study, the timelines of Italian and French organised capitalism can be respectively traced back to 1937 and 1940 when Fascist and Vichy economic administrators redefined the boundaries between public and private power in the industrial order to meet the challenges of autarchy and war mobilisation. Several of these institutional innovations eventually survived the political transition at the end of the war and played a pivotal role in promoting the restoration of France and

⁴⁵ D.W.Ellwood, *Rebuilding Europe: Western Europe, America and Post-war Reconstruction* (London, 1992), pp. 143-8.

⁴⁶ K.K. Patel, *The New Deal: A Global History* (Princeton NJ, 2016), pp. 66-8.

Italy as industrial powers and protagonists of the post-war economic miracle. By endorsing this new time-line this study will also respond to Martin Conway's invite to question the interpretation of 1945 as a "0 hour" separating the turbulent and unstable interwar years from the prosperous democratic age that followed the Second World War⁴⁷.

This suggests that Fascism and the Vichy regime contributed to the institutional and strategic foundations of the post-war growth model. The thesis does not deny that under the impulse of the Bretton Woods Agreements and the General Agreement on Trade and Tariffs (GATT) post-war capitalism abandoned autarchy in favour of free trade and international cooperation. Yet, as Milward has pointed out, the post-war era did not see the eclipse of the nation-state, but its reconfirmation of as a central political-economic actor in key realms such as industrial modernisation⁴⁸. The post-war era was therefore a period of ambitious big-push industrialisation projects, full employment policies, and regional development initiatives, which involved the mobilisation of private economic actors to fulfil the modernising agenda of zealous civil servants. Far from being an independent actor dis-embedded from political and social constraints, post-war European capitalism largely remained an instrument of state action. This argument has been reinforced by Maier's recent identification of the "activist project state", as the actor that dominated European life from the interwar years until the mid-1970s⁴⁹. Whether in its authoritarian or democratic forms, it was the carrier of a "transformative agenda" aimed at reshaping national political, economic and social life driven by a well-defined ideological

⁴⁷ Conway, *Western Europe's Democratic Age*, p. 14.

⁴⁸ A.S. Milward, *The European Rescue of the Nation State*, (London, 1992) pp. 32-4.

⁴⁹ Maier, *The Project State*, p. 5.

narrative⁵⁰. Although Maier openly distinguishes the project state from the economically motivated developmental state, he nevertheless suggests that the two eventually became heavily intertwined, as mid-20th century “projects” often entailed major state-led economic modernisation programmes such as the French PME and the industrialisation of the Italian South⁵¹. Following Maier’s analysis, this study seeks to redefine organised capitalism as a consequence of the re-assertion of activist state power – authoritarian and democratic – in mid-20th century Europe.

By identifying the interwar, war and early post-war years as the conjuncture in which modern organised capitalism took shape, this study also seeks to respond to the work of Quinn Slobodian and the broader scholarly trend, which traces the origins of neo-liberalism back to this moment⁵². This study indeed shows that the years from the to the end of the 1950s were predominantly a time of *dirgiste* states, expert-led industrial planning commissions and platforms for corporatist interest mediation. Post-war technocrats, whether from ideological conviction or simple pragmatism, were firm supporters of state-led economic modernisation and advocates of the primacy of the national interest over the sectarian claims of social groups and individual private actors. Even liberal figures who occupied key policy-making positions such as Antoine Pinay and Luigi Einaudi were unable to reverse their countries’ shift towards organised capitalism. Research on West Germany pioneered by Simon Reich and Tàmas Vonyò also suggests that Ludwig Erhard

⁵⁰ Maier *The Project State*, p. 5.

⁵¹ *Ibid.*, pp. 131-4.

⁵² Q. Slobodian, *Globalists: The End of Empire and the Birth of Neo-Liberalism* (Cambridge MA, 2018), pp. 16-19.

hardly managed to undo the *dirigiste* and corporatist industrial policy inaugurated by Nazi Germany⁵³.

This redefinition of the timeline of European organised capitalism also implies a recasting of the role played by fascism in the political and economic history of modern Europe. Historians such as Barry Eichengreen have already made significant suggestions about the pivotal institutional inputs that Fascist Italy and Vichy France provided to the consolidation of post-war “coordinated capitalism”, citing the example of the IRI and Vichy’s MPI⁵⁴. Yet, recent scholarly works have tended to dissociate European fascist authoritarianism from organised capitalism. James Bradford DeLong’s economic history of the 20th century even identifies fascism and its economic policies as a “confidence game run by con artists” characterised by disorganisation, confusion, contradictions and vagueness⁵⁵.

In a similar way, Clara Mattei’s recent work on the political-economic origins of Italian Fascism identifies the regime’s economic agenda as a blend of political authoritarianism and market liberalism aimed at reiterating the authority of private enterprise over that of the state, politics and society⁵⁶. Fascists came to power as champions of the privatisations, deflationary austerity policies, and deregulation measures championed in the early 1920s by liberal economists such as Einaudi, Maffeo Pantaleoni and Alberto de Stefani⁵⁷. According to Mattei, monetary, fiscal and industrial austerity determined Fascist

⁵³ Reich, *The Fruits of Fascism*, pp. 187-190; T. Vonyò, *The Economic Consequences of the War, West Germany’s Growth Miracle after 1945* (Cambridge, 2018), pp. 185-190.

⁵⁴ Eichengreen, *The European Economy*, pp. 105, 116.

⁵⁵ DeLong, *Slouching Towards Utopia*, p. 268

⁵⁶ C.E. Mattei, *The Capital Order: How Economists invented Austerity and paved the way to Fascism* (Chicago, 2022) p. 222.

⁵⁷ *Ibid.*, p. 10.

economic policy throughout both the 1920s and 1930s, whilst the protection of capitalism from social revolution remained the main aim of the regime⁵⁸.

This study argues, in contrast, that Fascist Italy and later Vichy France's economic policies constituted two varieties of an authoritarian and yet reformist alternative to liberal capitalism, bent on shifting the balance between public and private power in favour of the developmental state. In contrast to the liberal policies of the 1920s emphasised by Mattei, Fascism's interventionist turn of the 1930s gave an opportunity to a group of ambitious technocrats and trade organisers to alter fundamentally the institutional foundations of Italian capitalism by placing the levers of credit and industrial policy into the hands of the totalitarian state. This was not a mere opportunistic turn, but an expression of the statist, technocratic and corporatist traits that had characterised Fascist economic ideology at least since 1919⁵⁹. The IRI, the Banking Law of 1936 and the Ministry of Corporations constituted the spearheads of this *dirigiste* project, which redefined the boundaries between industrial and finance capital, created a new elite of political-economic administrators, and thus challenged the very economic elites, who had backed Benito Mussolini's rise to power in the 1920s.

This study's effort to take fascism seriously as a catalyst for the emergence of modern developmental states does not necessarily amount to an endorsement of James Gregor's optimistic assessment of Fascist modernisation policies⁶⁰. In common with scholars such as Roland Sarti and Jon S. Cohen, this thesis agrees that Fascist economic modernisation projects were often contradictory and that the champions of planning frequently faced hostility from

⁵⁸ Mattei, *The Capital Order*, pp. 8-9, 225-7, 230-3, 235-8.

⁵⁹ L. Franck-Rosenstock, 'Le classi medie in Italia', in *Il Corporativismo*, p. 98; C. Pellizzi, *Una rivoluzione mancata* (Bologna, 2009), pp. 64, 66, 69.

⁶⁰ J. Gregor, *Italian Fascism and Developmental Dictatorship* (Princeton NJ, 1979), pp. 158-60.

vested interests and rival agencies⁶¹. Nevertheless, this study questions Cohen's claim that private interests always succeeded in reversing the institutional innovations and plans launched by Fascist modernisers. Consequently, the distinctive political-economic trait of late Fascist Italy was neither the lack of a planned economy, nor the absence of strategic thinking, but the permanence of a polycentric administrative framework, which delivered ambiguous outcomes.

This study also challenges the view proposed by political, economic and business historians such as Cohen, Valerio Castronovo, Leandra D'Antone, and Gianluca Podestà, which sees the IRI as a non-Fascist body operating independently from the regime and dissociated from its economic philosophy⁶². Despite the non-Fascist credentials of some of its top cadres such as Alberto Beneduce, IRI emerges from this study as a tool of Fascism's technocratic ambitions. IRI's projects at times clashed with rival institutions such as the Ministry of Corporations, but this was not a consequence of the Institute's independence from the regime, but of the existence of a polycentric system, in which different planning agencies sought to serve the regime's *dirigiste* agenda in various ways. To paraphrase Ian Kershaw's analysis of the National Socialist State, in Fascist Italy both IRI managers and Ministry of Corporations officials 'worked towards Mussolini' by offering alternative instruments and strategies that could serve the regime's industrial policy⁶³.

⁶¹ R. Sarti, 'Fascist Modernisation in Italy', *The American Historical Review*, 75 (1970), 1044; J.S. Cohen, 'Was Italian Fascism a Developmental Dictatorship?' 41, *The Economic History Review* (1988), 110-12.

⁶² V. Castronovo, 'Un profilo d'insieme', in V. Castronovo (ed.), *Storia dell'IRI.1 Dalle origini al dopoguerra*, (Bari, 2011) pp. 39-40; L. D'Antone, 'Da ente transitorio a ente permanente', in *Storia dell'IRI.1* pp. 220, 224-5; G. Podestà, 'Nell'economia fascista', in *Storia dell'IRI.1*, p. 438; Cohen, 'Was Italian Fascism', 107-9.

⁶³ I. Kershaw, 'Working Towards the Führer: Reflections on the nature of the Hitler Dictatorship', *Contemporary European History*, 2 (1993), 118.

The political-economic reforms undertaken by the French State in 1940-44 demonstrate a similar technocratic spirit. Despite its cultural conservatism and its 'gerontocratic' leader, Marshal Pétain, the Vichy regime was also a developmental state, which brought into power a new elite of technocratic planners, bent on operating a managerial revolution in both French economic administration and French business. Stimulated by the 1940 defeat and the perceived failure of the liberal Third Republic to prepare French industry for the war effort, between 1940 and 1944 these ambitious planners initiated technocratic administrative reforms, which redefined the institutional foundation of France's industrial organisation initially to ensure the short-term survival of the French economy, and subsequently to re-adapt its structures to post-war challenges. The creation of the Ministry of Industrial Production (MPI), its network of sectorial Organisation Committees (COs) and the General Delegation for National Equipment (DGEN) resulted from these efforts.

This is not a novel claim. Both Stanley Hoffmann and Robert Paxton have acknowledged that the Vichy regime brought France into the age of organised capitalism, and that Resistance-affiliated political-reformers built upon its institutional legacy to create the agencies – the CGP and its sectorial Modernisation Commissions (CMs) – that shaped the country's post-war industrial reconstruction⁶⁴. Richard F. Kuisel and Philip Nord have however questioned this claim and attributed the creation of these bodies to Jean Monnet⁶⁵. Even Frances Lynch's recent economic history of modern France

⁶⁴ S. Hoffmann, 'Paradoxes of the French Political Community', in S. Hoffmann (ed.), *In Search for France*, (New York, 1963), pp. 32, 38-40; Paxton, *Vichy France: Old Guard, New Order 1940-44* (New York, 1972), pp. 219, 350-1.

⁶⁵ Kuisel, *Capitalism and the State*, pp.128; 226-227; P. Nord, *France's New Deal: From the Thirties to the Post-War Era* (Princeton NJ, 2010), pp. 101, 157

treats the CGP and CMs as a distinct set of planning bodies, independent from Vichy's legacy⁶⁶. In contrast, this study builds upon Luc-André Brunet's recent analysis of French industrial organisation from the institution of the COs in 1940 to the conclusion of the first PME in 1952, emphasising the techno-corporatist continuities that characterised the two planning frameworks⁶⁷.

Furthermore, by comparing the case studies of the French and Italian iron and steel industries this study will question the assessment of the CGP's efforts offered by French political-economic historians such as Philippe Mioche, which have highlighted the post-war central planners' limited ability to guide the investment programmes undertaken by private producers during the reconstruction⁶⁸. The success story of the state-led development of the French iron and steel industry only emerges if properly contrasted with the Italian planners' failure to enforce a coherent industrial strategy that would involve both public and private producers. These outcomes were largely due to the extent to which French and Italian economic administrators were able to reform and coordinate all the industrial planning bodies they inherited from the Fascist and Vichy regimes.

Overall, both the French and Italian case studies demonstrate that the emergence of West European democracy after the war as a "state-led" polity characterised by a professionalised pervasive administrative framework capable of shaping key aspects of economic development such as industrial expansion

⁶⁶ F.M.B. Lynch, *The French Economy* (London, 2021), p. 26.

⁶⁷ L. Brunet, *Forging Europe: Industrial Organisation in France, 1940-1952* (London, 2017) pp. 211-12.

⁶⁸ P. Mioche, 'Le Plan et la sidérurgie: Du Soutien mitigé à l'effacement possible', in H. Rousso (ed.), *De Monnet à Massé: Choix politiques et objectives économiques dans les premiers quatre Plans (1946-1965)*, (Paris, 1986), pp. 135-6.

was in large part a legacy of interwar and wartime authoritarianism⁶⁹. Post-war economic planning agencies with their professional armies of technocratic cadres and their corporatist links with private organised interests would have hardly been imaginable without the fundamental administrative inputs of previous authoritarian experiments. Furthermore, the sectorial case study of the French and Italian iron and steel industry illustrates that the extent to which post-war economic reformers were able to salvage the technocratic and corporatist industrial planning bodies of the defunct Vichy and Fascist regimes heavily conditioned the capacity of the post-war developmental state to impose its own strategy upon this crucial sector.

⁶⁹ Conway, *Western Europe's Democratic Age*, p. 216.

Sources and Structure

Sources

This study relies on primary sources such as reports, memos, meeting minutes and personal exchanges between economic administrators, which serve two main purposes. In the first place, they help to identify the positions taken by key policy-makers on the future of the planning bodies involved in the industrial policy initiatives undertaken in Italy and France from the late 1930s to 1958. Secondly, these materials provide an overview of the planning powers accrued by the various agencies, and illustrate the planners' capacity to implement their strategy in the iron and steel industry.

French archival materials include the papers of the Ministry of Industrial Production (MPI), the General Delegation for National Equipment (DGEN), and the General Planning Commissariat (CGP) – all preserved in the National Archives in Paris – the three pivotal planning agencies that dominated French industrial life between 1940 and 1958. Other pivotal documents are drawn from the personal archives of major CGP planners, notably Jean Monnet, Etienne Hirsch and Robert Marjolin, preserved at the Jean Monnet Foundation in Lausanne and at the Historical Archives of the European Union in Fiesole. Particularly useful for the case study of the iron and steel sector are the papers of the Syndical Chamber of the French Iron and Steel Industry (CSSF), also held at the National Archives in Paris. Italian archival materials include the papers of the Institute for Industrial Reconstruction (IRI) and the Ministry of Industry and Commerce (MIC), both preserved at the Central State Archive (ACS) in Rome. The

case study of the Italian iron and steel industry is addressed through the analysis of the ACS files of FINSIDER – IRI’s iron and steel subsidiary – as well as the personal papers of Agostino Rocca, FINSIDER’s General Manager between 1938 and 1941 and the Chairman of the Ministry of the Corporative Economy’s Iron and Steel Committee under the Italian Social Republic (RSI) in 1944-45. His files are preserved at the Ansaldo Foundation in Genoa and at the Dalmine Foundation in Dalmine. Italian archival materials also include the personal files of important economic administrators, such as Piero Malvestiti – Chairman of the Italian committee for the allocation of Marshall Aid from 1948 to 1953 and Minister of Industry in 1953-54, also conserved in the Historical Archives of the European Union in Florence.

Complementary to these archival collections are the published collected works and posthumous memoirs of pivotal French economic administrators. These include works by the CGP planners Monnet, Hirsch and Marjolin, as well as by François Lehideux (Vichy’s Minister of Industrial Production in 1941-42 and chief of the DGEN from 1941 to 1943); Claude Gruson and François Bloch Lainé, two *Inspecteurs des Finances* whose careers spanned from Vichy to the Fifth Republic; and Pierre Mendès-France, Minister of the National Economy in 1944-45 and Prime Minister in 1954-55. Covering almost the entirety of France’s long reconstruction are the memoirs of Louis Franck Rosenstock, Price Director at the Ministry of the National Economy from 1947 to 1962. The perspective of French industrial leaders can be found in the memoirs of the managers Henri Malcor Roger Martin, and Jacques Ferry, three leading CSSF members and protagonists of the state-led modernisation of the French iron and steel industry in the post-war era.

As for the Italian side, published primary materials include those of the IRI cadre Pasquale Saraceno, the Institute's chief economist since 1933, and Ernesto Cianci, an official at the Fascist Ministry of Corporations in the 1930s. Equally important to this study are the collected works of Rodolfo Morandi, Chairman of the Northern Italian National Liberation Committee (CLNAI) in 1945, and Minister of Industry in 1946-47. The CLNAI's radical industrial planning ambitions are also apparent in the published account of the Catholic economist, IRI cadre and resistance member Mario Ferrari-Aggradi, later also the Secretary of the Inter-Ministerial Committee for the Reconstruction (CIR).

Essential for understanding the debate that surrounded the reform of Italian industrial life in the early post-war era are the reports of the Economic Commission of the Ministry of the Constituent, the group of economic experts tasked with aiding the Constituent Assembly on economic reforms. These reports also include a series of interviews with prominent civil servants, business and labour leaders, including Oscar Sinigaglia – a key IRI manager, Chairman of FINSIDER (1945-53) and chief architect of its modernisation programme – Angelo Costa, the intransigent liberal-conservative President of Italy's chief industrial guild, the *Confindustria* from 1945 to 1955, and Giovanni Falck, a member of the prominent Falck family of steel producers and the chief opponent of FINSIDER's sectorial plan. The perspective of Italian organised labour is provided through the commission's interviews with the representatives of the Italian General Confederation of Labour (CGIL) as well as the memoirs of the trade-union leader Vittorio Foa.

Structure

This study is divided into five main sections, each one of which includes two sub-chapters, respectively devoted to the French and Italian case studies. Following the example of Maier's *Recasting Bourgeois Europe*, the sub-chapters analyse the most important debates and administrative reforms that occurred in France and Italy in the field of industrial policy between 1937 and 1958. Additionally, each sub-chapter analyses the impact that these administrative reforms had on the French and Italian planners' capacity to enforce modernisation strategies upon their respective iron and steel sectors.

The first section – Building Organised Capitalism (1937-43) – focuses on how Fascist Italy and Vichy France laid down the institutional foundations of their respective state-led capitalist economies. Particular attention is devoted to planning agencies such as the IRI, the Ministry of Corporations, the French MPI, its COs and the DGEN. This section emphasises how the Fascist regime institutionally altered Italian industrial capitalism but failed to establish a clear chain of command between the IRI and the Ministry of Corporations. This led to administrative rivalries that favoured compromises between state modernisers and 'conservative' business leaders. The 'autarchic' programme for the restructuring of the Italian iron and steel industry was a prime example of this trend. Vichy France's precarious economic situation prevented the new administrative elite of industrial planners that rose to power after 1940 from launching long-term industrial restructuring plans. Nevertheless, the Vichy regime managed to build centralised techno-corporatist apparatus, which allowed the MPI to plan short-term industrial production. Vichy planners also created a new organ charged with coordinating the long-term planning activities:

the DGEN. The result was a much clearer division of labour and the absence of the same type of administrative infighting that characterised the Italian system. Both agencies were entrusted to technocrats with a similar professional background and common modernising ambitions.

The second section – Preserving Organised Capitalism (1942-45) – concerns the most important reforms and strategic choices that took place in the field of industrial planning when Vichy France and Fascist Italy entered the most radical and violent phases of their authoritarian experiments. As the French State fell under control of Pierre Laval, and the Fascist regime was re-organised into the Italian Social Republic (RSI) after Mussolini's dismissal by the king in 1943, the technocrats in charge of the IRI and the Republic's Ministry of the Corporative Economy increasingly came under the attack of fascist ideologues. Nevertheless, technocracy did not disappear. In 1943-44 officials at Vichy's MPI and the DGEN devised blueprints for the future institutional organisation of France's post-war industrial economy and devised long-term reconstruction strategies. Similar trends occurred in the RSI where between 1944 and 1945 Fascist technocrats seized control of the sectorial bodies of the Ministry of the Corporative Economy and utilised the IRI's offices to rethink some of the sectorial programmes developed in the 1930s. In the meantime, both the French and Italian Resistance movements began to think about future industrial reforms and strategies, considering solutions that built upon the blueprints drawn up by their authoritarian adversaries.

The third section – Democratising Organised Capitalism (1944-47) – concerns the series of industrial reforms and strategies devised in France and Italy between the liberations of Rome and Paris in the summer of 1944 and the

break-up of the French and Italian national unity governments in the spring-summer of 1947. In this period Resistance-affiliated reformers salvaged and 'democratised' the industrial planning organs inherited from the RSI and the Vichy regime. In France the reformist efforts of 1944-45 led to the preservation of the DGEN, the MPI and its CO network. The preservation of these planning bodies also meant limiting the excessive purging of their personnel. Between the winter of 1945-46 and the spring of 1947 the personnel and long-term planning powers of the DGEN and the COs were handed over to the CGP and its CMs, bent on launching the first PME's ambitious rationalisation programme for the still entirely private iron and steel industry. In the meantime, the MPI lost its COs, but retained its influential sectorial Directorates. Post-Fascist Italy experienced a similar reformist zeal. Resistance-affiliated administrators salvaged the IRI and the RSI's own Ministry of Industrial Production, which was eventually integrated into the Ministry of Industry and Commerce (MIC) in Rome. Between 1945 and 1947 proposals were drafted to extend significantly IRI's planning powers into the private sector. However, political indecision, the seizure of the Treasury and the Bank of Italy by liberal experts, the opposition of private entrepreneurs and the lack of enthusiasm of organised labour prevented the definition of a rigorous chain of command and the launching of an industrial strategy akin to the PME.

The fourth section – Consolidating Organised Capitalism (1947-53) – concerns the implementation of the French and Italian industrial strategies supported by the Marshall Plan. In France, despite the loss of Communist labour delegates by the spring of 1948, the techno-corporatist planning apparatus built in 1946-47 survived into the 1950s. The CGP remained the coordinator of French industrial strategy, though after 1949 its CMs lost much of their executive

functions to the MPI's sectorial Directorates. By 1952-53, the Ministry's Iron and Steel Directorate largely implemented the programme drafted by the Modernisation Commission for Steel (CMSID), thus co-opting key private steelmakers into adapting their productive structures to modern technical and organisational standards. The *esprit de corps* of the *Mines* engineers in charge of key planning offices and private enterprises significantly facilitated the plan's implementation. In Italy, by the spring of 1948 IRI was given a new organisation, which excluded any possibility to plan private industrial development. Furthermore, by the autumn of the same year the MIC lost the sectorial planning bodies inherited from the RSI, thereby losing proactive control over private industry. As a result, IRI's FINSIDER successfully implemented an iron and steel programme, but private producers excluded themselves from this strategy.

The fifth section – Adapting Organised Capitalism (1952-58) – considers the reformist responses to the implementation of the industrial strategies of 1947-53. Between 1952 and 1958 ministerial authorities sought to subject the IRI and the CGP to greater political scrutiny. Yet, only the Italian political elite, led by the Catholic 'moral economist' and former Fascist Amintore Fanfani succeeded into bending IRI's projects to political directives through the institution of the Ministry of State Shareholdings in December 1956. Despite the subordination of the CGP to the Ministry of Finance, the techno-corporatist structure of French industrial planning remained unchanged and the independence of French planners was unchallenged.

PART ONE:
BUILDING ORGANISED CAPITALISM
(1937-43)

Between the second half of the 1930s and the early 1940s organised capitalism took shape in France and Italy. The political-economic institutional reforms undertaken by the Fascist regime in 1937-40 and by the French State in 1940-42 shared a set of common traits. They were significantly inspired by the initiatives of technocratic experts, determined to turn public administration into an agent of industrial modernisation. In both instances, modern authoritarianism, combined with a situation of national emergency, provided new economic administrators with the opportunity to implement illiberal administrative reforms, which fundamentally altered the balance of economic power in favour of the developmental state.

In Depression-ridden Italy the Fascist regime, in a spectacular U-turn from the relatively *laissez-faire* policies of the 1920s, re-discovered its statist, technocratic and corporatist economic ideology, and changed the foundations of Italian capitalism. The institutional protagonist of this process was the Institute for Industrial Reconstruction (IRI) a state-owned holding company, which after taking over almost half of the Italian industrial-financial system during the bailouts of 1931-33 exploited the autarchic conjuncture of 1936-40 to pursue an ambitious policy of industrial rationalisation. The architects of this strategy were IRI's technocratic industrial planners, who endorsed the regime's autarchic *dirigisme* to modernise the productive organisation of pivotal industrial sectors

such as iron and steel. By 1937, the regime also attributed pivotal planning tasks to its Ministry of Corporations. Between 1937 and 1940, the Ministry exercised important functions such as the control over the construction of new industrial plants, and coordinated the elaboration of 'autarchic plans' aimed at maximising the exploitation of Italian raw materials by Italian industries. IRI's managers, private entrepreneurs and Fascist trade union leaders were involved in these strategic choices. This constituted a major overlap of functions between the two organs, which led to the consolidation of a polycentric planned economy. The overlap allowed IRI's private adversaries to exploit the planning powers of the Ministry to interfere with the Institute's disruptive industrial re-structuring strategy. Facilitating this state of affairs was the regime's decision to entrust the Ministry to party officials and jurists, who conceived planning as the result of the mediation of conflicting interests rather than as a means to co-opt them into endorsing the strategy devised by technical experts. As a result, when IRI attempted to re-structure the Italian iron and steel industry, the Ministry ensured that structural changes would take place, without however disturbing the market shares of the Institute's private competitors. Even between 1940 and 1943, IRI's most ambitious planners failed to convince other economic administrators of the necessity to centralise the management of war production into a powerful and technically competent body.

Following the disastrous defeat of June 1940 at the hands of the Third Reich, the new authoritarian French State exploited this military catastrophe to provide the French civil service with unprecedented powers in the field of economic management. The protagonists of these reforms were the members of the state's *Grand Corps*, especially the engineers of the *Corps des Mines* and *Corps*

des Ponts et Chaussées, who contributed to the creation of a techno-corporatist industrial control apparatus, and transformed both trade organisations and private enterprises into instruments of state action. The apex of this system was the Vichy regime's Ministry of Industrial Production (MPI), reliant on its sectorial Directorates, and its peripheral Organisation Committees (COs), which replaced pre-existing business trade associations. Similarly to the Italian IRI, the MPI was the carrier of a 'managerial revolution' in both public administration and industry, which gave unprecedented leverage to technical experts such as engineers and industrial managers. Unlike the holders of Italian Ministry of Corporations, the French MPI's key officials had a technocratic bias, which prompted them to appoint experts, who shared their same professional background, *dirigiste* ambitions, and modernising objectives. The engineers of the *Corps des Mines*, who dominated both the Ministry's sectorial Directorate and the competent Organisation Committee for Steel (CORSID), were selected on these grounds.

As the Vichy planners harboured the long-term ambition of restructuring and modernising France's industrial apparatus within the limits dictated by the Reich's economic New Order, they contributed to the creation of an additional agency: the General Delegation for National Equipment (DGEN). Rather than a rival of the MPI, the DGEN was conceived as a complementary organ, aimed at ensuring the post-war survival of the MPI's apparatus within the framework of a peacetime centrally planned capitalist economy. Also staffed with engineers and managers – often recruited from the MPI itself – by the early summer of 1942 the DGEN managed to develop a post-war reconstruction plan and an administrative

framework, designed to place the economic ministries and key private industrial sectors at the service of a coherent economic reconstruction strategy.

I. TECHNOCRACY, CORPORATISM AND INDUSTRIAL POLICY IN LATE FASCIST ITALY

(1937-43)

The Institute for Industrial Reconstruction and the Foundations of Fascist Organised Capitalism

The emergence of Italian organised capitalism in the mid to late 1930s is intimately related to the creation and development of the Institute for Industrial Reconstruction (IRI), the state-owned holding company created by the Fascist regime in 1933 to tackle the financial crisis that had hit Italy's banking and industrial system in 1931-32. Between 1933 and 1936 this new institution, sponsored by the Finance Minister Guido Jung (1876-1949), and led by the civil servants and financial experts Alberto Beneduce (1877-1944) and Donato Menichella (1896-1984), ensured the bailout of the three principal investment banks hit by the Great Crisis – the Italian Commercial Bank, the Italian Credit and the Bank of Rome – and acquired their vast industrial shareholdings¹. Through the *de facto* nationalisation of the three banks and their industrial assets, by October 1936, IRI controlled roughly 44.15% of Italian capital stocks².

As the French *planiste* economist Louis Rosenstock-Franck (1906-91) pointed out in 1939, the creation of the Institute and the introduction of the 1936 Banking reform – forbidding banks from owning industrial shareholdings –

¹ Ministero dell'Industria e del Commercio [henceforth MIC], *L'Istituto per la Ricostruzione Industriale: Origini, ordinamenti e attività svolta – Rapporto del Prof. Pasquale Saraceno* (Rome, 1956), pp. 5-6.

² G. Bortolotto, *Politica Corporativa* (Milan, 1937), p. 402.

marked a “silent revolution”, which “saved Italian financial capitalism, but delivered a harsh blow to its independence”³. Historian Roland Sarti remarked, “IRI gave the government a control over the economy that was unequalled outside the Soviet Union”⁴. The three financial institutions were transformed into “public agencies” and “subjected to a harsh and accurate state control”, which tasked the new Inspectorate For the Defence of Credit and Savings with “authorising any new initiative undertaken by the controlled banks”⁵. By 1936, Italian financial capitalism was hence fading in favour of state-led organised capitalism.

The structural reforms of 1933-36 earned Beneduce – IRI’s President from 1933 to 1939 – the title of Italy’s “economic dictator” and “the Italian Schacht”⁶. The turning point in IRI’s early history however came in June 1937, when it was transformed into a permanent agency, charged with managing key industrial sectors in the context of the autarchic turn that the regime’s economic policy took after the invasion of Abyssinia. According to the civil servant and industrial manager Ernesto Cianci (1908-92), the autarchic conjuncture of the mid to late 1930s indeed provided the regime with the opportunity to pursue a “Italian-styled New Deal”, marked by “rearmament, contained inflation, promotion of collective consumption, and development of public works”⁷. The principal architect of this policy was Paolo Thaon di Revel (1888-1973) Jung’s successor at the Finance Ministry between 1935 and 1943⁸.

³ L. Rosenstock-Franck, ‘Le tappe dell’economia italiana’, in *Il corporativismo*, pp. 124-5.

⁴ R. Sarti, *Fascism and Industrial Leadership in Italy*, (Berkeley CA, 1971), p. 124.

⁵ L. Rosenstock-Franck, ‘Le classi medie in Italia’, in *Il corporativismo*, pp. 111-12.

⁶ Cianci, *Nascita dello stato imprenditore*, pp. 112, 116. Ernesto Cianci worked at the Ministry of Corporations, IRI’s rival agency. He later served the Institute in the post-war era.

⁷ *Ibid.*, p. 304.

⁸ *Ibid.*, p. 303.

As illustrated by Pasquale Saraceno (1903-91), IRI's chief economist and "ideologue" since 1933, the 1937 reform transformed the Institute into an "industrial policy instrument", charged with the "development of the productive sectors that determine the pace of the nation's progress"⁹. The aim of these rationalisation efforts was to upgrade the nation's productive structure in order to fill the gap that had characterised Italy's industrialisation process in relation to other modern industrial powers¹⁰. According to Cianci, this shift in IRI's functions was coherent with Beneduce's belief in the "essential" need for "state intervention in the determination of policy directives for industry", in other words, "planning"¹¹. As remarked by the economic historian Marcello De Cecco, the new framework allowed IRI's managers "to plan industrial development (...) with the final aim of replacing private industry in the most important sectors"¹².

The *planiste* ambitions of the Institute's most enthusiastic managers can be found in a January 1937 memo drafted by Sergio Paronetto (1911-45), the head of IRI's Technical Secretariat and one of Beneduce's closest collaborators. According to Paronetto, following the accomplishment of its task to "reconstitute solid [industrial] units independent from the banks' interference", IRI was now ready to carry out an additional function: that of "controlling and re-organising certain productive sectors"¹³. This was in line with the broader "current of all modern states", which has called for "more direct public intervention in the

⁹ MIC, *L'Istituto per la Ricostruzione Industriale*, p. 38; D. Felisini, 'Profilo di un Gruppo dirigente (1945-1970)', in F. Amatori (ed.), *Storia dell'IRI 2. Il "miracolo" economico e il ruolo dell'IRI 1949-1972* (Bari, 2012), p. 215.

¹⁰ MIC, *L'Istituto per la Ricostruzione Industriale*, p. 425.

¹¹ Cianci, *Nascita dello stato imprenditore*, p. 123.

¹² M. De Cecco, 'The Economy from Liberalism to Fascism', in A. Lyttelton (ed.), *Liberal and Fascist Italy, 1900-1945* (Oxford, 2002), p. 77.

¹³ 'Note sull'attività e compiti dell'IRI nel momento attuale e in rapporto alla sua organizzazione', Archivio Centrale dello Stato [henceforth ACS], Istituto per la Ricostruzione Industriale - Nera [henceforth IRI-Nera], STO/521/12, fos. 1-2.

economy”¹⁴. This type of intervention could not limit the role of the state to that of a “legislator”, but demanded its transformation into an “active economic entity”, charged with enforcing “control of productive phenomena from within” the industrial system¹⁵. Beneduce himself expressed this principle in a April 1936 report, where he appealed to Mussolini’s warning that “the current stage in Italy’s political-economic development [did] not allow for (...) a large capitalist or super-capitalist industry only left to the will and responsibility of individuals”¹⁶. In the absence of competent ministerial organs capable of grasping the complexities of industrial life, Paronetto argued that the state’s industrial policy should be delegated to a “technical organ”¹⁷. This was coherent with Beneduce’s call for the recruitment of “well-prepared and scrupulous men, from scientific, technical and industrial milieus, who [were] enthusiastic to serve the state”¹⁸.

According to Paronetto, the unparalleled technical training and experience of IRI’s cadres rendered the Institute the best-suited agency to coordinate the regime’s industrial policy initiatives¹⁹. Only a staff of competent technocrats would thus be able to exercise the state’s “totalitarian control” over the key sectors of the Italian economy and study structural industrial problems from within²⁰. This control would be exercised by the IRI’s General Manager, who would rely on the Institute’s Inspectorate – then led by Saraceno – and on special sectorial “Departments” to exercise his authority over individual

¹⁴ ACS, IRI-Nera, STO/521/12, fo. 1.

¹⁵ Ibid., fo. 2.

¹⁶ ‘L’intervento dello stato dell’attività industriale, Relazione 20 Aprile 1936’ Archivio Storico Banca d’Italia [henceforth ASBIT], Carte Beneduce, 288/10, fo. 5.

¹⁷ ACS, IRI-Nera, STO/521/12, fo. 4.

¹⁸ ASBIT, Carte Beneduce, 288/10, fo. 12.

¹⁹ ACS, IRI-Nera, STO/521/12, fo. 5.

²⁰ Ibid., fos. 6-9.

enterprises²¹. Among the pressing issues to be addressed by IRI, Paronetto emphasised the need to find an “autarchic solution” to the re-organisation of the iron and steel industry, in order to increase the productive share of modern integrated steelworks reliant on iron ore²². Most importantly the IRI manager argued that the Institute’s directives should extend to the private sector, especially in the field of new plant constructions²³.

Paronetto also advocated a radical reform of IRI’s relationship with the network of corporatist sectorial regulatory bodies attached to the Ministry of Corporations. Inspired by the state-corporatist ideas of the *planiste* Fascist intellectual Giuseppe Bottai (1895-1959), the Ministry and its 22 Corporations – mixed trade organisations comprising both workers and employers – were intended to regulate industrial relations as well as approve and control the construction of new large-scale industrial plants²⁴. As of early 1937, Fascist legal theorists described the Ministry as the governmental organ in charge of the “regulation of productive activities, the control of production and exchanges”²⁵. According to Paronetto, corporative organs however lacked that “minimum knowledge” that would allow them to implement “rational” and “enlightened” solutions to contemporary industrial problems²⁶. Furthermore, the coexistence of corporative organs with the economic ministries and “semi-public” technical organs such as IRI had created a situation of “legal chaos” in which it had become impossible to determine the prerogatives of the various branches of Italian

²¹ ACS, IRI-Nera, STO/521/12, fos. 19-22.

²² *Ibid.*, fo. 15.

²³ *Ibid.*, fos. 14-15.

²⁴ Cianci, *Nascita dello stato imprenditore*, pp. 225-6.

²⁵ Bortolotto, *Politica Corporativa*, p. 336.

²⁶ ACS, IRI-Nera, STO/521/12, fo. 5.

economic administration²⁷. Consequently, IRI should be exclusively conceived as an “auxiliary technical instrument” directly subordinated to the economic ministries²⁸. IRI’s representation within the Corporations had thus to be excluded “except for the presence of IRI’s President in the Corporation of Welfare and Credit”. As a state organ, IRI was “inherently corporative”, and its constituent firms did not need to be subjected to the same controls faced by private enterprises²⁹. Furthermore, Paronetto argued that the Corporations could instead rely on IRI for the “study of industrial problems”³⁰.

Paronetto’s memo thus constitutes a clear proof of a strong technocratic *planiste* mentality among IRI’s managerial cadres, who sought to transform the Institute into the main state organ in charge of elaborating and executing the regime’s industrial policy. This policy would not limit itself to monitoring the separation of these industrial holdings from the nationalised banks, but would also be extended to the long-term radical structural re-organisation and direct management of entire strategic industrial branches that could not be left to private initiative. Moreover the document also indicates that IRI’s management also aimed at extending the Institute’s reach beyond the limits of the public sector, thus conditioning the development of private enterprise. The transformation of the Institute into a permanent public agency in 1936-37 also resulted from the genuine *planiste* ambitions of its cadres, who sought to transform it into the chief state organ in charge of planning and executing Italy’s industrial strategy.

²⁷ ACS, IRI-Nera, STO/521/12, fo. 4.

²⁸ *Ibid.*, fo. 16.

²⁹ *Ibid.*, fo. 16.

³⁰ *Ibid.*, fo. 17.

These technocratic civil servants were therefore determined to exploit the autarchic conjuncture and the regime's increasingly interventionist stances to consolidate the transformation of the Fascist state into a 'managerial state', where economic policy and industrial management would be entrusted to technical experts. Given the lack of expertise exhibited by the corporative bureaucracy, Paronetto also advocated the detachment of IRI's industries from the regulatory framework of the Ministry of Corporations. This would allow the Institute to pursue its own industrial rationalisation plans without the interference of corporative bodies. Furthermore, Paronetto advocated that the Corporations should rely on IRI's advice to orient the future development of the private sector. According to the historian Alessandro Angelo Persico, both Paronetto and Saraceno indeed belonged to a group of enthusiastic young Catholic economists, who argued that "IRI was a much more adequate instrument to guide the state's intervention in the economy rather than the Corporation", a belief also shared by Beneduce and Menichella³¹.

The sectorial planning initiatives undertaken by the Institute between 1937 and 1940 strongly reflected IRI's new role as the coordinator of some of the regime's most important industrial policy ventures, in accordance with Paronetto's suggestions. According to Saraceno's account, in the late 1930s IRI created a series of sectorial subsidiaries, charged with ensuring "technical coordination" and "financial assistance" to the firms controlled by the Institute³². One of these sectorial subsidiaries was FINSIDER, created in 1937 to coordinate productive investments among the companies controlled by the

³¹ A. A. Persico, *Pasquale Saraceno: Un progetto per l'Italia*, (Catanzaro, 2013), p. 97.

³² MIC, *L'Istituto per la Ricostruzione Industriale*, p. 41.

Institute: ILVA, SIAC, Terni and Dalmine, which controlled 75% of national cast-iron production and 45% of steel production³³. FINSIDER was officially charged with implementing IRI's programme for the rationalisation of the iron and steel industry, aimed at concentrating national steel production in large-scale integrated plants reliant on iron ore instead of scrap as a raw material³⁴. Other than building the technologically advanced integrated SIAC plant of Genoa-Cornigliano, this ambitious programme was aimed at re-launching Naples as a major industrial pole through the modernisation of ILVA's steelworks in Bagnoli³⁵.

Complementary to this sectorial plan, was the re-organisation of the IRI-controlled mechanical workshops and shipyards in Genoa, Trieste and Naples – Ansaldo, Reunited Adriatic Shipyards and Navalmeccanica – which were intended to benefit from the cheaper raw materials produced by FINSIDER's new steel plants³⁶. According to Rosenstock-Franck, the sectorial plan for the iron and steel sector, which required an investment of more than 2 billion lire, was financed through the issuing of special bonds, purchased by 53,000 private investors³⁷. Yet the ultimate "aim" or "motive" of these operations was "not profit, but the interest of the state"³⁸. IRI indeed retained "absolute control" over FINSIDER and remained its largest shareholder³⁹.

Particularly in line with Paronetto's technocratic conception of planning was the new elite of industrial managers that Beneduce and Menichella selected

³³ MIC, *L'Istituto per la Ricostruzione Industriale*, p. 40.

³⁴ *Ibid.*, p. 41.

³⁵ *Ibid.*, pp. 42-3.

³⁶ *Ibid.*, pp. 44-5.

³⁷ Rosenstock-Franck, 'Tappe dell'economia italiana', p. 130.

³⁸ *Ibid.*, p. 130.

³⁹ *Ibid.*, p. 131.

to oversee IRI's industrial modernisation programmes. The chief promoters of the Institute's sectorial plan for the iron and steel industry were the engineers Oscar Sinigaglia (1877-1953), the first IRI-appointed Chairman of the ILVA steelworks, and Agostino Rocca (1895-1978), FINSIDER's General Manager between 1938 and 1941, and the CEO of the Ansaldo, SIAC and Dalmine works in 1935-45. Also a protagonist of this ambitious initiative was the chemist Francesco Giordani (1896-1961), deputy Chairman of FINSIDER in 1938-43, IRI's Vice-President in 1937-39, and Beneduce's eventual successor from 1939 to 1943. The bearers of this 'managerial revolution' in both Italian business and public administration did not share a homogeneous political background. Prior to Fascism's advent Beneduce – a trained statistician and a civil servant since 1904 – had been a moderate Socialist close to the reformist politician Francesco Saverio Nitti (1868-1953) and had served as Minister of Labour in the Bonomi government of 1921-22. Yet, his loyalty to the state and the growing belief that only an authoritarian government could allow him to launch his statist solution to the key structural problem of Italian capitalism – the dangerous symbiosis between private finance and industry – prompted him to offer his services to Mussolini in the 1920s as the founder and chairman of special public financial institutes, operating in the fields of industrial credit and public works⁴⁰.

Saraceno and Paronetto instead came from the ranks of the Italian Catholic Federation of University Students (FUCI), but Paronetto's statist beliefs were due to his encounter with the Fascist jurist Sergio Panunzio (1886-1944),

⁴⁰ F. Bonelli, 'Alberto Beneduce (1877-1944)', in A. Mortara (ed.), *I protagonisti dell'intervento pubblico in Italia* (Milan, 1984) p. 355.

one of the regime's most prominent legal theorists⁴¹. As a young employee of the Italian Commercial Bank in the late 1920s, Saraceno had also developed reflections on the toxic relationship between banks and industry similar to those of Beneduce, and concluded that Fascist *dirigisme* constituted an opportunity for him to provide a solution that could re-launch Italy's industrial development⁴². Menichella and Giordani's political positions were unclear, though the latter was a close associate of the chemist Nicola Parravano (1883-1938), a major supporter of the Fascist regime within Italy's scientific community and also a member of IRI's 'brain trust' since 1934⁴³. Also a critic of financial capitalism, in 1939 Menichella described the Institute's policy as a means to end "the unnatural union" between banks and industry "under a regime" that rejected "nonsensical liberal individualistic theories" as the "groundwork for state intervention" ⁴⁴ . Rhetoric aside, Menichella's statement hints he also pragmatically endorsed Fascism's renewed interventionism as a means to stabilise Italy's financial-industrial system.

In contrast, Rocca and Sinigaglia, had been firm supporters of the *fasci* since 1919⁴⁵. Compared by one of his biographers to the figure of the German businessman civil servant and fellow nationalist Jew Walther Rathenau (1867-1921), Sinigaglia's adherence to technocratic *dirigisme* was attributed to his participation in the Italian war effort in 1917-18 as an official at the Ministry of

⁴¹ S. Baietti and G. Farese, 'Sergio Paronetto and the Italian economy between the industrial reconstruction of the 1930s and the reconstruction of Italy in the 1940s', *Journal of European Economic History*, 39/2 (2010), p. 412.

⁴² Persico, *Pasquale Saraceno*, pp. 28-9.

⁴³ L. Scalpelli, 'Francesco Giordani (1896-1961)', in *I protagonisti*, p. 474.

⁴⁴ D. Menichella, 'Saluto del Direttore Generale Menichella, a Beneduce in occasione del suo congedo dall'Istituto', in *Nascita dello stato imprenditore*, p. 373.

⁴⁵ P. Rugafiori, 'Agostino Rocca (1895-1978)', in *I protagonisti*, p. 385; G. Toniolo, 'Oscar Sinigaglia (1877-1953)', in *I protagonisti*, p. 416.

Armaments and Munitions and then at the Ministry of Industry in 1918-19⁴⁶. There he developed a “nationalist-productivist ideology”, which prompted him to endorse authoritarian statist and technocratic solutions to the problems of Italian industrialisation as well as Fascism⁴⁷. In 1928, Mussolini himself mentioned Sinigaglia as one of “Fascism’s most fervent assertors” in the world of industry⁴⁸. The business historian Paride Rugafiori argued that, aside from their political differences, FINSIDER’s top managers particularly shared a profound trust in technical progress – epitomised by the necessity to provide Italy with a modern mass-producing iron and steel industry functional to the development of the machine tool sector – a staunch nationalism, and an “ethical-political vision of the state as a neutral entity (...), of which technicians and ‘producers’ were the chief foundation and guarantors”⁴⁹. Also common to Rocca, Sinigaglia and Giordani was their disappointment towards Italy’s private industrial elite, who throughout the 1920s had demonstrated a shared hostility to the modernisation of the nation’s productive apparatus through the application of scientific, technical and organisational innovations⁵⁰.

This set of beliefs encouraged this heterogeneous group of managers to support and serve a regime that was not alien from technocratic sympathies. Fascism’s original political manifesto of 1919 had indeed argued that technicians would play a pivotal role alongside workers’ unions in the management of public

⁴⁶ L. Villari, *Le avventure di un capitano d’industria* (Turin, 1991), p. 40.

⁴⁷ Toniolo, ‘Oscar Sinigaglia’, pp. 411-413.

⁴⁸ B. Mussolini, *La nazione operante: Profili e figure di ricostruttori* (Milan, 1928), p. 740.

⁴⁹ P. Rugafiori, ‘I gruppi dirigenti della “siderurgia pubblica”’, in F. Bonelli (ed.), *Acciaio per l’industrializzazione: contributi allo studio del problema siderurgico italiano* (Turin, 1982), pp. 339-40.

⁵⁰ *Ibid.*, pp. 388-9; Scalpelli, ‘Francesco Giordani’, pp. 477-8; Toniolo, ‘Oscar Sinigaglia’, p. 410.

enterprises⁵¹. The Fascist sociologist Camillo Pellizzi (1896-1979), a sympathiser of Burnham's theories and the President of the National Institute of Fascist Culture in 1941-43, also emphasised that the 1921 programme of the National Fascist Party (PNF) featured "technocratic demands" such as the institution of "competence" and "technical groups", tasked with managing key industries and public services⁵². Even during the 'liberal phase' of Fascist economic policy in the mid-late 1920s, the short-lived Ministry of the National Economy, led by the engineer Giuseppe Belluzzo (1876-1952), had unsuccessfully championed both technocracy and industrial planning as the means to ensure the state-led "rationalisation" of key sectors such as iron and steel⁵³.

The breakdown of the international financial and monetary system in the early 1930s and the autarchic *dirigiste* turn of 1935-37, favoured the return of these technocratic ideas. In the context of the renewed anti-capitalist fervour of the mid-1930s, young Fascist intellectuals enthusiastically welcomed the 'managerial revolution', hailing the technician as "a representative of the living intelligence of the nation, a worker who dominates workers through his culture and skills"⁵⁴. Regardless of their heterogeneous political backgrounds, the IRI managers' common loyalty to the regime was therefore based on the belief that Fascist totalitarianism could provide them with the power and autonomy to reform Italian capitalism and resolve its structural problems. They incarnated a technocratic alternative to the corporatist reform of Italian capitalism that Bottai

⁵¹ L. Rosenstock-Franck, 'Interventi dello stato corporativo', in *Il corporativismo*, p. 98.

⁵² Pellizzi, *Una rivoluzione mancata*, pp. 71-3.

⁵³ G. Melis, *Storia dell'amministrazione italiana*, (Bologna, 2020) pp. 311-12; A. Carparelli, 'I perché di una "mezza siderurgia": la società Ilva, l'industria della ghisa e il ciclo integrale negli anni Venti', in *Acciaio per l'industrializzazione*, p. 127.

⁵⁴ M. Pallavicini, 'Sbloccamento del capitalista, dicembre 1934', in R. Zangrandi, *Il lungo viaggio attraverso il fascismo: Contributo alla storia di una generazione* (Milan, 1962), p. 449.

and his successors Ferruccio Lantini (1886-1958), Renato Ricci (1896-1956), and Tullio Cianetti (1899-1976) were attempting to implement through the empowerment of the Ministry of Corporations. Though equally committed to the larger degree of economic interventionism that characterised Italian economic policy in the mid-to late 1930s, IRI's managers believed that entrustment of economic management to technical expertise rather than to state-controlled trade organisations would ensure Italy's recovery from the Depression and the renewal of its productive apparatus.

According to the jurist Sabino Cassese, in the late 1930s IRI was able to carry out sectorial planning within large-scale industry without the interference of the Ministry of Corporations and its peripheral appendages, in accordance with Paronetto's model⁵⁵. The historian Gualberto Gualerni has also argued that "the two organs constantly remained foreign to one another", whilst Charles S. Maier has also casted IRI aside from corporative organs, regarding the latter as a "dead letter"⁵⁶. Lorenzo Castellani reiterated this view in his recent biographical article on Beneduce⁵⁷.

A survey of the records of the IRI however offers a much more nuanced understanding of the complex relationship between the Institute, the Ministry of Corporations and its peripheral bodies. The 24 June 1937 reform stated that IRI would be charged with managing state-owned industries coherently with the regime's autarchic policy and according to "the directives of the competent

⁵⁵ S. Cassese, 'Corporazioni ed intervento pubblico nell'economia', in S. Cassese *La formazione dello stato amministrativo*, (Milan, 1974), pp. 65, 110; S. Cassese, *Lo stato Fascista* (Bologna, 2010), pp. 45, 130.

⁵⁶ G. Gualerni, *Industria e fascismo: per un'interpretazione dello sviluppo economico italiano tra le due guerre* (Milan, 1976) p. 196; C.S. Maier, 'The Economics of Fascism and Nazism', in *In Search for Stability*, p. 81.

⁵⁷ L. Castellani, 'Alberto Beneduce: A Technocrat in the Fascist Era', *Contemporary European History*, 32/1 (2023), pp. 9-11.

Corporations”⁵⁸. Furthermore, the Ministry of Corporation’s General Director for Industry would sit on the Institute’s board of directors as a permanent representative of the ministry⁵⁹. Fascist intellectuals such as Alfonso Sermonti argued that the reform had clearly distinguished the Institute’s prerogatives from those of the Corporations: IRI and the Corporations were “not competing organs”, but bodies that acted in the same interest. The Corporations’ tasks were “normative”, whilst IRI’s were “administrative”⁶⁰. In other words, while the Corporation acted as a “legislator”, the Institute was an “executant” of industrial policy directives⁶¹. Sermonti’s article suggests therefore that by the late 1930s the regime had reconciled the prerogatives of the sectorial Corporations and those of IRI. The Ministry of Corporations coordinated the drafting of the industrial programmes of the individual Corporations, which comprised the representatives of both public and private enterprises, while IRI was charged with coordinating the execution of the plans within the public sector.

The Corporations’ legislative role was particularly reinforced through the launching of the “autarchic plans”, a series of sectorial programmes aimed at reducing imports and maximising the exploitation of national raw materials in industrial and agrarian production⁶². The plans were also intended to upgrade Italy’s industrial equipment through the employment of new productive methods and machinery to suit the nation’s economic development and its military needs. According to a November 1937 report of the Ministry of Corporations, between 20 May and 24 September of that same year the 22

⁵⁸ ‘Conversione in legge del R. Decreto legge 24 giugno 1937.XV’ACS, IRI-Nera, STO/521/20, fo. 2.

⁵⁹ MIC, *L’Istituto per la Ricostruzione Industriale*, p. 366.

⁶⁰ ‘IRI e Corporazioni di fronte all’intervento statale nella produzione’, ACS, IRI-Nera, STO/521/55, fo. 8.

⁶¹ *Ibid.*, fo. 8.

⁶² Rosenstock-Franck, ‘Ricordi’, p. 28.

Corporations held 45 meetings dedicated to the study of autarchic programmes⁶³. The 80 “Corporative Technical Committees” or “special commissions” set up by the Corporations held a total of 310 additional meetings, which resulted in the drafting of 40 reports that laid down the foundations of the autarchic plans⁶⁴. IRI’s role as the executant of corporative directives was confirmed in the 1939 report that Giordani sent to the Ministry of Corporations, which highlighted FINSIDER’s contribution to the autarchic programme for the iron and steel industry⁶⁵.

This institutional arrangement certainly did not fit Paronetto’s 1937 blueprint, as it transformed IRI into an executive agency at the service of the Corporations rather than granting its independence from the corporative framework. Moreover, in another constraint on Paronetto’s model, on 14 January 1937 the government also tasked the individual Corporations with approving the authorisation of new industrial plants⁶⁶. As of 1939 the Corporations were still exercising this function under the supervision of an Industrial Plants Office attached to their Ministry’s General Directorate for Industry⁶⁷. IRI’s constituent firms were by no means exempted from these controls. According to a 1940 report on the Institute’s activities since 1933, its internal organisation and its relationship with other state organs, IRI’s “productive activities” were

⁶³ ‘Relazione riassuntiva dei piani autarchici al Comitato Corporativo Centrale’, ACS, IRI-Nera, STO/538, fo. 1.

⁶⁴ Ibid., fo. 1.

⁶⁵ Istituto per la Ricostruzione Industriale [henceforth IRI], *Realizzazioni autarchiche nell’ambito dell’IRI: Relazione al Ministero delle Corporazioni per la Commissione Suprema per l’Autarchia*, (Rome, 1939), pp. 12-15.

⁶⁶ Commissione Economica del Ministero della Costituente, *Rapporto della commissione economica presentato all’assemblea costituente II: Industria I-Relazione 2° Volume*, (Rome, 1947), p. 130.

⁶⁷ Camera dei Fasci e delle Corporazioni, *Annuario 1939-40, XVIII* (Rome, 1939), p. 339.

“disciplined by the state’s corporative framework”⁶⁸. In common with private enterprises, the industries controlled by the Institute provided “their cooperation and their contribution to the functioning of corporative organs”⁶⁹. This meant that IRI’s enterprises, in the words of the same report, enjoyed “no fiscal privilege; no special form of trade representation” and “no particular exemption from the control over new industrial plants”⁷⁰.

This implied that even though the construction of new industrial plants was clearly indicated as part of the autarchic plans that the Institute and its sectorial subsidiaries were responsible for, their installation still required the formal approval of the Ministry of Corporations and the competent Corporation. Consequently, the Ministry of Corporations was still able to control the industrial development of both the public and the private sector. Moreover, this meant that private industrial leaders were able to exploit their responsibilities to sabotage the technocrats’ modernisation plans if those were detrimental to their interests.

Fascist planning bodies during the 1930s were therefore characterised by overlapping responsibilities. The authority granted to IRI, the Ministry of Corporations and its corporatist appendages definitely provided the Fascist state with unprecedented regulatory and planning powers, which placed the regime in the position to gear Italy’s industrial development to the achievement of its political goals. Even the ardent anti-Fascist Vittorio Foa (1910-2008) acknowledged that the creation of IRI marked the emergence of an ‘autonomous state’ in late Fascist Italy, capable of recovering Italian capitalism from the Great

⁶⁸ ‘Le funzioni e le attività dell’IRI’ ACS, IRI-Nera, STO/521/38, fo. 28.

⁶⁹ Ibid., fo. 2.

⁷⁰ Ibid., fo. 2.

Depression and serve the regime's autarchic policies⁷¹. Nevertheless, by the eve of the Second World War the regime had failed to establish a clear chain of command between the technocratic and corporatist organs charged with implementing its pervasive industrial policy. Technocratic experts grouped around IRI remained constrained by the powers exercised by the Ministry of Corporations and its peripheral organs. In this way Mussolini still allowed the corporative framework to condition IRI's activities even during the executive phase of the plans. This division of powers between the various branches of Fascist economic administration rendered Italian organised capitalism a polycentric planned economy.

The polycentric characteristics of Fascist economic administration continued after Italy joined Nazi Germany's war effort on 10 June 1940. As of January 1942, the organisation of Italian war production was formally entrusted to the Under-Secretariat for War Production (*Fabbriguerra*), directly attached to Mussolini's office. This organ was in charge of "coordinating the production programmes necessary to the armed forces, the merchant navy and the other public administrations, adapting them to the productive capacity of national industries"⁷². Consequently, *Fabbriguerra* had a wide range of supervisory powers. It had to be "pre-emptively notified of the production programmes" that the various military and civilian administrations assigned to individual enterprises⁷³. It also designated the firms charged with executing the programmes requested by the concerned public administrations and

⁷¹ V. Foa, 'Sulla politica economica del fascismo', in V.Foa, *Per una storia del movimento operaio* (Turin, 1980), p. 35.

⁷² 'Attribuzioni del Sottosegretariato di Stato per le fabbricazioni di guerra' Fondazione Ansaldo [henceforth FA], Archivio Agostino Rocca [henceforth AAR], 49/85, fos. 1-2.

⁷³ *Ibid.*, fo. 3.

collaborated “with the Ministry of Corporations in the control and revision of the costs of production” and in “the supply of the raw materials and the industrial products necessary to the plants involved in war production”⁷⁴. The Ministry of Corporations however retained responsibility for “ the control and monitoring of industry, the authorisation of new industrial plants, and in the supply and distribution of fuel, raw materials and industrial products”⁷⁵. To add to this complexity, in the case of the iron and steel industry, the coordination of war production, as well as the execution of the longer-term autarchic programme, had been assigned since 30 September 1940 to a special “Corporative Technical Committee”, comprising the representatives of FINSIDER and private steel producers, alongside Fascist labour union leaders, an official of the *Fabbriguerra*, the General Directors of Industry and Labour at the Ministry of Corporations, a delegate of the Ministry of Finance and an official of the Ministry of Public Works⁷⁶.

As these arrangements indicate, the organisation of the Italian wartime economy was anything but straightforward. On the one hand, the *Fabbriguerra* collected the orders of the various military administrations and assigned them to the various enterprises, whether public or private. On the other hand, the Ministry of Corporations continued to carry out the industrial-control duties assigned by the regime in the 1930s, notably the short-term coordination of industrial production through its peripheral organs and the authorisation of new industrial plants. Unsurprisingly this institutional complexity frustrated IRI managers such as Rocca, who feared it would replicate the lack of administrative

⁷⁴ FA, AAR, 49/85, fo. 3.

⁷⁵ ‘Il comitato tecnico corporativo per la siderurgia’, FA, AAR, 46/107, fo. 1.

⁷⁶ *Ibid.*, fo. 1.

centralisation, which had characterised the execution of the autarchic plans. In the early months of 1942, the dissatisfied IRI technocrat wrote a series of counter-proposals, which argued in favour of greater centralisation in Italy's wartime industrial control apparatus.

According to a memo Rocca wrote on 16 January 1942, "*Fabbriguerra's* functions", were "limited to the distribution of raw materials, without playing any role in the execution of the orders" assigned to the industries by the competent military administrations⁷⁷. The Secretariat thus had "no directive role in the management of war production", which led to a lack of coordination" and the "multiplying of incomplete manufactures"⁷⁸. This was reflected in the overproduction by Italian steelworks as well as the lack of raw materials available to mechanical workshops, denounced by Rocca in additional memorandum on 3 May 1942. In an appendix, the IRI manager identified the "dual command in the allocation of production", characterised by the "assignation of steel quotas within the corporative framework and the authorisation of orders by the *Fabbriguerra*" as one of the chief causes of steel overproduction⁷⁹. According to Rocca, "the quota of steel assigned by corporative organs in essence [authorised] firms to produce independently from the orders authorised by the *Fabbriguerra*"⁸⁰. Furthermore, the IRI manager denounced the fact that the *Fabbriguerra* relied on "career military officers new to industrial problems", and the "overall lack of an industrial mentality" within its ranks⁸¹.

⁷⁷ 'Pro-memoria circa le fabbricazioni di Guerra, 16 Gennaio 1942' FA, AAR, 49/26/2, fo.1

⁷⁸ Ibid., fo. 2

⁷⁹ 'L'organizzazione produttiva della industria siderurgica e la produzione bellica - Progressivo aumento delle scorte - Necessità di concentrare la produzione', FA, AAR, 49/26/4, fo. 4

⁸⁰ Ibid., fo. 4

⁸¹ Ibid., fo. 3

To resolve this chaotic state of affairs, Rocca argued, “*Fabbriguerra* should directly depend on the Supreme Command”, which would endow it “with the necessary authority” and with the “direct knowledge of the actual needs of all, and the ability to harmonise them”⁸². *Fabbriguerra*’s authority had to be “extended to all materials directly or indirectly involved in war production, without exclusions or interferences capable of frustrating the unity of command”⁸³. *Fabbriguerra* would in this way “determine priorities in the execution of production programmes, in the allocation of materials and electric energy”, and would become “the promoter and organiser of war production”⁸⁴. To exercise these functions, *Fabbriguerra* had to “largely rely on the corporative organs created by the regime for the control of production”⁸⁵. In a significant final point, Rocca insisted that the reformed *Fabbriguerra* should rely on “technical, industrial and organisational brains to tackle all problems with undoubted competence, perfect knowledge of industrial situations, and strict adherence with reality”⁸⁶.

Rocca’s papers demonstrate his deep dissatisfaction with the regime’s management of wartime industrial control. For him, the problem lay in the division of responsibilities, and the entrenched power of the Ministry of Corporations. This limited the power of the *Fabbriguerra* to the distribution of raw materials and the brokering of contracts between firms and military administrations. The actual regulation of war production was instead left to the

⁸² FA, AAR, 49/26/2, fo.4

⁸³ *Ibid.*, fos. 4-5.

⁸⁴ *Ibid.*, fo. 5.

⁸⁵ *Ibid.*, fo. 6.

⁸⁶ *Ibid.*, fo. 7.

Ministry of Corporations, which often set production quotas that were far superior to the requirements of the contracts approved by the *Fabbriguerra*.

His solution to this state of affairs was the *Fabbriguerra*'s transformation into the supreme coordinator of war production. The staff of the reformed *Fabbriguerra* would directly collect the orders of the military ministries and then draft the necessary production programmes, which would be subsequently allocated to the different industries. This reform of the *Fabbriguerra* would depend on the hiring of a staff of technical experts experienced in the field of industrial organisation rather than military officers. It would also require the subordination of the peripheral corporatist organs of the Ministry of Corporations to the authority of the reformed *Fabbriguerra*. In this way, this centralising reform would hence strike a lethal blow to the polycentric character of Fascist economic administration. Rocca's proposal for the reform of wartime industrial production was never implemented before Mussolini's fall in the summer of 1943. In February 1943 the government introduced a new Ministry of War Production, which however limited itself to inheriting *Fabbriguerra*'s functions and still relied on a staff of military officers⁸⁷. The ghost of administrative polycentrism thus continued to haunt Fascist economic administration until Mussolini's dismissal.

Quite why that was so is well demonstrated by the summary of a meeting held on 28 May 1942 at *Fabbriguerra*'s headquarters devoted to the problems in the wartime organisation of industrial production. Present at the meeting were General Carlo Favagrossa (1888-1970), *Fabbriguerra*'s chief officer, and 40 representatives of the iron and steel industry, including Rocca and Arturo

⁸⁷ 'Attribuzioni del Ministero della produzione bellica' FA, AAR, 49/85 fos. 1-2.

Bocciardo (1876-1959), FINSIDER's Chairman since 1938 and President of the National Federation of Metallurgic Industrialists⁸⁸. According to the summary, Rocca illustrated the main issues raised in the already cited 3 May report, declaring "the necessity to change the system" and launch a "new plan for the concentration of the industry, aimed at increasing production and the flow of materials to war industries"⁸⁹. Rocca however met the staunch opposition of Favagrossa, "who insisted on rebuffing each page of the memo, without addressing the proposed practical solutions"⁹⁰. According to the summary, the attending industrialists took little part at the discussion, but the few who actively participated (...) expressed solidarity with the *Fabbriguerra*⁹¹. Rocca responded by accusing the industrialists of lacking "the constructive spirit to present concrete proposals", as they were "interested in the accumulation of stocks", to lower production costs and maximise profits "when the *Fabbriguerra* authorised their sale"⁹². Bocciardo was particularly hostile to Rocca's position. The summary stated that he "completely abstained from the discussion, even though it was well known that in a recent report he had manifested criticisms and proposals identical to those expressed by Rocca"⁹³. The report added that there was "some sort of personal dissent between the two, which already gave origin to Rocca's resignation from FINSIDER" in March 1941⁹⁴.

The report hence suggests that the firm opposition of the *Fabbriguerra*'s chief officer and the steelmakers' trade organisation explains why Rocca's

⁸⁸ 'Funzionamento del Fabbriguerra', FA, AAR, 49/26/6, fo. 1.

⁸⁹ Ibid., fo. 2.

⁹⁰ Ibid., fo. 2.

⁹¹ Ibid., fo. 3.

⁹² Ibid., fo. 3.

⁹³ Ibid., fo. 4.

⁹⁴ Ibid., fo. 4.

proposals for the administrative re-organisation of war production were never implemented. The report therefore suggests that a coalition of military bureaucrats and private steelmakers ensured the maintenance of the polycentric administrative apparatus that the regime had placed in charge of war production. It also seems that the personal divergences between Rocca and other IRI managers, who may have endorsed the reform proposal, also contributed to keeping the institutional status quo intact.

IRI, The Ministry of Corporations, the Iron and Steel Sector, and the Contradictions of Fascist Industrial Policy

The mixed outcomes yielded by the polycentric nature of Fascist economic administration can be easily detected by studying the attempt by the Institute for Industrial Reconstruction (IRI) to restructure the Italian iron and steel industry in the late 1930s. A group of business historians led by Franco Bonelli has analysed the papers concerning this important industrial policy initiative in 1982. Yet, Bonelli's analysis exhibits a 'Schumpeterian' bias, which predominantly presents the negotiation of the plan as a clash between competing entrepreneurs in the context of state indifference, rather than between planning bodies of the same state with different agendas⁹⁵. In contrast, this 'institutional' study will offer an interpretation of the plan's elaboration and outcomes in terms of the polycentric administrative framework of Fascist Italy's autarchic industrial policy.

As explained in the previous section, between 1937 and 1940 IRI's planners intended to address the need for a sufficiently concentrated iron and steel industry, reliant on iron ore rather than scrap as its main raw material, and capable of supplying the national machine tool industry with sufficiently cheap steel to lower its own costs of production. The dispersed nature of the industry was the consequence of the large volume of scrap available in the aftermath of the First World War and the post-war reconversion crisis that hit Italy's largest

⁹⁵ F. Bonelli, A. Carparelli and M. Pozzobon, 'La riforma siderurgica IRI tra autarchia e mercato (1935-1942)', in *Acciaio per l'industrializzazione*, pp. 326-7.

iron and steel company, the ILVA group, which benefited smaller producers such as the Falck group, based in the Milan and Como provinces ⁹⁶. The situation was exacerbated too by ILVA's pursuit of a monopolistic strategy throughout the 1920s, which prioritised financial concentration through the acquisition of smaller companies rather than the technical upgrade of its large-scale integrated plants in Naples-Bagnoli and Piombino⁹⁷.

The first efforts by the state to redefine the structure of the iron and steel industry dated back to 1932-35. In 1932 the government had appointed a commission of "technical experts" meant to guide the ministry's industrial control policy in this sector, on the basis of a rationalisation strategy aimed at concentrating steel production in large-scale units⁹⁸. Following the institution of IRI, in 1933-35 Oscar Sinigaglia and Francesco Giordani – ILVA's vice-president from 1935 to 1938 – also tried to address the problem through the development of an ambitious programme, aimed at modernising ILVA's integrated steelworks and expanding their productive capacity to lower the costs of production of national consumer industries⁹⁹. The resignation of Sinigaglia's key political ally, the Finance Minister Guido Jung, the opposition of private steel producers and the members of ILVA's pre-IRI board of directors, as well as the government's indecision concerning the institute's future, contributed to the failure of Sinigaglia and Giordani's plan¹⁰⁰. With the implementation of the 1938 anti-Semitic racial laws, Sinigaglia was completely ostracised from public life, but his former IRI colleagues continued his efforts.

⁹⁶ Carparelli, 'I perché di una "mezza siderurgia"', pp. 42-4.

⁹⁷ Ibid., pp. 88-95.

⁹⁸ 'Stato di previsione sulla spesa del Ministero delle corporazioni', ACS, IRI-Nera, STO/521/1, fos. 27-8.

⁹⁹ 'Riassunto di S.E. Giordani su ILVA 18/9/1935', FA, AAR, 33/10, fo. 15.

¹⁰⁰ Villari, *Le avventure*, pp. 127-8.

Following the launching of the regime's autarchic industrial policy in March 1936, the political environment had mutated and it had become apparent that IRI would play a permanent role in the management and re-organisation of the so-called "key industries"¹⁰¹. In their April 1936 report to Mussolini Beneduce and Paronetto addressed the rationalisation of the iron and steel sector, proposing that the institute should implement a "mixed intervention", which would involve "direct management" of the firms already owned by IRI, and "an intense control for the rest of the industry"¹⁰². Conceived for a period of "two years", this intense control would ensure the "imposition of a direction on this industry" aimed at "refining its production methods and costs in a national sense (...) to serve the interests of the machine-tool sector"¹⁰³. The two managers were in effect asking the *Duce* to authorise the extension of IRI's influence to privately owned plants – notably those owned by FIAT, Falck and Breda – in order to launch a modernisation programme that would impact the entire sector.

To study the sectorial plans, Beneduce proposed the institution of "Technical Committees", subordinated to IRI's authority¹⁰⁴. IRI's Committees would therefore issue the directives that would coordinate the investment programmes of both state-owned and private enterprises. It was in this context that a group of ambitious IRI managers, led by Agostino Rocca sought to re-launch Sinigaglia and Giordani's rationalisation programme as part of the regime's new autarchic industrial policy. The tortuous journey undertaken by Rocca and his colleagues to ensure the approval of the sectorial plan, eloquently

¹⁰¹ M. Doria, 'I trasporti marittimi, la siderurgia', in *Storia dell'IRI 1.*, pp. 375-6.

¹⁰² ASBIT, Carte Beneduce, 288/10, fo. 18.

¹⁰³ *Ibid.*, fos. 18-19.

¹⁰⁴ *Ibid.*, fo. 43.

illustrated in the manager's personal papers, however further exposes the polycentric nature of Fascist organised capitalism.

According to Rocca's papers, in May 1937 Finance Minister Paolo Thaon di Revel charged a special commission of industrial experts with devising the general directives of a new programme for the iron and steel industry focused on autarchic imperatives¹⁰⁵. The commission's members included Rocca, Giordani, Parravano, Bocciardo and the other managers in charge of all the iron and steel companies controlled by IRI: ILVA, Terni, SIAC and Dalmine¹⁰⁶. The commission also comprised Euclide Silvestri (1876-1954), the chief manager of Cogne, the only nationalised iron works that escaped the Institute's reach¹⁰⁷. On 12 June 1937 the commission drafted the guidelines of the sectorial plan, which confirmed the "autarchic advantages" and "economic merits" of exploiting iron ore as a raw material, given the scarcity of scrap on Italian territory and the recent increases in its international price¹⁰⁸.

The programme called for the concentration of at least 50% of national steel production in integrated plants controlled by the state¹⁰⁹. Italy's overall steel output would reach 2.5 million tons per year by 1940, obtained from 1,580,000 tons of cast iron, 1.3 million tons of which would be produced in "large-scale integrated units"¹¹⁰. These targets would be obtained through the modernisation of the existing ILVA plants of Bangnoli, Piombino, Servola, and Portoferraio, the closing of the company's five remaining smaller steelworks, and

¹⁰⁵ 'Il piano autarchico della siderurgia e il nuovo impianto della Società Italiana Acciaierie di Cornigliano', FA, AAR, 39/25, fo. 1.

¹⁰⁶ Ibid., fo. 1.

¹⁰⁷ Ibid., fo. 1.

¹⁰⁸ Ibid., fo. 2.

¹⁰⁹ Ibid., fo. 2.

¹¹⁰ Ibid., fo. 2.

the construction of a new integrated SIAC plant in Genoa-Cornigliano¹¹¹. As a result, ILVA would produce 1,050,000 million tons of cast iron per year, whilst SIAC's new plant would deliver an output of 250,000 tons¹¹². ILVA's yearly steel output would reach 790,000 tons, whilst SIAC's would be of 265,000 tons¹¹³. Given the limits of national iron ore reserves, the industry would rely on 660,000 yearly tons of national minerals, while importing 750,000 tons of minerals from abroad¹¹⁴. The plan also stressed the necessity "to change the charters of iron and steel cartels" so that they could "favour the aforementioned programme", notably through a revision of the "criteria for the authorisation of new plants"¹¹⁵. Moreover, the enterprises reliant on scrap should be provided "with the complementary plants necessary to the substitution of scrap with minerals"¹¹⁶.

The appointment of this special commission of IRI managers and its proposal for a radical re-organisation of the iron and steel industry is a clear sign of the Institute's attempt to redefine the structure of pivotal sectors of the national economy. Although formally limited to state-controlled industries, the programme in effect fixed new quotas for the entire sector and invited private steel producers to gear the productive organisation of their steel mills to the requirements of the integrated cycle. Most importantly, the IRI managers' plan also stressed the necessity to adapt other aspects of the regime's industrial policy – notably governmental control over new industrial initiatives – to ensure achievement of the plan's objectives by authorising the construction of the

¹¹¹ 'Lettera in data 12 giugno 1937-XV a S.E. Paolo Thaon di Revel', FA, AAR, 43/1, fo. 1

¹¹² Ibid., fos. 2-3

¹¹³ 'Relazione della commissione nominata da S.E. il Ministro delle Finanze per lo studio del problema dell'autarchia siderurgica, 12 giugno 1937', FA, AAR, 43/1, fo. 21.

¹¹⁴ Ibid., fo. 18.

¹¹⁵ Ibid., fos. 24-5.

¹¹⁶ Ibid., fos. 25-6.

integrated steel mills and blocking the construction of any new scrap-reliant steelworks. The initiative can thus be seen as a consequence of the *planiste* ambitions of the IRI's cadres, illustrated in Beneduce and Paronetto's 1936-37 proposals for the re-organisation of the Institute. Nevertheless, the following steps of the plan's elaboration and implementation clearly indicate that IRI could not implement its sectorial planning initiatives unilaterally.

As the commission's final report admitted, the plan's execution required the approval of the Metallurgic and Mechanical Corporation, which began discussing the proposal on 14 June 1937¹¹⁷. Subjecting the plan to the Corporation's scrutiny was in line with the fact that the Corporations and not IRI were the governmental organs officially charged with drafting the autarchic sectorial plans under the coordination of the Ministry of Corporations. In accordance with its prerogatives, the Ministry tasked a special Corporative Commission with assessing the plan's implementation. The commission's members included the IRI managers responsible for the plan's original draft as well as, the representatives of private steelmakers such as FIAT, Falck, and Breda, and the Fascist trade union leaders Amilcare de Ambris (1884-1951), Pietro Capoferri (1892-1988) and Rosario Massimino¹¹⁸. The Commission's president was General Giuseppe Manni (1881-1952), the Corporation's Vice-President and a major figure of the Italian military-industrial complex¹¹⁹. Another notable member was the jurist Ernesto Santoro, General Director for

¹¹⁷ FA, AAR, 39/25, fo. 2.

¹¹⁸ 'Componenti la commissione costituita dalla Corporazione della Metallurgia e della Meccanica per I piani dell'autarchia siderurgica' FA, AAR, 43/5, fo. 1.

¹¹⁹ Ibid., fo. 1.

Industry at the Ministry of Corporations since 1933, and the chief official in charge of monitoring the construction of new industrial plants¹²⁰.

This commission's re-elaboration of the sectorial plan, drafted between 30 June and 2 July, was way more ambiguous than the original. Although it acknowledged the necessity to increase the share of integrated plants in national steel production, the Corporative Commission's text did not give any indication of the new plants' location, or their future output quota¹²¹. Furthermore, the new text did not include the clause concerning the need to change the charters of the steel cartels, nor the call for private steel producers to abandon gradually the use of scrap as a raw material. As for the authorisation of new plants, the new text refrained from inviting the Ministry of Corporations to favour the concentration programme advocated by the IRI managers. On the contrary, the Corporative Commission stated vaguely that, "given the difficulties encountered in transporting coking coal to Italy (...) the authorisation of the construction of new integrated plants" should be geared to "the possibility of the provision and the transport of the necessary raw materials"¹²².

On the one hand, the Corporative Commission constituted an important institutional tool, which allowed the representatives of public and private enterprises to coordinate their long-term industrial programmes. Corporative organs also allowed labour representatives and military officials to express their views on a sectorial plan that affected national employment and had relevant implications for national defence. On the other hand, the coordination of the industrial programmes of the public and the private sectors within the

¹²⁰ FA, AAR, 43/5, fo. 1.

¹²¹ 'Conclusioni della commissione corporativa per I piani dell'autarchia siderurgica', FA, AAR, 43/5, fos. 2-3.

¹²² Ibid., fo. 5.

framework of the Corporation, gave influence to those who were determined to leave the structure of the iron and steel industry unchanged. The second draft's subtle hostility towards IRI's rationalisation efforts is particularly evident in its call for the Ministry of Corporations to be scrupulous exclusively in its evaluation of new industrial initiatives that involved the construction of integrated plants rather than scrap-reliant electrical steelworks.

The much vaguer formulations of the plan's second version suggest that some of the Corporative Commission's members were hostile to a radical re-organisation of the national iron and steel industry. FIAT, Falck and Breda had indeed responded negatively to the initial programme drafted by the IRI managers with a set of critical observations, which stressed the excessively high costs of the Institute's sectorial plan and emphasised the need "not to touch the existing structure", which had been "able to supply the nation during two wars and one siege" and was currently allowing "the development of quality steel" rather than mass production¹²³. Capoferri, leader of Milan's Union of Industrial Workers, also argued that "while waiting for the construction of the new [integrated] plants and the favourable conditions for the adoption of this production method, electrical steelworks should be developed" to consolidate a "double system"¹²⁴. Even some Fascist trade unionists were thus hostile to an excessively radical rationalisation plan, which may require significant plant closures and socially disruptive lay-offs within the private sector. Moreover, the then Minister of Corporations, the veteran PNF official Ferruccio Lantini, was openly opposed to the construction of the new state-owned plants. Under

¹²³ 'Appunti alla relazione della commissione nominate da S.E. il Ministro delle finanze per lo studio del problema dell'autarchia nell'industria siderurgica', FA, AAR, 43/3, fo. 9.

¹²⁴ 'Per Avviarci verso l'autarchia', FA, AAR, 53/7, fo. 2.

pressure from private producers, he claimed that integrated steel production was less economically advantageous than that reliant on scrap ¹²⁵.

The Corporation approved the Corporative Commission's propositions on 18 September 1937; and following further discussions, the Central Corporative Committee, presided by Mussolini himself, formally launched the sectorial plan on 14 October.¹²⁶ This did not allow the IRI managers to proceed with the construction of the new plants, which the competent Corporation approved on 26 October¹²⁷. The Ministry of Corporations only authorised the construction of the new SIAC integrated steelworks and the upgrade of the existing ILVA plants on 30 December¹²⁸.

Despite this lengthy administrative procedure, on 6 December 1937 an internal IRI report confidently argued that FINSIDER's various firms were already coordinating their industrial programmes in order to ensure the execution of the plan. For example, ILVA had abandoned its plans to build a new rolling mill in the city of Savona, in order to facilitate SIAC's decision to construct its own mill and annex it to the new integrated steelworks¹²⁹. Similarly, Terni also decided not to proceed with the construction of a new plant for the production of nitrogen, in favour of ILVA's own initiative, which would supply the gas for the Bagnoli works¹³⁰. Dalmine also contributed to the execution of the autarchic plan by committing to utilise SIAC's raw steel in the production of its

¹²⁵ 'Da S.E. Lantini 29/10/1937', ACS, IRI-Nera, STO/508, fo. 12.

¹²⁶ FA, AAR, 39/25, fo. 3.

¹²⁷ Ibid., fo. 3.

¹²⁸ Ibid., fo. 4.

¹²⁹ 'Coordinamento tecnico ed amministrativo disposto dalla FINMARE e dalla FINSIDER fra le aziende dipendenti', Fondazione Dalmine [henceforth FD], Fondo IRI-Roma, IRI-Roma/2, fo. 8.

¹³⁰ Ibid., fo. 8.

pipes¹³¹. Furthermore, the report stated that SIAC and ILVA's programmes would now be subject to the scrutiny of "FINSIDER's Technical Committee", also tasked with acquiring the German machinery necessary for the completion of the new plants¹³². Following additional discussions between Rocca and Giordani on the location of the new steelworks, the construction of the Cornigliano plant began on 14 May 1938, during Mussolini's official visit to Genoa¹³³.

Some of FINSIDER's managers remained however deeply dissatisfied with the complex and laborious administrative framework tasked with executing the autarchic plan. Following his appointment as FINSIDER's General Manager, on 19 July 1938 Rocca sent a memo on the subsidiary's future organisation and the function it should play in the execution of the autarchic plan for the iron and steel industry. According to Rocca, FINSIDER should "obtain from the Ministry of Corporations [agreement] that FINSIDER's opinion should be requested in relation to all applications concerning the authorisation of new steel plants"¹³⁴. Rocca indeed argued that FINSIDER should "be considered the propulsive and coordinating organ of all the initiatives concerning the implementation of the autarchic plan, similarly to what [had] been done in Germany with the constitution of the Hermann Goering Gewerke"¹³⁵. In doing so, Rocca was hence proposing the transformation of IRI's subsidiary into the chief agency in charge of coordinating the execution of the programme. Rocca's proposal implied according FINSIDER the same regulatory powers attributed to the Ministry of Corporations in relation to the authorisation of the construction of new

¹³¹ FD, Fondo IRI-Roma/2, fo. 8.

¹³² Ibid., fo. 9

¹³³ Bonelli, Carparelli and Pozzobon, 'La riforma siderurgica IRI', p. 284.

¹³⁴ 'Condizioni per un efficiente funzionamento della FINSIDER', FA, AAR, 58/8, fo. 3.

¹³⁵ FA, AAR, 58/8, fo. 3.

steelworks, and meant that all major industrial investments undertaken by both public and private enterprises would be subjected to its scrutiny.

According to FINSIDER's 1938-39 report, its rationalisation programme was being implemented, in accordance with IRI's directives, and with the authorisation of the Ministry of Corporations for the construction of the new plants¹³⁶. Yet, Rocca's ambition to transform FINSIDER into the key planning body for the iron and steel sector never materialised. As Rocca himself admitted, control over the execution of the autarchic plan – regulated by the Law of 19 January 1939 – was entrusted to the General Commissariat for War Production (COGEFAG) – *Fabbriguerra's* predecessor – aided by a "Consultative Committee" appointed by the trade organisation of Italian steelmakers (FEDERMETAL)¹³⁷. The Committee specifically oversaw the application of a new law, which roughly ensured a balance between the quantities of steel produced in integrated plants and those reliant on scrap¹³⁸. In the spring of 1940 the Committee, in agreement with the new Minister of Corporations – Renato Ricci – modified the existing legislation, allowing non-integrated electrical steelworks to use iron ore, thereby reducing the quota of steel produced by FINSIDER's integrated plants from 1.14 million to only 780,000 tons¹³⁹. Non-integrated plants would hence produce 68% of the raw steel fixed by the original autarchic plan¹⁴⁰.

Rocca's proposal to centralise all decisions regarding the coordination of the autarchic plan in the hands of FINSIDER hence did not receive the approval of superior organs, which preferred to once again to attribute these regulatory

¹³⁶ FINSIDER, *Relazione del consiglio di amministrazione sul bilancio al 31 Marzo 1939- XVII*, (Rome, 1939), pp.16, 30.

¹³⁷ 'Il piano autarchico della siderurgia, 25-26 aprile 1939', FA, AAR, 54/10 fo. 5.

¹³⁸ *Ibid.*, fo. 4.

¹³⁹ 'Differenze fra la legge N°190 e la nuova legge sul piano autarchico', FA, AAR, 48/60, fos. 1-2.

¹⁴⁰ *Ibid.*, fo. 2.

powers to a corporatist commission. The interference of other agencies also continued to frustrate the IRI planners' objectives by imposing restrictive production quotas that would prevent the new integrated plants from operating at their full capacity. By the spring of 1943, only the Bagnoli and Piombino ILVA plants had been modernised, whilst SIAC's integrated steelworks were in "advanced construction", but not yet completed¹⁴¹. In the meantime, having been unable to obtain the organisational reforms he had advocated, Rocca had resigned as FINSIDER's General Manager in March 1941, but maintained his managerial positions at Ansaldo and Dalmine¹⁴².

The economic historian Gianni Toniolo dismisses the claim that a planned economy had emerged under the Fascist regime as a propagandistic exaggeration. According to Toniolo, through the establishment of the Four-Year Plan office, Nazi Germany could claim to have achieved some degree of planning, whereas Fascist planning initiatives were "diluted into a thousand channels and in most cases did not achieve critical targets"¹⁴³. The economist Pierluigi Ciocca also rejects the notion of a Fascist "private planned economy", and prefers to characterise it as a variety of "oligopolistic modern capitalism", where interests succeeded in blocking state-led strategies of productive rationalisation¹⁴⁴. Using the example of the autarchic plan for iron and steel, the administrative historian Guido Melis has similarly argued that the corporative framework contributed to frustrate the *dirigiste* ambitions of Italian planners¹⁴⁵. According to Melis the

¹⁴¹ FINSIDER, *Relazione del consiglio di amministrazione sul bilancio al 31 marzo 1943* (Rome, 1943), p. 17.

¹⁴² 'R.A. a Bocciardo Arturo, 22 Marzo 1941', FA, AAR, 58/22, fos. 1-2.

¹⁴³ G. Toniolo, *L'economia dell'Italia fascista* (Bari, 1980), p. 303.

¹⁴⁴ P. Ciocca, 'L'economia fascista nel contesto internazionale', in P. Ciocca and G. Toniolo (eds.), *L'economia italiana nel periodo fascista* (Bologna, 1976), pp. 46-8.

¹⁴⁵ G. Melis, *La macchina imperfetta: Immagine e realtà dello stato fascista* (Bologna, 2018), p. 439.

Corporations did not live up to the ambitions of their creators, as they did not constitute planning organs, but a “table for interest settlement”¹⁴⁶. Yet, as we have seen, the institutional reforms of the 1930s had created a polycentric planned economy, where the development of pivotal industrial sectors of the national economy was divided between two agencies – IRI and the Ministry of Corporations –, which had very different understandings of planning. The Institute’s technocratic conception of planning implied that industrial policy should be left to technical expertise; whilst for the Ministry of Corporations – led by party functionaries (Lantini; Ricci) and lawyers (Santoro) – the autarchic restructuring of Italian key industrial sectors should be led by the corporatist mediation of conflicting interests.

Between 1937 and 1940 both organs, ‘worked towards Mussolini’ in search of a leading role in the conception and implementation of the regime’s industrial policy. Yet, the two institutions were accorded overlapping responsibilities. As a result, the technocratic agency that was most determined to modernise the structure of key industries – IRI – never enjoyed the planning powers necessary to proceed unilaterally. Instead, the Institute had to negotiate the implementation of its programmes with private industrial leaders and labour representatives within the corporatist framework of the Ministry of Corporations, which favoured a compromise between the Fascist developmental state and the ‘conservative’ elements of Italy’s industrial leadership.

¹⁴⁶ Melis, *La macchina imperfetta*, p. 442.

II. TECHNO-CORPORATISM AND THE INDUSTRIAL POLICY OF THE EARLY VICHY REGIME

(1940-42)

A New Industrial Control Apparatus: The Ministry of Industrial Production and the Organisation Committees

France's military defeat at the hands of the Third Reich in June 1940 not only marked the death of the liberal-democratic Third Republic and the introduction of a new authoritarian polity, the *État Français* (French State). According to a broad scholarly consensus, the establishment of what is commonly known as the 'Vichy Regime' also meant a radical transformation of France's economic policy instruments, which changed the institutional foundations of French capitalism. As Richard Kuisel put it, "the assumption" of Vichy's economic reformers "was that the Germans would rule the continent and Hitler would allow the French sufficient independence to transform their institutions"¹. Inspired by the *planiste* agenda of an ambitious group of predominantly technocratic economic administrators, the regime enacted groundbreaking reforms in the field of economic administration, which placed expertise and organised interests at the service of state action. If the Great Depression and the autarchic conjuncture of the late 1930s had been instrumental in ensuring Fascist Italy's entrance into the

¹ Kuisel, *Capitalism and the state*, p. 129.

age of modern organised capitalism, the 1940 defeat and the subsequent regime change enabled a similar transformation in modern France.

Vichy France was less concerned with nationalisations and focused on introducing innovative administrative reforms, which formally left private enterprise untouched, but allowed the technocratic experts in charge of the new governmental agencies to use private initiative as an instrument of state action. This was partly due to the fact that these administrative reforms did not take place in the context of a Depression that required public bailouts and subsequent nationalisations. The state's reliance on technical expertise and co-opted trade organisations to mobilise private business on behalf of its agenda, has prompted political-economic historians such as Kuisel to characterise Vichy France's economic order as "techno-corporatist"². This was reinforced by Vichy's institutional arrangements, which empowered state experts to dominate the regime's industrial planning apparatus. According to the career civil servant Claude Gruson (1910-2000), the undisputed protagonist of the economic reforms undertaken by the Vichy regime was the so-called "synarchy"³. This term was often employed in a derogatory manner by pro-Nazi fascist collaborators based in Paris to describe a supposed technocratic conspiracy operating within the government of Admiral François Darlan, Vichy's Prime Minister from February 1941 to April 1942⁴.

Gruson has rejected such notions of conspiracy; but has insisted that the synarchy "corresponded to a sociological and political reality", which

² Kuisel, *Capitalism and the State*, p. 156.

³ C. Gruson, *Origines et espoirs de la planification française* (Paris, 1968), p. 29.

⁴ R.F. Kuisel, 'The Legend of the Synarchy', *French Historical Studies*, 6/3 (1970), pp. 365-9.

characterised Vichy's economic institutions⁵. The members of the synarchy comprised a generational cohort of civil servants from industrial and financial backgrounds, who had been 35 to 50 years of age in the 1930s and had served in the Third Republic's Ministry of Armaments in 1939-40⁶. These "not necessarily ill-intentioned" individuals also included the segments of France's industrial leadership, who had understood that the Popular Front experience required a "reformist" response aimed at renovating France's economic institutions and modernising its economic structures⁷. According to Gruson, the experience of the 1930s had however also made these economic modernisers hostile towards the slowness of parliamentary discussions and the politicians' alleged incapacity to address strictly 'technical' matters⁸. The formal disappearance of party politics and the trade union opposition in the summer of 1940 thus constituted an opportunity for this group to operate a technocratic reform of economic administration and focus on "the renovation of France's industrial apparatus"⁹.

As Gruson and his fellow high functionary François Bloch-Lainé (1912-2002) argued in their 1996 dialogue on the role of public administration in Vichy France, in the context of the 1940 regime change civil servants "found it normal that technicians would have a much more important role than elected officials". High functionaries indeed saw themselves the carriers of a "positive action in economic management"¹⁰. The state should "mobilise the experts' competence" to generate an "ethical orientation of [political] decisions"¹¹. Yet, the "formal

⁵ Gruson, *Origines et espoirs*, p. 29.

⁶ *Ibid.*, p. 29.

⁷ *Ibid.*, p. 29.

⁸ *Ibid.*, pp. 29-30.

⁹ Bloch-Lainé and Gruson, *Hauts fonctionnaires*, pp. 24-5.

¹⁰ *Ibid.*, p. 61.

¹¹ *Ibid.*, p. 64.

democracy” of the Third Republic could not afford to satisfy these demands for a pro-active and incisive role of the civil service in economic policy¹². The doctrinaire economic liberalism of pre-war policy-makers had indeed forbidden initiatives such as state-led industrialisation projects and allowed for piecemeal protectionist interventions only when sought by private actors¹³. In Gruson’s view, this prompted *planiste* civil servants to believe that democracy was fundamentally incompatible with planning and considered authoritarianism as the necessary condition for effective state action in economic affairs¹⁴.

According to Gruson, the ‘synarchs’ made the newly created Ministry of Industrial Production (MPI) their operational base. ‘Synarchic’ officials included Jaques Bernaud (1893-1962), a *Polytechnicien*, former *Inspecteur des Finances* and Director of the Worms Bank, who became the head of the cabinet of the new ministry¹⁵. Other notable officials were the engineers Henri Lafond (1894-1963) and Jean Bichelonne (1904-44), two *Polytechniciens* and members of the *Corps des Mines*, who were appointed as the respective heads of the ministry’s General Secretariat for Energy and General Secretariat for Industry and Commerce¹⁶. This reflected the decision to staff the new Ministry with the *Corps des Mines* engineers – the historic branch of the French civil service charged with monitoring and regulating mining activities – whose careers often blurred the lines between public administration and private industry. The recruitment of these technical experts hence suggests that the new state intended to ensure a permanent link with the industrial world.

¹² Bloch-Lainé and Gruson, *Hauts fonctionnaires*, p. 65, 73.

¹³ R.F. Kuisel, ‘Technocrats and Public Economic Policy: From the Third to the Fourth Republic’, *Journal of European History*, 2/1 (1973) pp. 54-5.

¹⁴ Bloch-Lainé and Gruson, *Hauts fonctionnaires*, p. 73.

¹⁵ Gruson, *Origines et espoirs*, p. 30.

¹⁶ *Ibid.*, p. 30.

In the 1930s Lafond had been a manager at the Mirabaud and Cie Bank and a board member of several mining enterprises. Bichelonne, the Ministry's "model technocrat" had pursued a successful managerial career at Lorraine's Senelle-Maubeuge Steelworks in 1935-37, and had become the Deputy General Manager of the National Company of the French Railways (SNCF) in 1937¹⁷. Bichelonne had also been the most academically successful student in the history of the *Polytechnique*, where he held the chair of iron and steel engineering. His apologetic biographer and former ministerial collaborator Guy Sabin went as far as arguing that the *planiste* ideas of the *Polytechnique*-based *X-Crise* circle significantly influenced Bichelonne's pre-war intellectual development¹⁸. In 1939-40, this man of "exceptional intellectual quality" and "unquestionable patriotism" had also served as cabinet director of the Ministry of Armaments under the fellow *Polytechnicien* Raoul Dautry (1880-1951)¹⁹.

Bichelonne's student and later collaborator Claude Gruson described him as one of the "brilliant personalities", who "set themselves the objective of implementing an industrial policy" aimed at "tackling the evident threat of absorption by the German economy" and "initiating a renovation of the French industrial apparatus"²⁰. Bichelonne had indeed already begun to reflect on the re-organisation of French industries in July 1940, two months prior to the creation of the MPI. His studies centred upon the reconversion of the war industries to peacetime needs, notably in the fields of metallurgy, machine tools,

¹⁷ Kuisel, *Capitalism and the State*, p. 132

¹⁸ G. Sabin, *Jean Bichelonne 1904-1944* (Paris, 1991), pp. 18-19.

¹⁹ Gruson, *Origines et espoirs*, p. 30.

²⁰ Bloch-Lainé and Gruson, *Hauts fonctionnaires*, pp. 25, 34.

chemicals, textiles and construction materials²¹. Given his previous employment at SNCF Bichelonne emphasised the need to electrify France's railways and upgrade their rolling stock accordingly²².

Though younger than his superiors, Gruson was also a member of the group of technocrats who took over the new Ministry. Also a *Polytechnicien*, *Mines* engineer and *Inspecteur des Finances*, Gruson joined Bichelonne's staff in 1940 and served in the MPI until he fell seriously ill in March 1941, contributing to the collection of statistics concerning "inter-industrial exchanges"²³. Gruson characterised his younger self as "apolitical like all *Polytechniciens* of that time" – including Bichelonne – "meaning right-wing"²⁴. This meant that the 'engineer-economist' Gruson also shared the synarchs' conviction that only an authoritarian elitist solution to French governance could overcome the stalemate of party politics, restore the authority of the state and its experts over vested interests, and renew the national economy. Bichelonne also recruited Bloch-Lainé, who however eventually left the Ministry when he discovered that the results of the industrial survey organised by the new General Secretary would be handed over to the German occupiers. Despite his deep attachment to the *fonction publique*, Bloch-Lainé was a Parisian Catholic whose Jewish father was a relative of Léon Blum, and had no intention to carry out any tasks with markedly collaborationist connotations. He hence opted to transfer back to the Finance Ministry, where he enjoyed the protection of the Treasury Director, the fellow

²¹ 'Étude sommaire de la réorganisation de l'industrie Française', Archives Nationales [henceforth AN], Commerce et Industrie, F12/10252, fos. 6-8.

²² *Ibid.*, fo. 6.

²³ Bloch-Lainé and Gruson, *Hauts fonctionnaires*, p. 37.

²⁴ C. Gruson, *Programmer l'espérance* (Paris, 1976), pp. 35, 43.

Inspecteur Jacques Brunet (1901-90) until the German invasion of Southern France in November 1942²⁵.

Despite the technocratic character of its staff, the first holder of the new ministry until February 1941 was not a technician, but the trade unionist René Belin (1898-1977) the former deputy Secretary of the General Confederation of Labour (CGT) and one of the French “neo-Socialist” followers of the Belgian *planiste* Henri De Man (1885-1953) in the 1930s²⁶. According to Gruson, Belin’s appointment was “characteristic of Vichy’s psychology”, which favoured the appointment of both union officials and technical experts to ensure that their policy could be “acceptable from a social point of view and effective on technical grounds”²⁷.

Gruson and Bloch-Lainé’s testimonies hence suggest that the sudden regime change prompted by the French defeat and the German occupation, allowed a group of ambitious technical experts, whose careers had blended the boundaries of the public and private sectors, to take over the levers of economic administration. This group of technocrats had lived through the dramatic years of the Great Depression and the Popular Front, concluding that only an aggressive industrial policy would bring about the modernisation of French economic structures. The end of the parliamentary democracy and the consequent end to interference in decisions that could exclusively be taken on the basis of ‘technical’ considerations further prompted these technocrats to believe that their turn had finally come to assume the management of the French national economy had finally come. Their contempt for parliamentary

²⁵ F. Bloch-Lainé, *Profession: Fonctionnaire, entretiens avec Françoise Carrière* (Paris, 1976), pp. 55-7.

²⁶ Kuisel, *Capitalism and the State*, p. 109.

²⁷ Gruson, *Origines et espoirs*, p. 31.

democracy, their nationalism, and their determination to modernise national economic structures rendered these French 'new men' quite similar to the group of Italian technocrats who rose to prominence in Italian industrial life following the creation of IRI in 1933. Though not all necessarily Fascist, in the context of the breakdown of Italian capitalism during the Depression these technicians had seen the Fascist regime as the instrument that could ensure their expertise over inept politicians and unreliable capitalists in national economic policy making. For the French 'synarchs' the 1940 defeat and the subsequent authoritarian turn represented a similar opportunity. In their eyes, the French State would deliver the modernising technocratic managerial state that the Third Republic had never been able to bring about.

Belin's appointment as Minister of Industrial Production also marked the regime's determination to ensure the compliance of the French labour movement and of heterodox Socialist intellectuals with the technocrats' agenda. Given Belin's political biography, the French trade unionist also accepted the appointment as an opportunity to implement his pre-war reformist agenda, which had met opposition from the CGT leadership. As Philip Nord points out, Belin saw the creation of the MPI as a chance to enforce "strict control of the economy", which required some sort of "syndical institutionalisation"²⁸. The coming of the Vichy regime hence did not simply represent an opportunity for implementing an expert-led renewal of French economic structures, but also a chance for the ignored neo-Socialist voices of the 1930s to enact their reformist and corporatist *planisme*. If the technocrats believed that after the events of 1940 would take over the levers of national economic management, Belin saw

²⁸ Nord, *France's New Deal*, p. 91.

the same dramatic conjuncture as the opportunity to transform organised interests into agents of state action, charged with building a new corporatist economic order with strong Socialist connotations.

Belin's hopes were however never fulfilled. Following his resignation as Minister of Industrial Production in February 1941, his cabinet, already dominated by technical experts, was entrusted to the former steel industry executive and fascist sympathiser Pierre Pucheu (1899-1944) and then to the industrial manager François Lehideux (1904-98). Lehideux's appointment in June 1941 was indicative of the technocratic sympathies of Admiral Darlan. A graduate of the *école libre des sciences politiques*, Lehideux had joined the management of the Renault works in 1930 and had participated in the pre-war debates on the technocratic renewal of French political economic elites alongside Bernaud and other associates of the Worms Bank²⁹. For the young Lehideux the 1940 regime change represented the opportunity to operate this technocratic renewal, incarnated by his ultimate accession to the MPI in June 1941. Belin's resignation and Lehideux's appointment indeed suggest that the French variety of organised capitalism that began to take shape in 1940-42 would be predominantly technocratic rather than neo-Socialist.

To fully comprehend the nature of the economic order that emerged in France in those years, it is however necessary to move beyond the biographies of its chief administrators and analyse the structure of the new economic institutions they introduced, first among which was the MPI. A detailed illustration of the Ministry's administrative structure is provided in a report that Lehideux submitted to the National Council, the French State's legislative

²⁹ F. Lehideux, *De Renault à Pétain: Mémoires* (Paris, 2001), p. 86.

assembly, in March 1942. According to the report the MPI's "vertical organisation" was composed of two main branches: the General Secretariat for Energy and the General Secretariat for Industry and Commerce³⁰. The Secretariat for Energy comprised four sectorial Directorates: the Directorate for Mines, the Directorate for Electricity, the Directorate for Iron and Steel and the Directorate for Fuel. Attached to the Secretariat for Industry and Commerce were the Directorate for the Chemical Industries, the Directorate for Mechanical Industries, the Directorate for Textile Industries and the Directorate for Internal Commerce³¹. The role of the Secretariats and the sectorial Directorates amounted to "the general management of the entire industrial economy within the framework of the government's economic policy"³². The Directorates also controlled the activities of the organs charged with mediating the relationship between the Ministry and the industrial enterprises by collecting all the information necessary for the satisfaction of their needs³³.

The intermediate organs evoked by Lehideux were the "Organisation Committees" (COs), a series of corporatist bodies, which he presented as a mid-way solution between the discredited free market and a statist economy³⁴. Rather than choosing one of these two extremes, the government had chosen a third solution: the state-controlled trade organisation³⁵. Formally introduced by the law of 16 August 1940, the COs replaced pre-war business organisations, becoming a link between the state and each industrial sector as well as a "guide"

³⁰ 'Politique Générale de la Production Industrielle', AN, Delegation Générale à l'Équipement Nationale [henceforth DGEN], 19820774/6 fo. 7.

³¹ *Ibid.*, fo. 7.

³² *Ibid.*, fo. 9.

³³ *Ibid.*, fo. 9.

³⁴ *Ibid.*, fo. 16.

³⁵ *Ibid.*, fo. 16.

for each profession³⁶. Other than means to represent economic interests, the COs thereby also functioned as instruments of state action aimed at placing organised interests at the service of the general interest³⁷. As Gruson pointed out, the COs' tasks included the drafting of short-term production programmes, the enforcement of price controls and the sub-allocation of raw materials assigned to each sector by the Ministry's superior organs³⁸. As of 15 April 1941, through its Directorates, the Ministry monitored the activities of 77 COs, which regulated all branches of industrial production³⁹. The COs for banks and insurance answered to the Ministry of Finance, whilst those for transports and naval constructions were respectively attached to the Ministry of Transport and the Ministry of the Navy⁴⁰.

According to the memoirs of the engineer Roger Martin (1915-2008), who then worked at the Ministry's regional *Mines* office in Nancy, the Organisation Committee for Steel (CORSID) was attached to the MPI's Iron and Steel Directorate⁴¹. The first holder of this office was the *Polytechnicien* and *Mines* engineer Henri Coquegnot (1880-1944), formerly the General Manager of the Hagondange steelworks, owned by the Union of Consumers of Metallurgic Products (UCPMI)⁴². In December 1941 the fellow *Polytechnicien* and *Mines* engineer Robert Baboin (1901-82), the pre-war Director of the French coalmines of the Saar, succeeded Coquegnot⁴³. The management of the COs was entrusted

³⁶ AN, DGEN, 19820774/6, fos. 15-16.

³⁷ *Ibid.*, fo. 17.

³⁸ Gruson, *Origines et espoirs*, p. 32.

³⁹ 'Liste des Comités D'Organisation', AN, DGEN, 19820774/6, fos. 1-4.

⁴⁰ *Ibid.*, fo. 4.

⁴¹ R. Martin, *Patron de droit divin* (Paris, 1984), p. 33.

⁴² 'Henri Coquegnot (1880-1944)', *Revue de la Metallurgie*, [Paris], no.2 (February 1944), p. 62.

⁴³ Martin, *Patron de droit divin*, p. 33.

to a “President” or “Director” chosen from the ranks of the affected profession⁴⁴. Representing the interests of the state was usually the head of the sectorial Directorate, who would assume the role of “government Commissioner” within the CO⁴⁵.

According to Nord, the newly appointed presidents of the COs “were not so much capitalists”, as “*grands commis*” and managers, ‘men of action’, who had been involved in pre-war study groups promoting *planisme*, technocracy and industrial modernisation such as the *Polytechnique*-based *X-Crise* and the *Nouveau Cahiers* circle⁴⁶. Several of them such as the engineers Aimé Lepercq (1889-1944) and Auguste Deteouf (1883-1947) were *Polytechniciens* and respectively members of the *Corps des Mines* and the *Corps du Ponts et Chaussés*, the infrastructure-focused engineering service attached to the MPI. As General Manager of the Thomson-Houston electrical company and later as a member of the *Nouveaux Cahiers*, Deteouf had led the “rationalisation movement”, admired American technology, but abhorred economic liberalism to the point of declaring it “dead” and inadequate to explain the functioning of modern industry⁴⁷. Despite being older than their ministerial superiors, these semi-public officials shared the same educational and professional background, and infused the new administrative framework with ideas derived from the *planiste* reflections of the interwar years, first among which was the notion that planning rather than market self-regulation constituted the distinctive trait of modern industry.

⁴⁴ AN, DGEN, 19820774/6, fo. 18.

⁴⁵ *Ibid.*, fo. 19.

⁴⁶ Nord, *France's New Deal*, p. 92.

⁴⁷ R. F. Kuisel, ‘Auguste Deteouf, Conscience of French Industry: 1926-47’, *International Review of Social History*, 20/2 (1975), pp. 152-3, 157-8.

CORSID's members were also predominantly managerial cadres rather than *patrons*. The *Polytechnicien* and *Mines* engineer Jules Aubrun (1881-1959), CORSID's President between 1940 and 1944, had been General Manager of the Schneider steelworks from 1921 to 1929 and a consulting engineer of the Franco-American Lazard Bank since 1935⁴⁸. According to Philippe Mioche, Aubrun's professional background as a technical consultant distanced him from the pre-war *patronat*⁴⁹. The economist and post-war trade organiser Jacques Ferry (1913-96), also described Aubrun as a "man of reflection, study and order", focused on "big decisions" rather than with everyday entrepreneurial matters⁵⁰. These traits rendered Aubrun a viable candidate for the leadership of the semi-public body charged with administering the entire sector during the critical war years.

CORSID's Vice-President, Eugène Roy (1884-1949), also a *Polytechnicien* and *Mines* engineer, had been the General Manager of Lorraine's Longwy Steelworks since 1932, and had even been "prone to dialogue" with the trade unions during the strikes of the summer of 1936⁵¹. The fellow engineer and industrial manager Louis De Mijolla (1891-1974) argued that though not a "man of laboratory", Roy had "the gift of effectively applying the progress granted by scientific or technical evolution to the industrial realm"⁵². One of Roy's chief interwar initiatives was the creation of the Electrical Company of the Lorrainian

⁴⁸ Brunet, *Forging Europe*, p. 65.

⁴⁹ P. Mioche, 'Les entreprises sidérurgiques sous l'occupation', *Histoire économie et société*, 11/3 (1992) p. 403.

⁵⁰ J. Ferry and P. Mioche, *Jacques Ferry et la sidérurgie française depuis la seconde guerre mondiale* (Aix-en-Provence, 1993) p. 26.

⁵¹ Brunet, *Forging Europe*, p. 37.

⁵² 'Le souvenir d'Eugène Roy', *Bulletin de l'ACADI* [Paris], no. 84, (October 1954), p. 320.

Iron and Steel Industry, which coordinated the exploitation of the waste gas released by local blast furnaces⁵³.

Another important member of CORSID was the *Polytechnicien* and *Mines* engineer Léon Daum (1887-1966), who had been the General Manager of the Marine & Homécourt Steelworks since 1927. According to the fellow *Mines* engineer Henri Malcor (1906-91) – chief engineer at Marine & Homécourt since 1937 – in the 1930s Daum had organised a fortnightly technical discussion group with younger engineers, including Bichelonne, which Mioche has identified as a *planiste* circle with technocratic ambitions⁵⁴. Daum was the only leading member of the erstwhile pre-war *Comité des Forges* appointed to CORSID. As Mioche observed, the creation of CORSID did not constitute a “return of the trusts”, which were regarded responsible for having failed to carry out the structural changes necessary for the modernisation of the French iron and steel industry⁵⁵. One striking feature of this changing of the guard was that François de Wendel (1874-1949) – France’s leading steelmaker and the former head of the *Comité* – was not a member of the new body and was replaced by Aubrun, who represented the markedly more ‘managerial’ industrial leadership promoted by the Ministry⁵⁶.

The creation of the MPI and its peripheral bodies enabled the emergence of a planned economy in Vichy France. The intention was that the sectorial Directorates, and the COs would enable ministry to transform what had previously been private enterprises and free trade organisations into

⁵³ ‘Le souvenir d’Eugène Roy’, p. 320.

⁵⁴ H. Malcor, ‘Aperçus sur une carrière’, in P. Mioche and J. Roux (eds.), *Henri Malcor: Un Héritier des maîtres des forges*, (Paris, 1988), pp. 44-5.

⁵⁵ Mioche, ‘Les entreprises sidérurgiques’ pp. 397, 403.

⁵⁶ Brunet, *Forging Europe*, p. 73.

instruments of state policy. This new administrative framework can easily be characterised as statist and techno-corporatist. Corporatist bodies such as the COs could not undertake initiatives independently of state policy. The sectorial Directorates' functions were precisely to ensure that the COs would comply with state directives. The techno-corporatist character of the system was evident in the trade organisations, which were not merely transformed into instruments of state action, but were entrusted to technical experts, who shared the educational and professional background of their ministerial superiors. This no doubt contributed to the consolidation of an *esprit du corps*, which facilitated the COs' compliance with the will of the state.

Furthermore, the exclusion of pre-war family capitalists such as de Wendel in favour of technical cadres such as Aubrun and Roy indicated that the institution of the COs was intended to bring about a managerial revolution in French business. With the dissolution of pre-war trade organisations and the creation of these new state bodies, managerial cadres were finally able to bypass the authority of their employers and plan the development of their respective industrial branches. In this sense, the institution of the COs revolutionised business elites in a similar fashion as IRI did in Fascist Italy.

According to Gruson, the Fascist corporatist state provided a model for the organisation of the COs⁵⁷. Nevertheless, he ultimately concluded that Vichy had embraced "a *dirigisme* of the technocrats", which "did not stem from corporatism"⁵⁸. However, the Italian Ministry of Corporations and its peripheral bodies shared some traits with the MPI and the COs. The Italian ministry also

⁵⁷ Gruson, *Origines et espoirs*, p. 32.

⁵⁸ *Ibid.*, p. 36.

disposed of special Directorates and offices, which ensured the Corporations' compliance with state policy. Like the COs, the Fascist Corporations were also state agencies rather than free-trade organisations capable of devising an independent industrial strategy. State corporatism was hence a common feature of both systems. Nevertheless, the composition of the Fascist Corporations was fundamentally different from that of the COs. The latter were exclusively composed of industrial leaders – managers and owners – whilst the former comprised the representatives of both capital and labour.

According to Brunet, Belin and other Socialist supporters of the Vichy regime had advocated the inclusion of trade-union officials in the COs, but their views were eventually side-lined in favour of a much more hierarchical organisation modelled after the *Reichsgruppen*, the corporatist bodies in charge of regulating German industry⁵⁹. This was however not exclusively the consequence of Nazi demands. The institution of state-sponsored corporatist bodies dominated by technical cadres and industrial leaders had been central to the political-economic reform proposals elaborated by French “neo-Liberal” *planiste* circles in the 1930s such as the *Nouveau Cahiers* and *X-Crise*⁶⁰. It is indeed not accidental that neo-Liberal proponents of technocratic planning such as Detoef served in the COs after 1940. Their obsession with the primacy of ‘technical’ considerations did not incline them to be tolerant of the inclusion of labour delegates in the sectorial bodies that would manage France’s industrial re-organisation. This desire for renewal particularly characterised CORSID officials such as Aubrun, who on 3 December 1941 informed Lehideux that “the

⁵⁹ Brunet, *Forging Europe*, p. 36.

⁶⁰ Kuisel, *Capitalism and the State*, pp. 105-7.

iron and steel sector [required] the support of the government” as “it did not have the same potential as that of rival countries” because of its failure to modernise its equipment⁶¹. The role of Lehideux’s Ministry would thus be that of “aiding us [managers] in operating a recovery vital for the country”⁶².

Another major feature that distinguished the Italian Ministry of Corporations from the French MPI was the latter’s “horizontal organisation”: the Central Office for the Allocation of Industrial Products (OCRPI)⁶³. This additional organ, led by Bichelonne and staffed by technical experts such as Gruson, performed a key function of the allocation of rationed raw materials and industrial products within Vichy France’s industrial control apparatus. The OCRPI was composed of twelve sectorial offices, led by technically experienced officials – termed Allocators – but was controlled by governmental Commissioners chosen from the technical Directorates⁶⁴. The Commissioners had veto powers on the Allocator’s decisions⁶⁵. The OCRPI’s authority also extended to German-occupied Northern France, thus allowing “French organs to administer French industrial resources”, though under the supervision of German economic agencies⁶⁶.

The link between the COs and the OCRPI was ensured through the ministry’s sectorial Directorates, which were charged with monitoring the activities of the industrial managers in charge of each allocation office. Even the OCRPI was hence a techno-corporatist apparatus dominated by technical experts

⁶¹ ‘Jules Aubrun à François Lehideux, 3 Décembre 1941’, AN, Chambre Syndicale de la Sidérurgie Française [henceforth CSSF], 19900482/21, fo. 2.

⁶² *Ibid.*, fo. 3.

⁶³ AN, DGEN, 19820774/6, fo. 8.

⁶⁴ *Ibid.*, fos. 13-14.

⁶⁵ *Ibid.*, fo. 14; ‘Loi portant organisation de la répartition de produits industriels’, AN, DGEN, 19820774/6, fo. 1.

⁶⁶ AN, DGEN, 19820774/6, fo. 14.

paid by the government. The difference from the Italian system lay in the fact that during the war the Ministry of Corporations could coordinate production programmes, but the allocation of raw materials was entrusted to a separate organ: the Under-Secretariat for War Production, staffed by military officers rather than industrial experts. The MPI – with its OCRPI, the sectorial directorates and the COs – represented the integrated and centralised industrial control apparatus that Fascist technocrats such as Agostino Rocca advocated as a substitute for the more polycentric framework that the Fascist regime had placed in charge of Italian war production. Interestingly enough, the authority of the Ministry and the OCRPI also extended to the German-occupied North, thus suggesting the existence of a certain German trust in the French technocrats' capacity to gear French industry to the requirements of the Reich's war effort.

The organisation of the iron and steel industry was however more complicated. With the annexation of Alsace-Lorraine by the Reich, the MPI lost its control of “two-thirds of the sector's productive capacity”, while its immense iron ore reserves – accounting for 89% of national output – were placed at the service of the Reich's integrated steelworks, notably the state-owned Hermann Goering Werke⁶⁷. This is confirmed in Martin's memoirs, which indicate that the Lorraine and Moselle were entrusted to *ad hoc* German offices⁶⁸. The steelworks of the Nord had instead been “placed under the control of the German military administration in Brussels”⁶⁹. Even the ore mines of Normandy, Anjou and the Pyrenees were subjected to the control of the German economic

⁶⁷ Mioche, ‘Les entreprises sidérurgiques’, p. 409; A.S. Milward, *The New Order and the French Economy* (Oxford, 1970), pp. 212-13.

⁶⁸ Martin, *Patron de droit divin*, p. 34.

⁶⁹ *Ibid.*, p. 34.

administration based in Paris⁷⁰. Only the smaller plants of the West, Centre and South fell under the OCRPI's Office for Cast Iron and Steel (OFFA)⁷¹. The files of CORSID however indicate that in the late winter and early spring of 1941 the French Committee was still in charge of monitoring the construction of new plants in the Nord and Lorraine⁷². This therefore suggests that the authority of the MPI also extended to some degrees to the zones formally under the control of the German Military Administration.

⁷⁰ Milward, *The New Order*, p. 213.

⁷¹ Martin, *Patron de droit divin*, p. 34.

⁷² 'Société Anonyme des Aciéries de Micheville à le Comité d'Organisation de la Sidérurgie, Paris le 29 Janvier 1941' AN, CSSF, 19900482/9, fo. 1; 'Société Anonyme des Hauts-Forneaux, Forges et Aciéries de Denain-Anzin à Monsieur le President Du Comité d'Orfanisation de la Sidérurgie, Paris le 25 Mars 1941', AN, CSSF, 19900482/9, fo. 1

The General Delegation for National Equipment and the Post-War Planned Economy

In his history of French planning and his posthumous memoirs on the occupation Gruson identified the Ministry of Industrial Production (MPI) as the main motor of France's new industrial policy in the early 1940s. This is understandable, as the Ministry was responsible for launching significant industrial policy initiatives such as the Law of 17 December 1941, which empowered its Directorates and COs to shut down inefficient plants within their jurisdiction⁷³. Yet, as Michel Margairaz and Henri Rousso have pointed out, the policy had little to do with the planning of long-term industrial restructuring and rather constituted a short-term measure connected to the need to concentrate production where it best suited the Reich's war effort⁷⁴. Gruson's writings fail to mention another major technocratic institution, which was central to Vichy's efforts to launch a new long-term industrial strategy and ensure France's embracement of modern organised capitalism: the General Delegation for National Equipment (DGEN). The creation of this body not only contributed to the ascendancy of technical expertise at the helm of French *dirigisme*, but also helped integrate the MPI and its short-term industrial control apparatus into a larger techno-corporatist administrative framework.

The DGEN was formally introduced on 6 April 1941 when the government of the French State decided to launch an ambitious Ten-Year Plan for the "equipment" of the French economy. The chief administrator in charge of the

⁷³ M. Margairaz and H. Rousso, 'Vichy, la guerre et les entreprises', (1992) p. 351.

⁷⁴ *Ibid.*, p. 351.

new planning body was François Lehideux, who prior to his appointment had been President of the Automotive Organisation Committee (COA) since August 1940. According to Lehideux's memoirs, Lucien Romier (1885-1944) – a historian, close advisor to Pétain and a former member of *Redressement Français*, the technocratic circle led by the industrial moderniser Ernst Mercier (1878-1955) – strongly supported his appointment as the head of the regime's new planning agency⁷⁵. The former Renault manager was officially appointed Delegate for National Equipment on 23 February 1941. Lehideux identified the DGEN's task as that of “preparing the future” by “devising an inventory of our resources, some sort of a plan”⁷⁶. Upon accepting his new position, the technocrat stressed that the studies undertaken by the DGEN should be “managed in full intellectual freedom and beyond administrative burdens”⁷⁷. This arrangement hence “excluded any dependence on the Ministry of Finance” and advocated the “DGEN's direct subordination to the Head of Government”⁷⁸.

These institutional conditions, which Lehideux characterised as “completely new in France”, allowed the newly appointed Delegate for National Equipment to carry out an in-depth reflection on the situation of our country and prepare the choices that would lead to its renaissance⁷⁹. Following an initial period of reflection and study, Lehideux argued that the DGEN would “propose an economic and social policy to the government” in the form of a plan⁸⁰. The decree that instituted the DGEN charged the new body with “elaborating the

⁷⁵ Lehideux, *De Renault à Pétain*, pp. 259, 271-2

⁷⁶ *Ibid.*, p. 272.

⁷⁷ *Ibid.*, p. 272.

⁷⁸ *Ibid.*, p. 272.

⁷⁹ *Ibid.*, p. 274.

⁸⁰ *Ibid.*, p. 274.

national equipment plan and submitting it to the government”⁸¹. The DGEN would also provide the concerned ministries with the directives necessary to the execution of the plan, notably concerning the allocation of raw materials and workforce⁸². In line with Lehideux’s request, his office answered “directly to the Head of Government”⁸³. To liaise with the economic ministries, the DGEN would rely on its own Directorates⁸⁴. The Directorate for Industrial Equipment constituted the administrative link between the planning agency and the MPI⁸⁵.

In terms of its staff, the DGEN would rely on civil servants seconded by their original department or experts recruited from the private sector⁸⁶. Lehideux’s chief collaborators included the engineers Henri Giraud (1880-1942), and Robert Gibrat (1904-80), head of the Electricity Directorate at the MPI⁸⁷. Also a *Polytechnicien*, member of the *Corps des Mines* and another model ‘engineer-economist’, in the pre-war years Gibrat had been a member of corporatist and technocratic *planiste* circles such as *Ordre Nouveau* and *X-Crise*⁸⁸. The DGEN’s General Inspector was the *Ponts* engineer Frédéric Surleau (1884-1972), former Deputy General Manager and Vice-President of SNCF under Bichelonne from 1937 to 1939, where he played a key role in the pre-war modernisation of the French railway network⁸⁹.

Other than its Directorates, the DGEN also relied on a Consultative Committee, which constituted the planning agency’s chief link with the

⁸¹ ‘Loi du 6 avril 1941 relative a l’équipement national’, AN, DGEN, 19820774/16, fo. 16.

⁸² *Ibid.*, fo. 17.

⁸³ *Ibid.*, fo. 17.

⁸⁴ Lehideux, *De Renault à Pétain*, p. 278.

⁸⁵ ‘Plan d’équipement national’, AN, DGEN, 19820774/14, fo. 54.

⁸⁶ AN, DGEN, 19820774/16, fo. 18.

⁸⁷ Lehideux, *De Renault à Pétain*, pp. 277-8.

⁸⁸ G. Brun, *Technocrates et technocratie en France, 1918-1945* (Paris, 1985), pp. 32, 35.

⁸⁹ J.M. Sherwood, ‘Rationalisation and Railway Workers in France: Raoul Dautry and Les Chemins de Fer de l’État, 1928-1937’ *Journal of Contemporary History*, 15/3 (1980), p. 448.

representatives of the productive forces. As of 30 July 1941, the committee included the industrialists Pierre Boulanger and Marcel Champin, the agrarian leader Jacques Le Roy Ladurie, and four engineers: the *Polytechnicien* and *Ponts* engineer Roger Boutteville (1892-1975), head of the CO for electrical energy; the *Polytechnicien* Louis Wibratte (1877-1954), founder of Paribas' industrial department in the 1920s; the *Polytechnicien*, *Mines* engineer and industrial manager Jean Henri Pagezy (1894-1970); and Joseph-Marie-Raoul de Vitry (1895-1977), General Manager of Pechiney aluminium conglomerate and also a former graduate of both the *Polytechnique* and the *Mines* school⁹⁰. During the autumn of 1941, the *Ponts* engineer Auguste Deteouf, and the *Polytechnicien* Jean Maroger (1881-1956), joined the Committee as representatives of the electrical and electrical construction industries ⁹¹.

Chaired by Lehideux, the DGEN's Consultative Committee first met on 10 September 1941. During this first meeting, Lehideux argued that the DGEN's chief task was to "prepare a ten-year equipment plan"⁹². Citing the *dirigiste* precedents that he claimed had characterised the policies of French statesmen such as Colbert and Thiers, Lehideux insisted that planning was not foreign to France's political traditions⁹³. He however argued that "while in the past a plan could reflect the personality of a great statesman", the realities of modern political economy required that "those charged with the elaboration of the plan should above all search and group all of the various competences coming from

⁹⁰ 'DGEN-Arreté 30 Juil. 1941', AN, DGEN, 19820774/10, fo. 1.

⁹¹ 'DGEN-Arreté 10 Nove. 1941', AN, DGEN, 19820774/10, fo. 1; 'DGEN-Arreté 17 Nove 1941', AN, DGEN, 19820774/10, fo. 1.

⁹² 'Extraits de l'exposé de M. Lehideux à la première séance du Comité Consultatif', AN, DGEN, 19820774/10, fo. 1.

⁹³ *Ibid.*, fo. 2.

the various sectors of the economy”⁹⁴. The DGEN’s task was not to proceed to the execution of the plan itself or to elaborate projects directly” but to provoke the activity of the various ministerial departments and all the public or private organs capable of contributing to our effort and to “evaluate the various project related to all branches of the economy from the perspective of the national community’s general interest”⁹⁵. In accordance with this task, the DGEN’s services would act as a “general staff”, which could monitor the execution of the plan’s projects. According to Lehideux “a certain degree of *dirigisme* would be inevitable to escape post-war economic chaos”⁹⁶.

The MPI was hence not the only institutional innovation in the field of economic administration brought about by the Vichy regime. Through the introduction of the DGEN, the French State was able to integrate the Ministry and its industrial control apparatus into a broader planning framework, charged with developing a strategy for the long-term structural re-organisation of the French economy. Thanks to its direct attachment to the head of government’s office, the new planning agency escaped the authority of the economic ministries and was placed in the position of stimulating their initiatives and coordinating their policies within the framework of the national plan. The DGEN’s role would be that of ensuring the ministries’ adherence to the plan’s agenda. By Lehideux’s own admission, the plan would not be the exclusive product of the DGEN’s planners, who would also rely on the help of the representatives of all of the other economic state agencies and those of private enterprise. The participation of the productive forces in the planning process would be ensured through the

⁹⁴ AN, DGEN, 19820774/10, fo. 2.

⁹⁵ Ibid., fo. 2.

⁹⁶ Ibid., fo. 7.

DGEN's Consultative Committee, the members of which included the cadres of the COs and ministerial Directorates in charge of regulating the activities of the chief industrial sectors.

The professional background of the DGEN planners suggests that the new planning agency can be easily characterised as technocratic. The subordination of the CO delegates to the DGEN's authority through the Consultative Committee during the elaboration of the plan also suggests that the entire planning apparatus was techno-corporatist in spirit. Through the Consultative Committee, the French industrial leaders represented by the COs could submit their own proposals. Yet, it would ultimately be the DGEN experts' responsibility to establish whether these proposals were in line with the plan's general objectives and the overall interest of the state. What hence rendered the DGEN so special among the institutions in charge of administering France's state-led capitalist economy was its peculiar position in relation to the economic ministries and the COs, which allowed it to coordinate ministerial policies after having mediated the proposals of professional representatives accordingly to the prerogatives of the state, the only true interpreter of the general interest. Under the guidance of the DGEN, planning would be the result of the concerted efforts of state officials and professional representatives, mediated by a group of technocratic experts, who answered directly to the head of government.

Between September 1941 and June 1942, the DGEN and its Consultative Committee worked on the content of the plan's first draft. According to Kuisel, the plan's chief concern was the development of French agriculture, which

reflected the agrarian priorities of the Vichy regime⁹⁷. In line with this priority Lehideux's proposed "urban and industrial de-centralisation" measures aimed at the construction of "satellite cities", which would favour the symbiotic development of industry and agriculture⁹⁸. The Committee did go on to discuss notable industrial policy issues: the industrialisation of Northern Africa (discussed on 13 January 1942); the development of coal production and other solid fuels (24 February 1942); and the "plan for scientific and technical equipment" (12 May 1942), which identified state-led industrial research as one of the chief objectives of the National Equipment Plan⁹⁹.

The case study of the sectorial plan for the coal industry, drawn up by the competent CO is indicative of the planning process coordinated by the DGEN. During the 24 February meeting the CO's president, Aimé Lepercq and the head of the Mines Directorate of the MPI, the *Polytechnicien* and *Mines* engineer André Fanton D'Andon (1894-1968) set out the general guidelines of the sectorial plan¹⁰⁰. During the discussion that followed, the plan received the endorsement of Lehideux and the DGEN's Director of Industrial Equipment, Vagneux¹⁰¹. Lepercq and Fanton D'Andon's proposals, as well as those advanced by other ministerial and CO officials such as Boutteville and Gibrat, were explicitly indicated in the official first draft of the National Equipment Plan as the inspiration behind some of its sectorial programmes of industrial

⁹⁷ Kuisel, *Capitalism and the State*, p. 149.

⁹⁸ AN, DGEN, 19820774/14 fo.4

⁹⁹ 'Comité Consultatif de l'équipement national-séance du 12 mai 1942', AN, DGEN, 19820774/10 fos. 6-8.

¹⁰⁰ 'Comité Consultatif de l'équipement national-séance du 24 février 1942', AN, DGEN, 19820074/10, fo. 2.

¹⁰¹ *Ibid.*, fos. 2, 4.

modernisation¹⁰². This further confirms the state-led and techno-corporatist nature of the DGEN-led planning process: while ministries and their sectorial corporatist bodies had the opportunity to advance their own industrial restructuring projects, the inclusion of the sectorial programmes into the national plan required the approval of the central planning agency's technical experts. This allowed the DGEN to integrate all major sectorial programmes within the framework of a coherent national plan.

None of the studies undertaken by the Consultative Committee concerned the possibility of re-organising the iron and steel industry. This is not surprising, given German annexation of Alsace-Lorraine. France's post-war reconstruction within the German-dominated European New Order would therefore unlikely be characterised by a resurgence of its iron and steel sector. Only a different geopolitical scenario would have rendered this possible. This did not however mean that the French iron and steel industry would play no role in the implementation of the National Equipment Plan. According to the plan's first draft, the attainment of its objectives would require an annual production of 2.25 million tons of steel¹⁰³. This meant that, despite the plan's intention to leave the structure of the iron and steel industry untouched, the sectors' current productive capacity, and the plants operating in the 'free zone', would still be mobilised to achieve the plan's targets.

Despite its lack of a comprehensive sectorial programme for the re-organisation of the iron and steel industry, the National Equipment Plan's first draft demonstrates that the institutional foundations of the post-war economy

¹⁰² AN, DGEN, 19820774/14, fo. 53.

¹⁰³ *Ibid.*, fo. 406.

envisaged by the DGEN planners. According to Mioche, the National Equipment Plan was not particularly statist, as it provided ample freedom of initiative to private enterprise¹⁰⁴. It is true that the plan did not feature proposals for industrial nationalisations. Nevertheless, its organisational sections clearly indicate that the economic philosophy of the DGEN planners was far from liberal. The plan's text reiterated the role of Lehideux's agency in "providing the government with a coherent ensemble of projects (...) taking into account the hierarchy of needs and the limits imposed by available resources" ¹⁰⁵ . Furthermore, the DGEN should provide the various ministries with the "directives necessary to the execution of the plan, notably those concerning the allocation of raw materials and manpower" ¹⁰⁶ . Consequently, the DGEN demanded to be "informed at every moment about the forecasts concerning the general balance of resources capable of affecting the country's equipment"¹⁰⁷. The planning agency would thus fix annual plans in agreement with the Ministry of Finance, the Ministry of Labour and the MPI¹⁰⁸.

During the executive phase of the plan the DGEN would inform the sections of the Central Office for the Allocation of Industrial Products (OCRPI) about the plan's needs in terms of raw materials. This would "not imply any change in the functions of the sections of the OCRPI", which would however be "deprived of their decision-making role in relation to the organs charged with the plan's execution" ¹⁰⁹. As for the COs, their role would be that of monitoring

¹⁰⁴ P. Mioche, 'Origines du Plan Monnet: le discours et les contenus dans les premiers plans français (1941-47)' *Revue Historique*, 265/2 (1981), p. 421.

¹⁰⁵ AN, DGEN, 19820774/14, fos. 30-1.

¹⁰⁶ *Ibid.*, fo. 498

¹⁰⁷ *Ibid.*, fo. 498.

¹⁰⁸ *Ibid.*, fo. 499.

¹⁰⁹ *Ibid.*, fo. 500.

the execution of the national plan within the private sector¹¹⁰. The intention was transparently to focus all power in the hands of the DGEN, and its staff. In accordance with the Ministry of the National Economy and Finance, the DGEN would allocate the funds necessary for the financing of the plan. This would be ensured through the creation of a special Equipment Fund, co-managed by the DGEN and the Ministry of Finance, financed by both the state budget and the issuing of special bonds¹¹¹. Each technical ministry would be entitled to open an account at this financial institution and obtain the credits necessary to the funding of their own ministerial plans¹¹².

The National Equipment Plan's administrative sections hence suggest that France's post-war economy would still be subjected to a state-led institutional framework, charged with ensuring its development according to the plan's directives. As far as industrial policy was concerned, the horizontal and peripheral components of the industrial control apparatus attached to the MPI would be subordinated to the DGEN's authority. The OCRPI would adapt its raw material allocation policy to the DGEN's directives, whilst the corporatist COs would mobilise the various branches of industrial production in order to meet the plan's objectives. Most importantly, through the creation of a special financial institution the DGEN and the Finance Ministry would ensure the centralisation of all of the credits necessary for the financing of the plan's sectorial programmes.

According to the historian Henry Rousso, the synergy between the two agencies reached its apex between July 1941 and April 1942, the period in which Lehideux served as both Minister of Industrial Production and General Delegate

¹¹⁰ AN, DGEN, 19820774/14, fo. 462.

¹¹¹ *Ibid.*, fos. 473, 475.

¹¹² *Ibid.*, fo. 477.

for National Equipment¹¹³. This further placed the DGEN under the “tutelage” of the Ministry, thereby reinforcing its influence over other economic ministries¹¹⁴. Rousso’s comments, combined with the strong presence of the MPI’s engineers in the DGEN’s offices suggests that they did not oppose the creation of the new planning agency, but actually welcomed it as a means to bring to fruition the long-term planning ambitions described by Gruson. By the time of Darlan’s fall and Pierre Laval’s return to power in the spring of 1942, French technocrats could claim the merit of having launched a relatively centralised technocorporatist framework for the management of France’s post-war organised capitalist economy.

Despite the large-scale nationalisations that followed the institution of the Institute for Industrial Restruction (IRI), no institutional framework of this kind characterised Italian organised capitalism at any point between 1933 and 1943. Throughout the late 1930s IRI continued to compete for primacy over the elaboration and execution of Fascist industrial policy with the Ministry of Corporations, especially in the execution of the autarchic sectorial plans. The French 1942 administrative blueprint instead suggested that the DGEN would be able to control the MPI’s policies throughout the execution of the plan. French technocrats hence obtained what their Italian colleagues were never able to achieve: the creation of a core technical organ in charge of drafting the general guidelines of the country’s economic development and capable of adapting the policies of individual ministries to its prerogatives.

¹¹³ H. Rousso, ‘Le Ministère de l’industrie dans le procès de planification (1940-1969)’ in *De Monnet à Massé*, p. 29.

¹¹⁴ *Ibid.* p. 29.

Due to the polycentric nature of Italian organised capitalism, and the fundamentally different backgrounds and agendas that distinguished the IRI planners from the officials of the Ministry of Corporations, Italian technocrats never obtained the range of manoeuvre enjoyed by their French colleagues. The wider powers granted to French technocrats in the early years of the French can be explained by what Julian Jackson has termed the “triumph of administration over politics”, which characterised Darlan’s government¹¹⁵. Darlan gave unprecedented power to expertise, especially in the field of economic administration. It is hence not surprising that French technocrats could design a coherent planning apparatus. Despite Mussolini’s personal trust in experts such as Beneduce, his regime never constituted the triumph of expertise over politics. Politicians and political imperatives such as the implementation of the regime’s official corporatist economic ideology continued to matter, thus frustrating Italian technocrats’ bid to control the Fascist developmental state.

¹¹⁵ Jackson, *France the Dark Years*, p. 148.

PART TWO: PRESERVING ORGANISED CAPITALISM (1942-45)

Following the fall of Admiral Darlan in the spring of 1942, and the attempted deposition of Benito Mussolini in the summer of 1943, Vichy France and Fascist Italy respectively entered their darkest phase. Under the leadership of Pierre Laval and the Fascist Republican Party (PFR), both the French State and the Italian Social Republic (RSI) significantly intensified their military and political collaboration with Nazi Germany, thus fully adhering to the implementation of the Holocaust, and the repression of internal political adversaries.

During this dramatic passage, characterised by civil war and greater subordination of the French and Italian economies to the German war effort, some of the technocratic economic administrators brought into office by the Fascist Regime and the French State sought to preserve the institutions that they had contributed to create in 1937-40 and 1940-42. Despite Pierre Laval's contempt for experts, in Vichy France key technocratic economic administrators retained their influence. As a result, the industrial control apparatus created in 1940-42 at the Ministry of Industrial Production (MPI) operated until the summer of 1944, contributing to the enforcement of an ambiguous policy, which kept French industries operational until the end of the occupation while serving the German war effort. In the meantime, the experts affiliated with the MPI and the General Delegation for National Equipment (DGEN) began to work on ambitious blueprints for the re-organisation of France's post-war planned

economy. As the Reich's defeat became increasingly likely, the DGEN even began to envision post-war scenarios, characterised by the restoration of international trade, the reclamation of key natural resources – notably Lorraine's iron ore basin – and the recasting of France as a major European industrial power by modernising pivotal sectors such as iron and steel. These projects implied the strengthening of the centrally coordinated techno-corporatist industrial planning framework created under Vichy in 1940-42. Between 1942 and 1944, Free France's reformers and their allies in the metropolitan Resistance also elaborated a series of institutional blueprints for a post-war planned economy, which would transform technical expertise and organised interests into instruments of the developmental state. As the conflict drew to a close, aprioristic calls for the dismantlement of Vichy's industrial order were dropped in favour of proposals for its democratic reform.

In Northern Italy, despite initial hesitations and the attacks from the extremist wing of the PFR, Fascist technocrats affiliated with the Institute for Industrial Reconstruction (IRI) contributed to the creation of the RSI's markedly more techno-corporatist industrial control apparatus. These planners also began to work on the possible transformation of IRI into a much more powerful planning agency, capable of overcoming the polycentrism of the late 1930s. Furthermore, IRI planners also sketched ambitious industrial reconstruction programmes, which implied an Allied victory and the economic re-unification of the peninsula. IRI's plans also envisaged the nationalisation of the entire Italian iron and steel industry, which would allow the Institute to re-launch its pre-war rationalisation strategy without the interference of potentially hostile private producers.

In the meantime, as in France, the economic experts of the Northern Italian Resistance also began to sketch their proposal for the creation of a post-war industrial planning framework. The primacy of technical expertise, post-war state-led industrial modernisation, and the co-optation both the labour movement and private business leaders into endorsing this strategy were also priorities of the reformers affiliated with the Italian Resistance. It was on the basis of these concerns that some of these experts even found the support of leading IRI technocrats still formally employed by the RSI. Those IRI managers who instead rejected Fascism in 1943 openly joined moderate anti-Fascist parties such as the Christian Democracy (DC), and lobbied for the re-activation of the Institute's Roman offices and Southern enterprises after the Allied Liberation of Rome on 5 June 1944. The decision to restore IRI – endorsed by the Allies, the provisional government in the Southern Kingdom of Italy and even by the Italian Communist Party (PCI) – contributed to laying down the foundations for the post-war survival of Italian organised capitalism.

III. FRENCH INDUSTRIAL STRATEGIES AND ADMINISTRATIVE REFORMS BETWEEN COLLABORATION AND RESISTANCE (1942-44)

Planning under Laval: Between Collaboration and Post-War Institutional Blueprints

In April 1942, German dissatisfaction with the policy of ‘moderate’ collaboration provided by the government of François Darlan led Marshal Pétain to dismiss the admiral in favour of Pierre Laval. The prolongation of the war required an unprecedented exploitation of French economic resources that Darlan and his technocratic government refused to provide. Furthermore, the enforcement of the Final Solution in the German-occupied zone required the cooperation of much more ideologically zealous collaborationists.

A seasoned Radical politician with vague socialist sympathies, Laval had served as French Prime Minister twice in the 1930s, and had been the first Deputy Prime Minister of the French State until his dismissal by Pétain in December 1940. He was no *planiste* and his deflationary solutions to the Depression resonated with the recipes of pre-Keynesian economic liberalism¹. Laval however eventually became disillusioned with the Third Republic and deemed liberal democracy responsible for “the worst excesses of capitalism”². According to François-Georges Dreyfus, Laval was a “republican (...) but he was

¹ Kuisel, *Capitalism and the State*, pp. 95-8.

² T. Zeldin, *France 1848-1945: Volume II. Intellect, Taste and Anxiety* (Oxford, 1977), pp. 1108-9.

no democrat". He "never stopped admiring Mussolini" and "seemed to be dreaming of a 'fascist socialism', which would prevent France's decadence"³. Furthermore, Laval's anti-Communism convinced him that a German victory would be the sole means to prevent the "Sovietisation of Europe"⁴. The new Prime Minister was thus willing for the French State to engage in full political and economic collaboration with the Third Reich in order to defeat the Soviet Union, and secure France's position within the European New Order. Laval's aspiration to preserve French independence would eventually be crushed by the German occupation of the Free Zone on 11 November 1942, following the Vichy government's incapacity to prevent the Allied landing in French North Africa. Though he formally preserved his post, over the following two years Laval would become increasingly isolated, thus allowing the political scene to be dominated by more emphatic French fascists such as Joseph Darnand⁵.

According to Julian Jackson, Laval's cabinet was "one of administrators as much as cronies", as his authoritarian republicanism required loyalty as well as technical efficiency⁶. Furthermore, few of the French fascist enemies of the technocrats gained significant positions in Laval's cabinet, with the sole exception of the former neo-Socialist Marcel Déat (1894-1955), who briefly served as Minister of Labour in 1944. As a result, the new government of the French State did not mark the end of the technocratic tendencies inaugurated under Darlan. In April 1942 Yves Bouthiller lost the Finance Ministry to Pierre Cathala (1888-1947), a veteran of the Laval cabinets of the 1930s. Laval's first Minister of Labour was Hubert Lagardelle (1874-1958), a former revolutionary

³ F. Dreyfus, *Histoire de Vichy* (Paris, 1990), p. 614.

⁴ *Ibid.*, p. 613.

⁵ *Ibid.*, pp. 675, 728-30.

⁶ Jackson, *France: The Dark Years*, p. 214.

syndicalist close to Georges Sorel and a personal friend of Mussolini⁷. However, at the key Ministry of Industrial Production (MPI) technocratic continuity was ensured through the appointment of the engineer Jean Bichelonne. The *Polytechnicien* engineer René Norguet (1888-1968), then sectorial Director for Mechanical Industries, took over as General Secretary for Industry and Commerce⁸. Both Laval and Pétain initially asked Bichelonne's predecessor, the manager François Lehideux, to maintain his post, but Lehideux's firm opposition to Laval's endorsement of the Compulsory Work Service (STO) imposed by the Reich's Plenipotentiary for Labour, Fritz Sauckel, compelled him to refuse⁹. This should not be seen as a rejection of the dictatorship per se, but a sign of the French technocrats' hostility to German demands that compromised France's industrial sovereignty.

As Minister of Industrial Production, Bichelonne mainly focused on keeping the Ministry's industrial control apparatus alive rather than surrendering its duties to the Reich's Ministry of Armaments and War Production (RUK). The minutes of the meetings of the Organisation Committee for Steel (CORSID) indeed suggest that in 1943-44 the Committee continued to perform its functions alongside the Ministry's Iron and Steel Directorate and the relevant branches of the Central Office for the Allocation of Industrial Products (OCRPI). The functionaries in charge of the CORSID were still five *Mines* engineers: Jules Aubrun, Eugène Roy, the ministerial Director Robert Baboin and

⁷ Lehideux, *De Renault à Pétain*, p. 389.

⁸ *Ibid.*, p. 374.

⁹ *Ibid.*, pp. 372-3.

Roger Martin, Deputy Director since October 1942¹⁰. CORSID's activities included the elaboration of production programmes to meet German demands, the sub-allocation of the raw materials provided by the OCRPI, the collection of sectorial statistics, and the authorisation of new mergers and plant constructions¹¹. This system served the Reich's war effort, but also contributed to maintaining a distinctively French administrative framework until the end of the occupation.

While briefly serving as Minister of Labour in 1943-44 Bichelonne also organised the infamous STO. Yet, by exploiting the rivalry between Sauckel and Albert Speer, on 16-18 September 1943 Bichelonne reached an agreement with the RUK, which created the so-called "S works", the industrial workshops that served the German war effort under the control of the MPI¹². According to Dreyfus, the agreement avoided the deportation of the workers and ensured that French industries would remain operational, "thus often allowing the modernisation of the firms and the formation of qualified personnel"¹³. As a result, fewer than 600,000 of the 2 million workers requested by Sauckel were sent to Germany in 1942-44¹⁴. Bichelonne found himself at ease with Albert Speer and the RUK, as the two ministers shared the same managerial mentality, which emphasised 'rational' collaboration within the framework of a technocratic corporatist planned economy. As Philip Morgan put it, the collaboration between the two men was the result of "an almost perfect convergence of personalities,

¹⁰ 'Comité d'organisation de la sidérurgie: réunion du Samedi 16 Janvier 1943', AN, CSSF, 19900482/8, fo. 1. ; 'Réunion CORSID-OFFA du 20 Juillet 1944', AN, CSSF, 19900482/8, fo. 1. ; Martin, *Patron de droit divin*, p. 33.

¹¹ 'Comité d'organisation de la sidérurgie; réunion du Lundi 1er Mars 1943', AN, CSSF, 1990492/8, fos. 1-6.

¹² Jackson, *France: The Dark Years*, p. 228.

¹³ Dreyfus, *Histoire de Vichy*, p. 728.

¹⁴ *Ibid.*, p. 734.

economic approach and outlook, and mutual needs and benefits”¹⁵. The convergence between Speer and Bichelonne also helps explain why the Reich authorities did not dissolve the French industrial control system. Furthermore, as recently pointed out by Luc-André Brunet, the German occupants approved of the elitist and hierarchical nature of the CO-OCRPI complex¹⁶.

The CORSID papers indicate that Ministry’s organs continued to perform their tasks to ensure that the Centre-Midi and Norman steelworks remained operational until the summer of 1944¹⁷. Yet, in late 1943 and early 1944, the activities of the MPI and its peripheral agencies did not limit themselves to short-term industrial control duties. Their officials also began to reflect upon the long-term re-organisation of pivotal sectors such as iron and steel. On 26 April 1944 the CORSID sketched a “note on rationalisation”, concerning the restructuring of the iron and steel industry in the Nord and in the East¹⁸. According to the report, in order to maximise output and drastically reduce the prices of its products, “existing enterprises” had to be “merged, concentrated into regional groups”, each one of which would be “placed under a unique management”¹⁹. These mergers would ensure the disposal of obsolete plants, greater political leverage and the consolidation “of a unique technical, commercial, administrative and financial chain of command”²⁰. Concentration would also favour affect the sector’s research and development initiatives, as each company would rely on “a general staff, composed of valuable personnel, tasked with researching the

¹⁵ P. Morgan, *Hitler’s Collaborators: Choosing between Bad and Worse in Nazi-Occupied Western Europe* (Oxford, 2018), p. 310.

¹⁶ Brunet, *Forging Europe*, pp. 36-7.

¹⁷ AN, CSSF, 19900482/8, fos. 1-3.

¹⁸ ‘Note sur la rationalisation’, AN, CSSF, 19900482/9, fo. 1.

¹⁹ *Ibid.*, fo. 8.

²⁰ *Ibid.*, fo. 9.

improvements to be applied to the plants”²¹. The “rationalisation plan” would result in the concentration of production into “sufficiently combined plants” reliant on “the Thomas integrated cycle, capable of yielding an annual output of 750,000 to 800,000 tons of cast iron”²². Their blast furnaces would be built “according to the most modern techniques” and would be complemented with both Thomas and Martin-Siemens converters²³.

This document does not only illustrate that by the spring of 1944 the CORSID had an interest in long-term sectorial planning, but also that it envisioned developmental scenarios outside the German New Order. The implementation of the CORSID’s rationalisation plan would have indeed required the restitution of the Nord and Lorraine to France. The CORSID officials had thus understood that the German occupation was bound to end and that France could finally reclaim its position as a European industrial power by modernising the vital iron and steel plants lost in 1940. This development reflected the increasingly anti-German stances of CORSID leaders such as Roy, who had joined the Resistance as a member of the Union of the Industrial Cadres of Fighting France (UCIF)²⁴. Furthermore, the document recasts the CORSID as a long-term planning organ, bent on modernising a sector that was still formally under private control. The document’s reference to the need to centralise industrial research initiatives was coherent with the CORSID’s early 1944 decision to

²¹ AN, CSSF, 1900482/9, fo. 10.

²² *Ibid.*, fo. 10.

²³ *Ibid.*, fo. 10.

²⁴ ‘Le Souvenir d’Eugène Roy’, p.321

create the Institute for Iron and Steel Research (IRSID), which Aubrun entrusted to the fellow *Mines* engineer Henri Malcor²⁵.

Between 1942 and 1943 the MPI's officials were also engaged with designing the administrative framework for France's post-war planned economy. The protagonist of this project was the Superior Council of the Industrial and Commercial Economy, a committee of experts created by Bichelonne in June 1942, and led by Gérard Bardet (1903-89), a *Polytechnicien* and a founding member of the *X-Crise* group²⁶. Members of the council included CO leaders such as Roger Bouteville, Auguste Detoef, Aymé Lepercq and Claude Joseph Gignoux, the former president of the General Confederation of French Proprietors (CGPF) in 1936-1940²⁷. The commission's composition hence reflected the elitist and techno-corporatist nature of the MPI. Bardet's appointment as its president clearly also indicates that the council's deliberations would reflect the *planiste* ideas of the managerial 'new men' close to Bichelonne rather than those of the *anciens patrons*.

Between September 1942 and April 1943 the commission of experts held a series of meetings to discuss the institutional reforms required to ensure the survival of French organised capitalism in the post-war era. According to the council's files, a first report drafted in September 1942 denounced the limits of the "fragmented" form of planning entrusted to the MPI, which was limited to the short-term allocation of scarce resources in the context of the war²⁸. What was

²⁵ H. Malcor, 'Du caractère instructif des divergences entre gens de bonne foi', in *Henri Malcor*, p. 259.

²⁶ 'Plan en économie dirigée: Composition de la commission', AN, Commerce et Industrie, F12/10144, fo. 1; Bloch-Lainé and Gruson, *Hauts fonctionnaires*, p. 25.

²⁷ *Ibid.*, fo. 1.

²⁸ 'Note préliminaire établie par M. Toulouse en septembre 1942', AN, Commerce et Industrie, F12/10144, fo. 1.

needed instead was a broader conception of planning capable of guiding the “development of new industries” and the “concentration” of existing ones²⁹. Furthermore, this new conception of planning would also require the creation of “a new financial regime” geared at stimulating industrial policy³⁰. The memo hence called for the introduction of a “central organ”, which would issue the plan’s main directives and “coordinate its execution” by the ministries and professional organisations³¹. The report indeed explicitly stressed the need for a “planned and concerted action”³².

During the commission’s meeting on 17 November 1942 the commission members reiterated that planning was “an instrument” necessary to “reinforce France’s industrial potential”³³. In November 1942 the commission also drafted a report, which committed its members to analyse the tasks and policy-making powers of the planning bodies already available to the regime, chief among which the National Delegation for National Equipment (DGEN)³⁴. At the meeting of 18 December 1942, the Alsatian economist Henry Laufenberger (1897-1964), an expert on the German economy, argued that the Reich’s economic institutions represented a suitable blueprint for French post-war planning. According to Laufenberger, the Third Reich relied on a “strongly centralised state authority” concentrated on a “Ministry of the National Economy”, possessing all the “essential levers of economic management”, including credit and price controls³⁵.

²⁹ AN, Commerce et Industrie, F12/10144, fo. 1.

³⁰ Ibid., fo. 1.

³¹ Ibid., fo. 3.

³² Ibid., fo. 5.

³³ ‘Procès verbal de la reunion du 17 novembre 1942’, AN, Commerce et Industrie, F12/10144, fo.1

³⁴ ‘Plan de production en economie dirigée 11/1942’, AN, Commerce et Industrie, F12/10144, fos. 5-6.

³⁵ ‘Procès-verbal de la Réunion du 18 décembre 1942’, AN, Commerce et Industrie, F12/10144, fo. 2.

The German economy also featured a high degree of concentration, which facilitated the task of the sectorial corporatist *Reichsgruppen*: adapting the cartels' industrial programmes to the state's directives³⁶. Laufenberger thus invoked the creation of a French Ministry of the National Economy which would have the same planning powers as Walther Funk's ministry, as well as the attribution of the same functions of the *Reichsgruppen* to the COs³⁷. Laufenberger's proposal hence called for the radical reform of French economic institutions and the embracement of his rather idealised version of the Reich's variety of organised capitalism.

On 25 June 1943 the commission produced a final reform proposal, which attempted to compromise between the endorsement of the 'German model' and the maintenance of existing French political-economic institutions. The report did not amount to an actual plan for national reconstruction, but stressed that industrial policy would play a central role in French post-war planning³⁸. The commission praised the work undertaken by the DGEN in 1941-42, but also highlighted the limits of its planning powers, which were still deemed excessively dispersed among the various economic ministries and confined to "fixing the pace of the plan"³⁹. The post-war institutional framework required a new "Ministry of the National Economy", charged with "assuring continuity in the implementation of the plan, without being submitted to the vicissitudes of political life"⁴⁰. The existing economic ministries (Finance, Industrial Production, Public Works, Agriculture and Labour), would be re-organised as "State

³⁶ AN, Commerce et Industrie, F12/10144, fo. 2.

³⁷ 'La politique économique et les problèmes du plan', AN, Commerce et Industrie, F12/10144, fo. 3.

³⁸ *Ibid.*, fos. 8-11.

³⁹ *Ibid.*, fo. 44.

⁴⁰ *Ibid.*, fo. 44.

Secretariats”, subordinated to the new super-ministry, whose holder would be the only economic administrator allowed to sit on the Council of Ministers⁴¹.

The former DGEN would be substituted with a new “General Secretariat for Economic Coordination”, a “general staff of high functionaries” attached to the super-ministry and tasked with elaborating the plan and coordinating the activities of the State Secretariats⁴². The State Secretariats would also monitor the plan’s execution by professional organisations through a group of “specialised directorates” in charge of each sector⁴³. Professional representatives would also sit in the “cabinet” of each State Secretariat and liaise with the new super-ministry through the new “Superior Council of the National Economy”⁴⁴.

The June 1943 project hence suggests that Bichelonne and his colleagues intended to preserve Vichy’s organised capitalist economy by subordinating it to a new central authority inspired by an idealised version of the German model. The institutional foundations of their project for France’s future planned economy could still however be referred to as techno-corporatist, as the elaboration and execution of post-war plans would still be the result of the concerted efforts of state experts and the professional representatives in the COs. The proposed reform did not just reflect Bichelonne’s affinity with Speer, but also what Richard Vinen referred to as the “institutional Darwinism” that characterised the political economy of the Vichy regime⁴⁵. The project indeed amounted to the transformation of the MPI into a super-ministry and re-organisation of the DGEN – then formally controlled by the Finance Ministry – as

⁴¹ AN, Commerce et Industrie, F12/10144, fos. 44-5.

⁴² Ibid., fos. 47, 51.

⁴³ Ibid., fos. 46, 51.

⁴⁴ Ibid., fos. 48, 51.

⁴⁵ R. Vinen, *The Politics of French Business, 1936-1945* (Cambridge, 1991), p. 143.

its planning directorate. Furthermore, all the other economic ministries would be reduced to the rank of junior administrations, incapable of influencing the Council of Ministers. The COs would also be preserved as the executive agencies of the plan and the providers of the professional representatives consulted by the super-ministry during the elaboration of the plan. As Henry Rousso observed, Bichelonne's industrial policy was still conceived within a German-dominated post-war scenario⁴⁶. However, the commission's emphasis on a post-war industrial policy aimed at modernising French industries, suggests that in contrast to the 1942 Ten-year plan of the DGEN, the projects of Bichelonne's pool of experts did envisage a resurgent French industrial economy operating within the European New Order. This is a clear sign of a revived industrialism among French technocrats after the military turning points of late 1942 and early 1943.

The new super-ministry never came to fruition before the Liberation. Kuisel attributes the project's failure to Pétain's lack of interest in Bichelonne's design, whilst Vinen argues that Déat's hostility towards the technocratic representatives of the "synarchy" contributed to the abandonment of the "Bardet Plan"⁴⁷. The planners' main concern for short-term industrial control rather than long-term industrial policy also explains why the Vichy economy maintained its institutional configuration in 1943-44. Furthermore, the non-implementation of the proposed reform may also have been due to Laval's distrust of experts, whom he deemed to be "the auxiliaries of politicians"⁴⁸. Laval would have been unlikely to allow Bichelonne to control the DGEN, which fell under the authority of the loyal Cathala. Laval's distrust of technical expertise, paired with his

⁴⁶ H. Rousso, 'L'organisation industrielle de Vichy (Persepectives de Recherches)' *Revue d'histoire de la Deuxième Guerre Mondiale*, 29/116 (1979), p. 28.

⁴⁷ Kuisel, *Capitalism and the State*, p.153; Vinen, *The Politics of French Business*, p. 167.

⁴⁸ Morgan, *Hitler's Collaborators*, p. 158.

commitment to STO, prompted several Vichy technocrats such as Lepercq to desert the regime throughout 1943⁴⁹. Nevertheless, Bichelonne, perhaps driven by what François Bloch-Lainé referred to as the “lack of conscience of the good students” and his “predisposition towards problem-solving”, remained a loyal collaborator until his transfer to the Sigmaringen enclave in August 1944⁵⁰. Bichelonne’s mysterious death in SS custody in December 1944 neither marked the abandonment of either the idea of an economic super-ministry, nor that of a techno-corporatist planned economy based on the concerted action of professional representatives and state experts. Both ideas would resurface in the political-economic debates after the Liberation.

Bichelonne’s MPI was not the sole economic agency of the Vichy Regime engaged with the drafting of ambitious post-war planning projects. Designs for a future planned economy also involved the planners of the DGEN. Following Laval’s return to power in April 1942, François Lehideux, who had headed the DGEN since 1941, resigned and regained the presidency of the CO for the automotive sector (COA). After Lehideux’s resignation, the engineer Henri Giraud served as the DGEN’s new General Delegate for National Equipment until his death in December 1942. Between 1943 and 1944 the Finance Ministry eventually took control of the national planning agency, with Cathala assuming the role of General Secretary for National Equipment⁵¹. According to Kuisel, Cathala was quite indifferent towards the activities of the DGEN, which “suffered a loss of autonomy and status”⁵². According to the DGEN’s files, in 1943-44 the

⁴⁹ Nord, *France’s New Deal*, p. 94.

⁵⁰ Bloch-Lainé and Gruson, *Hauts fonctionnaires*, p. 133.

⁵¹ ‘Loi n°13 du 5 Janvier 1944 relatif à l’équipement national’, AN, DGEN, 198220774/16, fo. 1

⁵² Kuisel, *Capitalism and the State*, p. 153.

planning organ's duties were limited to the coordination of emergency public works and infrastructural reparation programmes.

In January 1944 the *Ponts* engineer Frédéric Surleau became the DGEN's new General Delegate. Surleau formally answered to Cathala, but in the spring and summer of 1944 he and his staff independently worked on a new ambitious post-war reconstruction plan, aimed at recasting France as a leading European industrial power. According to one of the available copies of the plan, the DGEN had been working on the project since December 1942⁵³. The most important aspect of the plan was its *Tranche de Démarrage* (Take-off tranche) a two-year preliminary programme aimed at rebuilding essential infrastructures and re-activating basic industrial activities⁵⁴. Equipment was indeed defined as “the instruments of production (materials, tools stocks etc.)” and “housing, public buildings, commercial installations, sports grounds, which because of their lack of renewal, [did] not absorb current consumption”⁵⁵. Philip Nord distinguishes the 1944 *Tranche's* “modernising fervour” from the agrarian conservatism of the national plan elaborated by the DGEN in early 1942⁵⁶. Both plans featured a firm condemnation of pre-war “malthusianism”, but industrial policy played a minor role in the 1942 national plan. The *Tranche* instead identified the modernisation and expansion of key industrial sectors such as coal, electricity, iron and steel and machine tools as one of the necessary conditions for the successful post-war

⁵³ ‘Plan d'Équipement Nationale: Tranche de Démarrage’ AN, Raoul Dautry [henceforth RD], 307AP/168, fo. 7.

⁵⁴ *Ibid.*, fos. 6-7.

⁵⁵ *Ibid.*, fo. 1.

⁵⁶ Nord, *France's New Deal*, p. 100.

restoration of France as a competitive industrial power open to the world economy⁵⁷.

The “take-off” of the *Tranche’s* programme for the iron and steel industry, was deemed “really indispensable to ensure the rapid start of the equipment plan”⁵⁸. This sectorial programme would cost 16 billion 1939 francs and would be aimed at re-constructing damaged steelworks and concentrating steel production into plants that would not be dependent upon the importation of foreign coking coal. Electric arc furnaces and Martin-Siemens open earth furnaces would thus be given precedence over Thomas blast furnaces and converters⁵⁹. The re-organisation of this vital sector would be particularly beneficial for the development of the mechanical industry⁶⁰. Most importantly, the *Tranche’s* iron and steel programme stressed that the industry would rely on one of the largest iron ore reserves in the world, thus hinting that France would regain control over the mines in Lorraine, which the Reich had annexed in 1940. Even the DGEN’s *Tranche* was thus intended to recast France as a leading European industrial power, emancipated from the Reich. One of the key aspects of this regained economic independence would precisely be the reclamation of the iron- ore mines of Alsace-Lorraine and the subsequent modernisation of the iron and steel industry, one of the chief industrial activities that the Reich had taken over through its occupation of the French North-East. The choice of the Martin-Siemens method also differentiated the *Tranche* from the CORSID’s 1944 rationalisation plan. This meant that the DGEN planners likely persuaded their CORSID colleagues of the excessively ambitious nature of their objectives.

⁵⁷AN, RD, 307AP/168, fos. 46, 51, 213-217.

⁵⁸ Ibid., fo. 238.

⁵⁹ Ibid., fo. 238.

⁶⁰ Ibid., fo. 237.

The *Tranche* did not limit itself to illustrating the various programmes that would constitute the necessary conditions for post-war reconstruction, reconversion and modernisation. As Kuisel points out, the *Tranche* was a means to “institutionalise planning” as a permanent feature of the French economy⁶¹. The available copy of the *Tranche* indeed features an outline of the institutional framework charged with executing the plan. According to the *Tranche*, the coordination of the plan’s execution should be attributed to a “planning service”, which would “dispose of the powers conferred to the DGEN” and should directly answer to the “Head of Government”⁶². The document referred to the planning organ as a “small general staff”, capable of “thinking about the future in function of the present and working alongside the ministries, public collectives and economic organisations”⁶³. The organ should include a number of “fixed cadres”, but should also comprise “renewable appointees” charged with studying specific problems that they are most qualified to address⁶⁴. The *Tranche*’s section on the plan’s execution re-proposed the administrative methods illustrated the corresponding chapters of the 1942 Equipment Plan. The plan thus once again advocated a close liaison between the DGEN and the key ministerial offices in charge of allocating credit and raw materials: the Budget and Treasury Directorates at the Ministry of Finance, and the OCRPI at the MPI⁶⁵. When it came to the specific issue of finance, the document referred to the need to create an

⁶¹ Kuisel, *Capitalism and the State*, p. 153.

⁶² AN, RD, 307 AP/168, fo. 123.

⁶³ *Ibid.*, fo. 122.

⁶⁴ *Ibid.*, fo. 122.

⁶⁵ *Ibid.*, fo. 121.

“Equipment Fund” – still jointly managed by the DGEN and the Ministry – which would render the state budget analogous to an “industrial budget”.⁶⁶

The *Tranche*'s sections devoted to administrative and executive aspects of the plan hence suggest that Surleau's planning staff preferred the maintenance of the existing institutional framework of French organised capitalism. Rather than creating a new super-ministry of the national economy, the *Tranche*'s planners argued for the attribution of all coordinating powers to the DGEN. Vichy's long-term planning agency would thus become an independent technocratic body capable of gearing the policies of all the economic ministries to the long-term objectives of the plan for national reconstruction. Even Bichelonne's MPI and its CO-OCRPI complex would be subordinated to the DGEN's directives in the field of raw material allocation. Although there is no explicit mention of the COs in the document, it can easily be argued that the “managing offices” in charge of sub-allocating raw materials to vital industries would be the corporatist sectorial committees created in 1940. The creation of the Equipment Fund co-managed with the DGEN, would also transform the Finance Ministry into the chief financier of post-war industrial reconstruction and modernisation, thus questioning its traditional attributions of regulator of monetary stability and budgetary balance. Public Finance would be hence subordinated to the long-term objectives of national planning and directly influence the structural transformations of the real economy.

Unlike the files of the 1942 development plan, the *Tranche*'s folder does not include the minutes of the meetings that led to the plan's elaboration in the spring of 1944. Nevertheless, the original text of the *Tranche* repeatedly states

⁶⁶ AN, RD, 307AP/168, fo. 100.

that the plan had been drafted with the assistance of vital statistical information provided by the OCRPI, the sectorial Directorates of the MPI and the “industrialists themselves”⁶⁷. The document therefore suggests that even the *Tranche* was the result of the concerted efforts of the national planning agency’s experts, the various ministerial administrations and organised business. Thus, the DGEN’s project for post-war French organised capitalism would still be reliant on a concerted planning procedure and an institutional framework that can be regarded as techno-corporatist. However, whilst Bichelonne’s techno-corporatism implied the domination of the planning apparatus by a new super-ministry, Surleau’s brand of techno-corporatism instead advocated the preservation of the planning bureau’s independence from ministerial interference. The scheme hence represented a challenge to Laval’s emphasis on the primacy of politics over technical expertise and a return to a markedly more technocratic economic administration, closer to the experience of the Darlan government.

According to Kuisel, the Vichy planners of 1944, still clung to a procedure that was “narrowly administrative and hierarchical”⁶⁸. The *Tranche*’s administrative framework indeed did not feature the participation of labour unions in the drafting and execution of the plan, nor the introduction of any form of industrial democracy. Proposals in the field of labour organisation were limited to the improvement of technical training and the implementation of Taylorist techniques geared at maximising productivity⁶⁹. The DGEN planners not only devised a plan for the country’s industrial reconstruction and

⁶⁷ AN, RD, 307AP/168, fos. 2, 7, 65-7, 70-1, 228.

⁶⁸ Kuisel, *Capitalism and the state*, p. 155.

⁶⁹ AN, RD, 307 AP/168, fos. 85-7.

reconversion in a scenario that assumed the defeat of the Axis powers. They also worked for the institutional preservation of the techno-corporatist organised capitalist economy that the Vichy regime had contributed to create in 1940-42.

The French Resistance and the Democratisation of Techno-Corporatism

While the planners affiliated with the Vichy regime were engaged in designing France's post-war planned economy and in sketching the programmes for the reconstruction of the country's industrial structure, the economic experts associated with the metropolitan resistance movement and with General Charles De Gaulle's Free French government in London and later Algiers, began to elaborate their own proposals for the organisation of France's future political-economic order. Historians such as Stanley Hoffmann, Richard Kuisel, Andrew Sheenan, and Philip Nord have emphasised how Vichy's democratic adversaries constituted a parallel reformist movement, equally bent on rejecting pre-war economic liberalism and Malthusianism in favour of a state-led re-organisation of French capitalism and a planned renewal of France's industrial apparatus⁷⁰. An eventual convergence between these two movements was therefore foreseeable. The bodies conceived by French democrats indeed exhibited techno-corporatist traits reminiscent of Vichy's industrial planning bodies. This convergence, paired with the necessity not to rely on administrative improvisation, inevitably led Free French policy-makers to consider seriously the reform rather than the dismantlement of the industrial planning bodies introduced by the French State in 1940-44.

According to Kuisel, experts from De Gaulle's Fighting France began their reflections on the post-war organisation of the French economy in the summer of

⁷⁰ Hoffmann, 'Paradoxes', p. 58. ; Kuisel, *Capitalism and the State* p. xi; A. Sheenan, *Rethinking France: Plans for Renewal 1940-1946* (Oxford, 1989), p.258; Nord, *France's New Deal*, p. 101.

1942 under the supervision of the *Inspecteur des Finances* Hervé Alphand (1907-94), the General's main economic advisor⁷¹. A notable member of Alphand's study group was the economist and Andre Philip (1902-70), Fighting France's Interior and Labour Commissioner, and one of the earliest French followers of the Belgian neo-Socialist leader Henri De Man in the mid-1930s⁷². Representing the managerial modernisers that had left industry to join the Resistance in 1940 was Etienne Hirsch (1901-94), a *Mines* engineer, who had risen to the rank of General Manager Kuhlmann chemical works on the eve of the Second World War, and had become Deputy Director of Arms Supply to the Free French forces in June 1940⁷³. In the early 1920s Hirsch had also participated taken part in a Socialist study group organised by Marcel Déat and attended by Philip⁷⁴. In 1942 his parents were deported and subsequently murdered in Auschwitz⁷⁵. Within the Free French movement, Hirsch also contributed to the review of Fighting France's Union of Engineers and Technicians, likely the same organisation joined by Eugène Roy, the deputy leader of the Organisation Committee for Iron and Steel (CORSID)⁷⁶.

These four figures epitomised at least three components of the political-economic reform movement associated with the French Resistance: career civil servants (Alphand); Socialist veterans of the 1930s *planiste* circles (Philip); and what Charles Kindleberger referred to as the "new men" from France's rising

⁷¹ 'Arrêté N°193 portant la nomination du président et des membres de la commission d'études des problèmes de d'après guerre', AN, Comité d'histoire de la Seconde Guerre Mondiale [henceforth CHSGM], 72A/546/1, fo. 1.

⁷² AN, CHSGM, 72A/546/1, fo.1; G. Brun, *Technocrates et technocratie* p. 36.

⁷³ *Ibid.*, fo. 1.

⁷⁴ E. Hirsch, *Ainsi va la vie*, (Lausanne, 1988), pp. 23-4.

⁷⁵ *Ibid.*, p. 72.

⁷⁶ 'La reconstruction sociale de l'Industrie française', *Bullettin de l'Union des Ingenieurs et Techniciens de la France Combattante*, [London], no.5 (May-June-July, 1943), p. 10.

managerial class (Hirsch)⁷⁷. The French Communist Party (PCF), another key player in the wartime struggle against Vichy, only significantly contributed to these debates after the Liberation. Before to the Liberation Communist priorities remained the military defeat of the occupants, the “battle against the trusts”, the punishment of the collaborators, the re-establishment of syndical freedom, and a rather vague call to strengthen French economic independence from the United States ⁷⁸.

Kuisel has already provided a detailed overview of the various projects discussed by Alphant’s group between the summer of 1942 and the spring of 1943. His analysis rightfully emphasises the difference between the proposals submitted by the three reformers⁷⁹. However, it is also worth highlighting their similarities. First, all the three proposals call for the need to centralise France’s post-war economic administration to facilitate the implementation of a reconstruction plan. Alphant’s proposal of July 1942 advocated the creation of an “economic general staff”, tasked with “the elaboration of production programmes, the general management of nationalised enterprises, controls over investments, and the allocation of credits”⁸⁰. Philip’s April 1943 blueprint instead proposed the creation of a “Ministry of the National Economy”, which would rely on a “Production Planning Bureau” to ensure “the coordination of economic and social measures”. In September 1942 Hirsch, then known as “Commander Henri Bernard”, submitted a his proposal, which instead identified the “National Economic Council” (CNE) as the organ that would allow the state to coordinate

⁷⁷ C. P. Kindleberger, ‘The Post-war resurgence of the French Economy’, in *In Search of France*, p. 156.

⁷⁸ Kuisel, *Capitalism and the State*, pp. 179-180.

⁷⁹ *Ibid.*, pp. 159-162.

⁸⁰ ‘Problèmes économiques d’après guerre: un point de vue français’, AN, CHSGM, 72AJ/546/1, fo. 26.

the government's post-war economic policy alongside the representatives of trade organisations⁸¹. Hirsch's proposal was distinctively more corporatist, as both Philip and Alphant attributed purely "consultative" functions to the CNE⁸². Yet, in an article published in May 1943 Hirsch specified that the state remained "promoter and arbiter of the common good", and the manager of all "natural" and "occasional associations", thus hinting that the Council's deliberations would still be in line with state directives⁸³.

The second trait of the three proposals was the entrustment of important sectorial planning functions to corporatist trade organisations and professional delegates, meant to manage pivotal nationalised or privately owned 'controlled' industrial branches. Alphant argued that France's new nationalised sector would be managed "with the participation of the workers", while the private enterprises of the "controlled sector" would be entrusted to "professional committees" composed of "an equal number of employers' representatives and salaried workers"⁸⁴. Philip also advocated the creation of "Professional Groups" in charge of "studying the production plan" within the industrial branches of the "managed sector"⁸⁵. Even Hirsch talked of the need to create "professional organs with regulatory powers" in each industry, composed of both employers and workers⁸⁶.

The third trait of the three proposals was a common techno-corporatist undertone, which emphasised the role of technical expertise in the mediation of

⁸¹ 'Remarques au point de vue économique sur les projets communiqués', AN, CHSGM, 72AJ/546/36, fos. 7-8.

⁸² 'Note du Commandant Bernard', AN, CHSGM, 72AJ/546/7, fo. 1.

⁸³ 'La reconstruction', p. 11.

⁸⁴ AN, CHSGM, 72AJ/546/1, fos. 12, 26.

⁸⁵ AN, CHSGM, 72AJ/546/36, fos. 4-5.

⁸⁶ 'La reconstruction', p. 16.

the relationship between the state and trade organisations, as well as an emphasis on industrial modernisation. This meant that trade organisation would certainly play a role in the planning process, but their actions would be subjected to the scrutiny of experts, which would represent the state and enforce a modernisation strategy that would enforce a structural change in production methods to maximise output and efficiency. Alphand's document clearly stated that France should "claim an important place among manufacturing countries" through "a renovation and re-equipment programme"⁸⁷. Consequently, the government should rely on "controllers, functionaries specialised according to each industrial sector", who would act as the liaison between the controlled sector and the general staff⁸⁸. Even nationalised enterprises would be managed "according to industrial methods", thus hinting at a priority of 'managerial' and 'technical' prerogatives over 'social' demands⁸⁹.

Philip's scheme also proposed to introduce a "government Commissioner" or "professional prefect", a "quasi-functionary chosen amongst the technicians of the trade organisation" and "representing both the government and the profession"⁹⁰. This functionary would be expected to master the minimum of technical skills or "Fayolism", deemed "necessary for all the managers of large-scale enterprises"⁹¹. Even the Socialist Philip thus exhibited a clear bias in favour of technical expertise as the chief link between the state, industry and professional organisations.

⁸⁷ AN, CHSGM, 72AJ/546/1, fos. 7-8, 11.

⁸⁸ Ibid., fo. 26.

⁸⁹ Ibid., fo. 12.

⁹⁰ AN, CHSGM, 72AJ/546/36, fo.4

⁹¹ Ibid., fo. 4.

Hirsch's May 1943 article also emphasised the "social role" of engineers – also identified as "workers" – as the promoters of "initiative" and "responsibility" within the working class⁹². This could be achieved through enterprise-based "production committees", which would "initiate workers to technical problems of the factory, and demand their participation to the technical resolution of these problems". This would also require the "patrons" to abandon an individualistic and sectarian mentality, which did "not correspond with the present structure of industry"⁹³. The less statist and more 'managerial' Hirsch unsurprisingly also attributed a special role to technical cadres. Rather than excluding workers from the regulation and planning of national industrial development, Hirsch sought to co-opt them into embracing the values and mentality of the technician.

The introduction of nationalised enterprises and the inclusion of labour delegates in the decision-making process definitely constituted two significant novelties in relation to the Vichy experience, likely derived from Philip's neo-Socialist impulse. Yet, the three planners' advocacy of administrative centralisation, the involvement of trade organisations in industrial planning, and the centrality of technical expertise were far from antithetic from the reforms undertaken by the French State. Furthermore, the Alphan-Philip dispute over whether a 'political' Ministry or a more 'expert-led' economic general staff should be the chief central planning organ of France's future democratic state mirrored the dispute between the DGEN and the planners of the Ministry of Industrial Production (MPI).

⁹²'La reconstruction', pp. 10, 12, 15.

⁹³ *Ibid.*, p.16.

As Kuisel observed, the experts based in London failed to reach a consensus on the necessary political-economic reforms and “serious discussion shifted to France itself”⁹⁴. The political-economic manifestos by paramilitary and study groups affiliated with the metropolitan Resistance such as the Military-Civil Organisation (OCM) and study the General Study Committee (CGE) featured an increasingly more explicit calls for the post-war reform the MPI and its planning bodies⁹⁵. Echoing Bichelonne’s 1943 project, the OCM particularly sought to transform the latter Ministry into a Secretariat subordinated to a new “Ministry of Economic Life” and its “Planning Bureau”, appropriately staffed with “economic technicians”⁹⁶. The new Secretariat for Industrial Production would still rely on sectorial “Directorates” –staffed by the engineers of the *Grands Corps* – and on the tripartite “Industrial Groups”, which would substitute the Organisation Committees (COs) ⁹⁷. The latter would regulate industry’s “controlled sector” and would be entrusted to “professional prefects”, representing the government ⁹⁸. All of these sectorial bodies would be subordinated to the “Directorate for Industrial Life”, the Secretariat’s “brain trust”, which would inherit the functions of the Central Office for the Allocation of Industrial Products (OCRPI)⁹⁹. The similarity with Bichelonne’s blueprint was not surprising, as CO officials such as Aimé Lepercq and Pierre Lefauchaux (1898-1955) were leading members of the OCM¹⁰⁰.

⁹⁴ Kuisel, *Capitalism and the State*, p. 163.

⁹⁵ *Ibid.*, pp. 166, 168.

⁹⁶ Organisation Civile et Militaire, ‘Études pour une Nouvelle Revolution Francaise’, in M. Blocq-Mascart (ed.), *Chroniques de la Résistance suivies par d’études pour une Nouvelle Revolution Française* (Paris, 1945), pp. 327-8.

⁹⁷ *Ibid.*, pp. 341, 351.

⁹⁸ *Ibid.*, p. 332, 341.

⁹⁹ *Ibid.*, p. 342.

¹⁰⁰ Kuisel, *Capitalism and the State*, p.165.

Some of the CGE's cadres also served the French State. One of its key members was the *Inspecteur des Finances* François Bloch-Lainé, who despite his Jewish heritage and family relation to Léon Blum, had quietly served at both the MPI and the Ministry of Finance in 1940-42¹⁰¹. After Laval's rise to power, Bloch-Lainé joined the Resistance in Paris, becoming the chief manager of the funds that the underground received from London at the Paribas Bank¹⁰². This was an exemplary case of the young civil servants, who held mid-ranking positions in the new bodies of the Vichy regime and then joined the Resistance. According to Luc-André Brunet, another supporter of the maintenance of Vichy's institutional legacy was the infamous technocrat Pierre Pucheu, who had briefly served as Vichy's Minister of Industrial Production in the spring of 1941. Though eventually sentenced to death in March 1944 for his crimes as Minister of the Interior in 1941-43, prior to his execution Pucheu had indeed directly urged members of the French Committee of National Liberation (CFLN) such as René Mayer (1895-1972) to maintain the COs¹⁰³.

It is difficult to assess how influential Pucheu's contribution was, but it is definitely indicative of the role played by the grey zone in the transfer of ideas from the French State to the Resistance. What remains certain is that by early 1944 even some of the leading CFLN policy-makers had begun to explicitly endorse the maintenance of Vichy's techno-corporatist planning framework. A key CFLN supporter of the preservation of pivotal planning organs introduced by the French State in 1940-44 was the young Finance Commissioner Pierre Mendès-France (1907-82). A graduate in law from the University of Paris,

¹⁰¹ Bloch-Lainé, *Profession: Fonctionnaire*, p. 59.

¹⁰² *Ibid.*, p. 60.

¹⁰³ Brunet, *Forging Europe*, pp. 126-8.

Mendès-France had risen to fame as the youngest member of the Paris Bar Association and the youngest deputy in of the National Assembly. In 1938 he had also served as Léon Blum's Under-Secretary of the Treasury, where he had begun his political partnership with the neo-Socialist De Man supporter, Keynesian divulgator, and New Deal enthusiast Georges Boris (1888-1960) ¹⁰⁴.

Mendès-France's interwar political sympathies had however extended to technocratic and authoritarian circles such as the publishing firm managed by the fascist sympathiser Georges Valois, and the promoters of the illiberal programme of 9 July 1934¹⁰⁵. According to the historian Gérard Brun, Mendès-France was the "least brawler and the most technical" among the "Young Turks" of the pre-war Radical Party¹⁰⁶. This ensured a "convergence between his preoccupations and those of the technicians" such as "the preparation of society's material future" and the calls for a "rationalisation" of politics and administration¹⁰⁷. These characteristics rendered Mendès-France an atypical politician capable of dialoguing with technical experts from the realms of industry and public administration in order to recast the state as a developmental actor. These traits also rendered Mendès-France prone to a nuanced understanding of Vichy's reforms in the field of industrial planning, which did not exclude their reconciliation with the Resistance's reformist objectives.

These views clearly emerged in Mendès-France's first national reconstruction programme: the "Algiers Plan". Submitted to the CFLN in

¹⁰⁴ G. Brun, 'Pierre Mendès-France, la technique et les techniciens', in M. Margairaz (ed.), *Pierre Mendès-France et l'économie* (Paris, 1989), p. 220.

¹⁰⁵ *Ibid.*, pp. 218-19.

¹⁰⁶ *Ibid.*, pp. 218-19.

¹⁰⁷ *Ibid.*, p. 231.

February 1944. Mendès-France described his plan as “a revolutionary attempt at social equality in the context of recovery and reconstruction”¹⁰⁸. In addition to vigorous austerity measures such as credit controls and the taxation of consumption, the post-liberation government would pursue an “equally large and rapid expansion of production” within the framework of a national economic plan¹⁰⁹. Mendès-France hence explicitly affirmed “the impossibility of re-establishing economic freedom” and the “necessity to constitute or conserve the organs capable of ensuring the execution of the envisaged programme”¹¹⁰.

The Finance Commissioner advocated a “single policy, defined by a central economic authority”, the “General Delegation for National Equipment” (DGEN), which would “become a viable planning bureau”¹¹¹. The task of the DGEN would be to “coordinate the projects and the decisions of the different ministries”, and supervise “the allocation of investments, labour and raw materials”¹¹². Mendès-France also decided it was necessary to “provisionally preserve the professional organs constituted by the self-proclaimed Vichy Regime”, and to subordinate them to the authority of “government Commissioners”¹¹³. Mendès-France’s proposal reflected the growing acknowledgement by CFLN officials that the preservation of the DGEN and the MPI’s COs would be a necessary condition for the implementation of a national plan for industrial reconstruction. The COs were thus considered vehicles for positive state action. While Frédéric Surleau and his team were sketching their

¹⁰⁸ Commissariat aux Finances, ‘Le Plan d’Alger’, in P. Mendès-France, *Oeuvres Complètes 2: Une politique de l’économie 1943-1954* (Paris, 1985), p. 562.

¹⁰⁹ Ibid., p. 564.

¹¹⁰ Ibid., p. 564.

¹¹¹ Ibid., p. 564.

¹¹² Ibid., p. 564.

¹¹³ Ibid., p. 564.

Tranche, even the CFLN had begun working to preserve the techno-corporatist framework of organised capitalism.

Proposals to maintain and reform Vichy's industrial planning bodies did not only come from above, but also from the younger generation of middle-class activists affiliated with the Resistance movement. These demands particularly emerged in a 1944 pamphlet distributed in occupied France by three young Gaullist and Catholic activists: Philippe Viannay (1917-86), Jean-Daniel Jurgensen (1917-87) and Robert Salmon (1918-2013). The three young men were the founders of the paper *Defence of France* and were close to the Sciences Po Director and future diplomat Roger Séydoux (1908-85), one of the chief animators of the pre-war academic debates on technocracy¹¹⁴.

A prime example of the many wartime proposals for the institution of a 'state-led democracy', the pamphlet argued for a "constructive synthesis" between what was "most effective in totalitarian systems with the noblest aspects of liberal ideology"¹¹⁵. In this new state-led democratic order, the role of the economist should be "technical" rather than "doctrinal"¹¹⁶. Comparing his function to that of the engineer, the authors argued that the economist should not "leave economic laws to chance (...) but exploit them in terms of the pursued objective" and "veto" those "measures, proven to be harmful to the general interest"¹¹⁷. The pamphlet also called for the provisional maintenance of the OCRPI and the COs, which would include the representatives of capital and labour, and led by Presidents with no links to private enterprises and committed

¹¹⁴ Nord, *France's New Deal*, p. 138.

¹¹⁵ *Défense de la France, Cahiers de Défense de la France*, (Unknown Location, 1944), p. 7.

¹¹⁶ *Ibid.*, p. xxviii.

¹¹⁷ *Ibid.*, p. xxviii.

to a renewed industrial France¹¹⁸. These provisional measures would then give away to a new organisation coordinated by a new Ministry of the Economy featuring both a nationalised sector and a controlled private sector¹¹⁹. The coordination of these sectors' productive activities would be entrusted to Directors that would combine managerial skills with strong devotion to the state, and assisted by new techno-corporatist Control Councils¹²⁰

These young advocates of statist democracy therefore called for the maintenance for the short-term maintenance of the MPI's industrial control apparatus – the CO-OCRPI complex – as the first step towards the implementation of ambitious structural reforms, very close to those advocated by Philip. Even relatively modest figures within the Resistance therefore viewed Vichy's techno-corporatist framework as a necessary starting point that would facilitate the transition towards an even more state-led national industrial order. No final decision on the future of the French State's industrial planning apparatus was reached before 6 June 1944. Yet, these documents suggest that in the later years of the occupation a heterogeneous group of economists, policy-makers, civil servants and activists affiliated with the Resistance proposed techno-corporatist reforms, which rendered the survival of Vichy's planning bodies an increasingly likely scenario.

¹¹⁸ Défense de la France, *Cahiers*, p. xlvi.

¹¹⁹ *Ibid.*, pp. xxix-xxx.

¹²⁰ *Ibid.*, pp. xxx-xxxii

IV. INDUSTRIAL POLICY AND THE ITALIAN CIVIL WAR (1943-45)

Short-Term Industrial Planning in the Italian Social Republic

The government of the new Fascist state, the Italian Social Republic (RSI), was formally appointed on 23 September 1943, roughly two weeks after the German invasion of the Centre-North and Mussolini's liberation from Royalist captivity. The Italian Ministry of War Production was however suppressed and though the RSI formally created a new Ministry of the Corporative Economy, its lack of personnel and its location in the outskirts of Padua rendered it a "ghost ministry"¹. The planning of Northern Italian war production was *de facto* entrusted to a detachment of the Reich Ministry for Armaments and War Production (RUK), based in Milan and headed by General Hans Leyers (1896-1981), Albert Speer's plenipotentiary representative in Italy.

The RSI's incapacity to set up its own industrial control system was not solely due to the Reich authorities' determination to take-over the Northern Italian industries. In November 1943, Field Marshal Rodolfo Graziani – the RSI's Minister of Defence – asked Agostino Rocca, then still a key manager at the Institute for Industrial Reconstruction (IRI), to lead the RSI's Ministry in order to create an Italian equivalent of the RUK. On 5 November Rocca however politely refused the offer, arguing that all means of communication were paralysed, the

¹ A. Tarchi, *Teste Dure* (Milan 1967), pp. 51, 54.

available raw materials were in German hands and the remnants of the Ministry of War Production were “in full disintegration”². Furthermore, Rocca argued that “Italian industry” was “accustomed to a regime of profound indiscipline”³. “Fascism’s own institutions”, Rocca continued, had had the potential to bring about a positive change within Italian industry, but “bureaucracy, men and organisations” had prevented “the effective functioning of the entire system”⁴. According to the IRI technocrat, this chaotic bureaucratic framework had enabled all industrial enterprises to pursue their own interests rather than that of the state and the nation⁵. The limits of sectorial rationalisation and productive concentration as well as the lack of centralisation in the chain of command were all symptoms of this profound indiscipline. Rocca therefore concluded that the simplest solution was to “leave the command of national war production to the German authorities”⁶.

Frustrated with the polycentrism of Fascist economic administration and the individualistic tendencies of the Italian industrial leadership, IRI technocrats such as Rocca, welcomed the introduction of the German RUK as an effective means to coordinate the industrial war effort. Rocca’s own criticisms of the organisation of the Under-Secretariat for War Production in 1942 had explicitly praised the administrative efficiency and centralisation of the RUK⁷. Consequently, support from some Italian managers facilitated the extension of the control of Speer’s super-ministry to the Italian industrial triangle (Turin-Milan-Genoa). German control was the price that Italian industrial leaders and

² ‘Organizzazione della produzione bellica’, FA, AAR, 49/46, fo. 2.

³ Ibid., fo. 2.

⁴ Ibid., fo. 2.

⁵ Ibid., fo. 2.

⁶ Ibid., fo. 5.

⁷ FA, AAR, 49/26/4, fo. 19.

economic administrators had to pay for their lack of nationalist civic responsibility and their consequent incapacity to build an efficient planned war economy. The historian Gian Luca Podestà also attributes Rocca's endorsement of the RUK to "his faith in the managerial revolution"⁸. Podestà indeed emphasises that RUK officials were "men of enterprise" – Leyers himself had been trained as an engineer – who could infuse Italian industry with German technology and ensure the start of its "new course"⁹. In this way, Rocca's support for the RUK was also due to his belief that the actions of these German officials would allow the implementation IRI's sectorial plans of the late 1930s.

Nevertheless, the RSI's Ministry of the Corporative Economy did not remain a 'ghost ministry'. Following the appointment of Angelo Tarchi as minister on 31 December 1943, the RSI government sought to empower this body to sustain the Republic's independent military force and prevent the potential dismantling of Italian industries by the German forces¹⁰. A member of the *fasci* since 1919, as well as an engineer and manager in the chemical industry, Tarchi had been the Vice-President of the Corporation of Chemistry in 1939-43 and National Inspector of the PNF in 1941-43. In late 1943 he briefly served as Commissioner of the *Istituto Mobiliare Italiano* (IMI), Italy's chief public industrial credit Institute, but he also took part in the drafting of the 'Verona programme', the RSI's anti-capitalist manifesto. Tarchi was certainly no Rocca, but his background allowed him to combine the characteristics of the technocrat with those of the radical advocate of Fascist corporatism.

⁸ G. Podestà, 'Nella guerra', in *Storia dell'IRI 1*, p. 471.

⁹ *Ibid.*, p. 472.

¹⁰ Tarchi, *Teste Dure*, pp. 61-5.

The Ministry's new administrative framework, formally instituted on 31 May 1944 and based in the industrial city of Bergamo, comprised 24 sectorial Offices tasked with regulating the distribution of industrial products and raw materials; the ability to authorise the closing or construction of new plants; and the monitoring of the execution of production programmes¹¹. The coordination of the activities of the sectorial Offices was entrusted to the Central Office of Industrial Production, chaired by the minister¹². The decree also created 24 sectorial Industrial Committees, charged with compiling and executing the aforementioned plans, and distributing the raw materials assigned by the Offices to individual enterprises¹³. The Central Committee of Industrial Production, also chaired by the Minister, would coordinate the activities of the sectorial Industrial Committees¹⁴.

The structure of the new organisation resembled significantly that of the techno-corporatist French Ministry of Industrial Production. In particular, the role accorded to the Central Office and the Industrial Committees mirrored that of the French Central Office for the Allocation of Industrial Products (OCRPI) and the Organisation Committees (COs). The Committees' composition, limited to managers and entrepreneurs, resembled the elitist corporatism practised by the Vichy regime. The RSI government thus seemed to have created the centralised system that had long been advocated by technocrats such as Rocca. The new apparatus fully integrated the representatives of the productive forces into its administrative machinery, without sharing any planning powers with rival agencies. Furthermore, the new sectorial Committees allowed the Ministry to

¹¹ 'Norme sulla disciplina dell'economia in tempo di guerra', FA, AAR, 25/14, fo. 1.

¹² *Ibid.*, fo. 2.

¹³ *Ibid.*, fo. 3.

¹⁴ *Ibid.*, fo. 3.

coordinate the programmes of both public and private enterprises. As far as short-term industrial policy was concerned, IRI's constituent firms were entirely subordinated to the Ministry and its sectorial bodies. As Riccardo Ferretti has recently observed, Tarchi stood out for his "valorisation of technicians" and the "centralisation of all economic policy tasks and powers into the Ministry"¹⁵. Podestà's assertion that the RSI period was the moment when the IRI was most independent from the Fascist regime and its policies should therefore be reconsidered¹⁶.

Rocca was appointed as President of the Industrial Committee for the iron and steel sector. According to Lutz Klinkhammer, Rocca's change of heart towards the RUK was predominantly due to the *Wehrmacht's* implementation of "scorched earth" tactics against Italian industries and the forced deportation of Italian workers to Germany¹⁷. The motives of the IRI manager are however further illustrated in a letter he addressed to his colleague Carlo Braghieri on 2 September 1944. According to Rocca, "the constitutive decree of the Industrial Committees and the Offices [permitted] the creation of organs, which, by absorbing the economic tasks once undertaken– without coordination– by the various ministerial offices and the Corporations, [could] integrate various industrial sectors with unitary criteria"¹⁸. Furthermore, the IRI manager added that the Committees constituted the only competent organs capable of coordinating Italy's post-war industrial reconstruction¹⁹. Rocca's willingness to work in the new RSI structures was therefore much more than a pragmatic wish

¹⁵ R. Ferretti, *L'IRI come amministrazione, 1933-1945* (Milan, 2014), p. 209.

¹⁶ Podestà, 'Nella guerra', p. 502.

¹⁷ L. Klinkhammer, *L'occupazione tedesca in Italia 1943-45* (Turin, 1993), pp. 164, 197.

¹⁸ 'R.A. a Braghieri Carlo, 2 Settembre 1944', FA, AAR, 56/46c, fo. 2.

¹⁹ *Ibid.*, fo.2

to avert German pillaging. He also genuinely believed that the 1944 reform would resolve administrative polycentrism, and provide a viable institutional framework to coordinate post-war industrial reconstruction.

According to a file dated 31 August 1944, the Committee presided by Rocca comprised the representatives of both private and public enterprises. Yet both the Vice-President and the Secretary of the Committee were managers from IRI's FINSIDER subsidiary²⁰. This meant that Tarchi was particularly keen on staffing his Ministry's planning bodies with the Institute's personnel. The Committee would collect statistical information on the sector's needs and productive capacity; implement concentration plans approved by the Ministry; elaborate production plans and indicate their raw material requirements; and exercise its control over individual firms²¹. The document also indicates that the Industrial Committee would eventually absorb the regulatory powers of the RUK's sectorial office in charge of the iron and steel industry²².

Tarchi pointed out that the actions undertaken by Industrial Committees ensured the preservation of Northern Italy's industrial infrastructure at the end of the war²³. Podestà and Rocca's apologetic biographer, Luigi Offeddu, also highlight the efforts undertaken by the IRI manager to stall German attempts to destroy or dismantle Italian industrial plants, even exaggeratedly identifying them as acts of resistance²⁴. The minutes of the meetings held by the competent organs confirm Tarchi and Rocca's efforts. At the Central Committee meeting of 13 November Leyers was persuaded to commit to a policy of industrial

²⁰ 'Comitato industriale della siderurgia (costituzione e funzionamento)', FA, AAR, 56/46a, fo. 1.

²¹ Ibid., fo. 2.

²² Ibid., fo. 4.

²³ Tarchi, *Teste dure*, p. 100.

²⁴ Podestà, 'Nella guerra', pp. 509-12; L. Offeddu, *La sfida dell'acciaio: Vita di Agostino Rocca*, (Venice, 1984), p. 158.

“paralysation” rather than destruction²⁵. On 31 October the Central Committee decided to elaborate a “production plan” aimed at keeping Genoese plants and workers busy by processing 30,000 tons of stockpiled raw materials²⁶.

Between November 1944 and January 1945, Rocca and the Industrial Committee ensured the establishment of a separate RUK office in Genoa and the creation of a “Union of Ligurian producers” charged with elaborating and executing the plan²⁷. The IRI manager explicitly referred to the plan’s aim to “facilitate the task of opposing the requisition of materials, manpower and equipment”²⁸. Thus, while still formally collaborating with the RUK, the RSI’s industrial control apparatus tried to ensure that Northern Italian industries had sufficient orders to delay and avoid their dismantlement. As business historian Franco Bonelli points out, almost the entire Northern Italian steel industry benefited from the Industrial Committee’s interference with German plans. Only the new FINSIDER-controlled integrated steelworks of Genoa-Cornigliano were dismantled in the early months of 1944, prior to the Committees’ institution²⁹.

However, the preservation of Northern Italian industries was not the sole action undertaken by the RSI’s industrial control apparatus. On 28 February the Committee transmitted a ministerial directive on the resumption of economic activity after the end of the war, stressing that all industrial initiatives would be carried out “within the framework of post-war plans” devised by the Ministry of the Corporative Economy, renamed the “Ministry of Industrial Production” on 19

²⁵ ‘Riunione di tutti I presidenti dei Comitati industriali presieduta dal ministro Tarchi e dal gen. Leyers’, FA, AAR, 56/9, fo. 15.

²⁶ ‘Riunione a Bergamo del 31 Ottobre 1944 presso e sotto la presidenza del ministro Tarchi’, FA, AAR, 57/37, fo. 8.

²⁷ ‘8^ Riunione dei membri del comitato industriale della siderurgia, 3 gennaio 1945’, FA, AAR, 56/104/2, fo. 3.

²⁸ Ibid., fo. 3.

²⁹ Bonelli, Caparelli and Pozzobon, ‘La Riforma siderurgica IRI’, p. 315.

January 1945³⁰. Rocca and Tarchi therefore intended to ensure that the RSI's industrial control system would survive the end of the war and would remain the chief institutional framework in charge of coordinating industrial reconstruction. Their objective was not simply the preservation of Northern Italian industries; their larger goal was to ensure institutional continuity of Fascist organised capitalism.

³⁰ 'Comunicazione N.28 a tutte le aziende siderurgiche, 28 febbraio 1945', FA, AAR, 56/60, fo. 1.

IRI and the RSI: Administrative Reforms and Post-War Plans

The RSI also sought to reform fundamentally the Institute for Industrial Reconstruction (IRI), the Fascist regime's leading technocratic industrial planning agency since 1937. Between 25 July 1943 and the proclamation of the new Fascist state in September, the Institute had remained under the control of its President, Francesco Giordani, and its General Manager, Donato Menichella. After Pietro Badoglio's flight to the South and the subsequent creation of the RSI, the new Fascist government appointed the jurist Alberto Asquini (1889-1972) as IRI's new Commissioner on 7 October 1943. Asquini was a disciple of Alfredo Rocco, author of the 1927 Labour Charter and architect of the Corporative State. Between 1932 and 1935 he served as Undersecretary of the Ministry of Corporations, and in the spring of 1943 he advocated IRI's subordination to the Ministry³¹. Following his appointment, Asquini transferred IRI's headquarters to Milan and appointed Giovanni Malvezzi (1887-1972) a cadre of the Institute since 1934, as the new General Manager.

Podestà emphasises Asquini's decision to appoint Malvezzi – a known anti-Fascist manager – as a sign of IRI's independence from the new Fascist republic³². However, as Klinkhammer points out, Republican Fascism was fundamentally divided into different factions, one of which advocated national “pacification” and “conciliation” to prevent “the collapse of the institutional and political structure that Fascism had guaranteed”³³. The “pacifiers” distinguished

³¹ Podestà, 'Nella guerra', pp. 492-4.

³² Ibid., p. 494.

³³ Klinkhammer, *L'occupazione tedesca*, p. 263.

themselves by their anti-German attitudes and even maintained occasional contacts with anti-Fascist groups³⁴. Thus, Asquini's decision to appoint Malvezzi should rather be seen a symptom of the political divisions that characterised Republican Fascism. Asquini was attempting to ensure the preservation of one of Fascism's leading political-economic institutions. In common with Tarchi and Rocca's, he was trying to ensure the survival of the organised capitalist economy that the Fascist state had created.

Asquini was however forced to resign on 7 February 1944. According to Podestà, the removal of the IRI Commissioner was due to his opposition to "socialisation", a reform aimed at entrusting the management of industrial enterprises to "Management Councils" (CdGs) comprising both workers and managers³⁵. Strongly opposed to any weakening of industrial hierarchies, Asquini held that the management of public enterprises should be exclusively entrusted to state-appointed experts³⁶. His opposition to the reform was also, however, the result of his support for a form of state corporatism, which, in contrast with the ideas of the so-called 'Fascist left', excluded any weakening of managerial hierarchies. Asquini's stance therefore reflected the competing factions that continued to coexist within Fascism during the regime's agony. The reform was eventually approved, but Dalmine – where Fascist radicals forced Rocca to resign his executive position in favour of the trade unionist Rosario Massimino – was the only firm within the FINSIDER group to elect a CdG before the end of the war³⁷.

³⁴ Klinkhammer, *L'occupazione tedesca*, pp. 262-4.

³⁵ Ministero dell'Economia Corporativa, *Socializzazione delle imprese – Istituto di gestione e finanziamento* (Bergamo, 1944), p. 21.

³⁶ *Ibid.*, 1, 8-9.

³⁷ Podestà, 'Nella guerra', pp. 504-5.

Following Asquini's dismissal, IRI was entrusted to Vincenzo Tecchio (1895-1953), the former President of Navalmeccanica, one of the Institute's mechanical companies. From 1 March 1944 Tecchio and his fellow IRI managers began to work on the creation of a new planning agency: the Institute for Management and Finance (IGEFI), which would take over the existing responsibilities of IRI as well as of those of the *Istituto Mobiliare Italiano* (IMI). The most ambitious institutional blueprint for the new IGEFI was the so-called "Nordio Scheme", drafted on 12-14 March 1944 by Federico Nordio, the engineer in charge of IRI's chemical sector. According to Nordio, the IGEFI would assume a leading role in Italy's post-war planned economy, by assuming responsibility for a wide range of tasks, including "the study and formulation of general industrial-economic plans"; "the direction and control of the approved plans"; and "the study and formulation of the plans for industrial rationalisation"³⁸. "The IGEFI would participate in the formulation of the laws that directly and indirectly concern Italian industry in all sectors, especially in relation to the laws on socialisation and nationalisation"³⁹. The intention was clearly that the IGEFI would have a high degree of autonomy and control over the economic ministries, as it would also be permanently connected to the General Directorate of Industrial Plants at the Ministry of the Corporative Economy.

In Nordio's scheme, the IGEFI would be entrusted to a Commissioner, who would ensure its adherence to the "political-ethical-social objectives of the state"⁴⁰. A new General Manager would act as the intermediary between the Commissioner and the executive organs in charge of implementing the Institute's

³⁸ 'Schema Nordio, 12-14 marzo 1944', ACS, IRI-Nera, STO/536, fo. 6.

³⁹ *Ibid.*, fo. 6.

⁴⁰ *Ibid.*, fo. 2.

directives within the controlled sectors. A new Industrial Committee and a new Technological Secretariat would be charged with aiding the general manager in the elaboration of the economic plans and acting as a liaison with the Ministry of the Corporative Economy ⁴¹. The Industrial Committee would comprise the managers of IRI's sectorial subsidiaries (e.g. FINSIDER) as well as the directors of private firms ⁴².

The Nordio scheme constituted the most radical institutional reform envisaged by an IRI manager since 1936-37. Nordio did not just call for the merger of IRI and IMI's planning powers, but also envisioned their transformation into an omnivorous technocratic national planning agency, charged with elaborating and executing the Fascist Republic's long-term economic policy. Through the new Industrial Committee, the IGEFI would be able to dictate the industrial strategy of the firms directly under its control, as well as that of private enterprises. The proposed Technological Secretariat would also challenge the Ministry of the Corporative Economy's monopoly over the authorisation of new industrial initiatives.

The IGEFI's founding decree of June 1944 did not however reflect the principles of the 'Nordio Scheme'. IRI would become the IGEFI's "Management section", charged with "administrating the capital of state-owned enterprises and controlling their activities"⁴³. The actions undertaken by IGEFI and its branches would also require the authorisation of the Ministry of the Corporative Economy and the Ministry of Finance⁴⁴. Though the reform established IRI and IMI as two separate branches of the IGEFI, the decree subordinated the new organisation to

⁴¹ ACS, IRI-Nera, STO/536, fo. 5.

⁴² Ibid., fo. 5.

⁴³ Ministero dell'Economia Corporativa, *Socializzazione- Istituto di gestione e finanziamento*, p. 36.

⁴⁴ Ibid., p. 42.

the economic ministries. By the summer of 1944, Tarchi had already launched the RSI's new industrial control apparatus, which had rendered his Ministry the supreme planner of the Fascist state's industrial policy. He would therefore unlikely accept a reform that could challenge the authority of his Ministry.

Unsurprisingly, the IGEFI initiative remained a dead letter prior to the Liberation. Yet, IRI undertook significant organisational changes and planning initiatives. In May 1944, Tecchio abolished the office of IRI's General Manager and dismissed the politically unreliable Malvezzi. The new Commissioner also created seven new Central Directorates in charge of each industrial branch controlled by the Institute⁴⁵. The engineer Angelo Luigi Bartesaghi, a veteran of the rationalisation plans of the 1930s, was chosen as the director of the sectorial Directorate in charge of FINSIDER⁴⁶. The Directorates marked the introduction of an "indispensable functional hierarchy" within the Institute by coordinating the activities of individual enterprises in order to implement the general productive plans essential for reconstruction⁴⁷. Tecchio therefore envisaged the new sectorial Directorates as the central institutions to bring to fruition long-term sectorial plans. While the industrial control system of the Ministry of the Corporative Economy directed short-term industrial policy geared to the imperatives of the Fascist war effort, IRI was instead charged with planning the post-war recovery of the nationalised sector.

Tecchio further facilitated the Institute's long-term planning ambitions by creating a Committee for Post-war Production, which operated between July 1944 and April 1945. The members of the Committee comprised Tecchio, the

⁴⁵ 'Nuove norme organizzative dell'istituto', FD, Fondo IRI, IRI/1/5, fo. 5.

⁴⁶ *Ibid.*, fo. 3.

⁴⁷ *Ibid.*, fo. 3.

heads of the sectorial Directorates, the managers of individual enterprises, and Rocca, IRI's liaison with the Industrial Committees and the RUK. They also included the directors of the financial institutions charged with funding the plans. The latter bodies comprised IMI and the three "banks of national interest" controlled by IRI: the Italian Commercial Bank, the Italian Credit and the Bank of Rome. The first draft of IRI's post-war programme, elaborated on 26 October 1944 predominantly concerned IRI's iron and steel, and mechanical firms⁴⁸. To emphasise its post-war character, the programme for the mechanical industry would affect enterprises both in the RSI's territory and in the Allied-controlled Centre-South⁴⁹. The plan was meant to reconstruct usable plants and stockpile raw materials as well as semi-finished and finished products⁵⁰. In this way, it would ensure the post-war survival of IRI's steelworks and mechanical workshops and ensure the subsistence of their workforce⁵¹.

As the programme's take-off phase would cost 2-3 billion lire, IRI would require the aid of public financial institutions and thereby act as the intermediary between industry and finance⁵². IRI would directly fund the "reparation of industrial plants", whilst IMI and the three banks would finance ordinary production expenses⁵³. IRI committed to these loans exclusively to finance the post-war programme and granted the financial institutions the right to acquire shares in the Institute's industrial holdings⁵⁴. To avoid the violation of the Banking Law of 1936, the banks would however not be allowed to influence

⁴⁸ 'Il programma dell'IRI per l'immediato dopoguerra 26 ottobre 1944', ACS, IRI-Nera, STO/553, fos. 5-6.

⁴⁹ 'Il programma dell'IRI per il passaggio dall'economia di guerra a quella di pace nel settore della meccanica 2 dicembre 1944', ACS, IRI-Nera, STO/550, fo. 15.

⁵⁰ ACS, IRI-Nera, STO/553, fo. 8.

⁵¹ *Ibid.*, fos. 1, 8.

⁵² *Ibid.*, fos. 7-9.

⁵³ *Ibid.*, fo. 10.

⁵⁴ *Ibid.*, fos.10-11

industrial management⁵⁵. The final agreement between IRI and the financial institutions was brokered on 11 April 1945, granting the latter the opportunity to acquire shares in several of IRI's enterprises, including FINSIDER⁵⁶.

By focusing on reconstruction after the war, Tecchio's committee was able to envisage an ambitious institutional scheme to implement an industrial strategy, entirely conceived by IRI. As such, the experiment of the Committee for Post-war Production constituted the embryo of a new sectorial planning apparatus coordinated by IRI. As even Podestà acknowledges, Tarchi was himself aware of the planners' intentions⁵⁷. Tecchio and his team were not acting independently or against the interest of the Fascist state. But, in common with other Fascist 'pacifiers', Tecchio intended to secure the survival of Fascist state's most important one of the most important political-economic institutions of the Fascist regime rather than sacrificing it (and himself) in the even more imminent military defeat. This post-war purpose explains what might otherwise seem the ever more unreal preoccupation with planning that continued almost up until the final collapse of the RSI.

On 30 October 1944 the planners of the Committee for Post-war Production began discussing the sectorial plan for the iron and steel industry, which Rocca deemed to be national priority. FINSIDER's new plan for the "normalisation of the national iron and steel industry" was formulated on 28 February 1945 and would affect the entire sector and Tecchio presented it to the

⁵⁵ 'Comitato per la produzione post-bellica: Seduta del 3 novembre 1944', ACS, IRI-Nera, STO/550, fo. 4.

⁵⁶ 'Comitato per la produzione post-bellica: Seduta dell'11 aprile 1945', ACS, IRI-Nera, STO/550, fo. 2.

⁵⁷ Podestà, 'Nella guerra', p. 515.

Committee on 12 March⁵⁸. Its objective was the “concentration and specialisation of production” and achieving an “equilibrium in the distribution of steel production among the quotas obtained from cast iron and scrap”⁵⁹. The first phase of the plan would give precedence to plants that used scrap as a raw material⁶⁰. Conversely, FINSIDER’s integrated plants of Genoa-Cornigliano and Naples-Bagnoli would not be activated, as Italy lacked the coal and iron-ore reserves required to re-activate their Thomas blast furnaces, and the German authorities had dismantled some of their vital components⁶¹. During this initial phase state-owned steelworks would cover 52.3% of national raw steel production⁶². In the second phase, the planners would reconstruct FINSIDER’s integrated plants at the expense of inefficient ones and drastically alter the sector’s structure, thus allowing nationalised enterprises to control 67.4% of national production⁶³.

The ambitions of the IRI planners however went well beyond the rationalisation of the steel sector. Rocca’s personal files include the draft of a legislative proposal, dated 21 April 1945, which called for the institution of a “commissariat for the iron and steel industry” and the creation of a new nationalised enterprise – the SIDERIT –, which would replace FINSIDER⁶⁴. The Commissioner would be designated by IRI and charged with devising a plan for the re-organisation of the Italian iron and steel industry⁶⁵. SIDERIT would not

⁵⁸ ‘Comitato per la produzione post-bellica: Seduta del 12 marzo 1945’, ACS, IRI-Nera, STO/550, fo. 1.

⁵⁹ ‘Traccia di piano di normalizzazione dell’industria siderurgica nazionale, 28 febbraio 1945’, FD, IRI, IRI/1/2, fo.1

⁶⁰ Ibid., fo. 8.

⁶¹ Ibid., fo. 5.

⁶² Ibid., fo. 17.

⁶³ Ibid., fo. 17.

⁶⁴ ‘Provvedimenti relativi all’industria siderurgica, 21 aprile 1945’, FA, AAR, 52/55, fos. 2-3, 8.

⁶⁵ Ibid., fos. 8-9.

only take over FINSIDER, but also Cogne and private enterprises such as the Falck and FIAT steelworks⁶⁶. If the plan were achieved, the Institute would be control of 94% of national steel production⁶⁷. The more desperate the military situation became, the more IRI planners were involved in drafting ambitious sectorial plans for the post-war re-organisation of the national iron and steel industry. In this way, the final institutional collapse of the Fascist regime was intended to herald the expert-led nationalisation of the strategic sectors that the pre-war compromise between corporatism and technocracy had impeded.

Indicating the extents of Rocca's post-war technocratic ambitions was his early 1944 idea for a book titled "the Revolution of the Technicians", which included a bibliography ranging from Burnham's *Managerial Revolution* to Stalin's collected works, and references to both the New Deal and the Soviet Five-Year plans⁶⁸. The book's premise was that "the reconstruction should not be a return to the past" and emphasised the "fundamental contribution of the technicians" to this process⁶⁹. The plan for the book stressed "the necessity of planning and central command" citing "IRI" as planning agency designed "not interfere with the efficiency of the firm"⁷⁰. Rocca's project thus further illuminates the post-war intentions IRI planners under the RSI. Although they had enthusiastically or pragmatically endorsed Fascism as a vehicle for an Italian 'managerial revolution', by 1944-45, Rocca and his colleagues were subtly offering their services to the war's winners. Though not anti-Fascists, these managers acknowledged that Italian Fascism had disappointed their

⁶⁶ FA, AAR, 52/55, fo. 7-8.

⁶⁷ FD, IRI, IRI/1/2, fo. 17.

⁶⁸ 'La rivoluzione dei tecnici. Elementi per un libro da scrivere', FA, AAR, 71/32, fo. 3.

⁶⁹ Ibid., fo. 2.

⁷⁰ Ibid., fo. 2.

technocratic and modernising expectations, which now required a new political vehicle.

Resistance, Technical Expertise and Industrial Reconstruction

The prospect of a potential rescue and democratic reform of Fascist Italy's technocratic industrial planning bodies and the political rehabilitation of their managerial cadres was not a far-fetched scenario. The Italian anti-Fascist Resistance, organised into the Committee of National Liberation (CLN) had its own partisans of technocracy and industrial modernisation, ready to devise administrative reforms and reconstruction plans that would have required the survival of the Fascist developmental state, sponsored by Rocca and his allies.

Vittorio Foa, a Resistance member and trade-union leader affiliated with the Democratic Socialist Action Party (PdA), identified the "industrialist group" of the Italian Socialist Party of Proletarian Unity (PSIUP), led by the *planiste* economist Rodolfo Morandi (1902-55) as the proponent of some of the most ambitious and noteworthy anti-Fascist economic reform proposals⁷¹. Pasquale Saraceno, who after September 1943 left the Institute for Industrial Reconstruction (IRI) to join the Christian Democracy (DC), praised Morandi's "extraordinary qualities", above all "the importance he gave to the in-depth study of technical problems"⁷². In 1931, Morandi had published a history of Italian industry, concentrating on the rise of finance capitalism in the early 20th century and on unaddressed issues such as the lack of a 'rationally' organised iron and steel sector, characterised by high costs, an excessive number of steelworks, and

⁷¹ V. Foa, *Questo novecento: Un secolo di passione civile. La politica come responsabilità*, (Turin, 1996), pp. 178, 197.

⁷² P. Saraceno, *Intervista sulla ricostruzione, 1943-53* (Bari, 1977), p. 60.

antiquated equipment⁷³. Ideology aside, Morandi thus shared a concern with the resolution of the same sectorial problems addressed by the Fascist managers who had worked for the IRI and its FINSIDER iron and steel subsidiary.

In 1942, while imprisoned, Morandi wrote an essay on liberal capitalism's evolution into a "regulated economy"⁷⁴. In this new economic order, oligopolistic capitalist "trusts" would not be replaced by a historically "passive" state bureaucracy, but by "an efficient cooperation (...) between different productive organs and public institutions"⁷⁵. Industrial management would be entrusted to "a central service (...) composed of highly qualified selected elements, immersed in the world of technology, commerce, and industry"⁷⁶. This central organ would be in contact with trade organisations, public institutions and peripheral "minor units", which should "provide their contribution to the elaboration of the plans"⁷⁷. Distrustful of the non-interventionist attitudes of the ministerial bureaucracy, Morandi proposed the institution of a technocratic central planning organ, which would coordinate the different industries and constitute a pivotal junction between the state and the productive forces.

In 1944 Morandi reiterated his advocacy for the planned economy and called for "the constitution of major national agencies for the different monopolistic branches of production that [would] be socialised"⁷⁸. These agencies would "represent centres of initiative and unity in permanent

⁷³ R. Morandi, *Storia della grande industria in Italia* (Turin, 1959), pp. 227-37.

⁷⁴ R. Morandi, 'Analisi dell'economia regolata', in R. Morandi *Lotta di popolo 1937-1945* (Turin, 1958), p. 3.

⁷⁵ *Ibid.*, pp. 38-9.

⁷⁶ *Ibid.*, p. 46.

⁷⁷ *Ibid.*, pp. 47-8.

⁷⁸ R. Morandi, 'Idea e azione socialista', in *Lotta di popolo*, p. 89.

competition with one another for the upgrading of systems of production”⁷⁹. In this new structure, the “harmonious development of socialised activities”, would be ensured through “a national plan” that would rest upon reconciling central directives with peripheral managerial autonomy.⁸⁰ Accidentally or not, therefore, the planning organs that Morandi proposed were similar to a set of agencies that already existed: IRI and its sectorial subsidiaries.

According to Foa, the PdA also took planning seriously as a means to renew Italian democracy by proposing the division of the post-war Italian economy into a planned and a free sector⁸¹. One of the PdA’s most detailed and ambitious economic programmes was the national reconstruction plan completed by the economist Libero Lenti (1906-93) in October 1944. As a young academic, throughout the 1930s Lenti had become involved in the debate on the rationalisation of Italian heavy industry in the aftermath of the Depression. After participating in the foundation of the PdA in the summer of 1943, Lenti went underground and the following year he found refuge in the research department of the IRI-controlled Ansaldo works in Genoa. There he drafted his plan under the supervision of the economist Alberto Campolongo (1913-90), who answered directly to Rocca⁸². Lenti’s Ten-Year Plan for 1945-54 assumed an Allied victory, the rejection of autarchy in favour of the restoration of international trade, and Italy’s entry into the Anglo-American sphere of influence⁸³. It would cost 270 billion 1938 lire, with public expenditures financing 37% of its annual costs, while the quotas covered by foreign credit would progressively give away to

⁷⁹ Morandi, ‘idea e azione socialista’, p. 89.

⁸⁰ Ibid., pp. 89-90.

⁸¹ Foa, *Questo Novecento*, p. 183.

⁸² S. Beretta, ‘Libero Lenti, economista della ricostruzione’, *Il Politico*, 59/1 (1994), p. 24

⁸³ L. Lenti, *Elementi per un piano di ricostruzione economica dell’Italia* (Milan, 1996), pp. 45, 66, 73.

private investment⁸⁴. Annual public revenues would be ensured through the taxation of capital war profits and “voluptuous consumption”⁸⁵. Monetary stability, restored through selective price and credit controls, was also deemed another major precondition for the plan’s success⁸⁶.

The plan’s industrial policy prioritised the reconstruction of the sectors that produced “capital goods” or related raw materials: electricity, iron and steel, construction materials, chemicals, machine tools and means of transportation⁸⁷. The plan argued that the Allies had to be persuaded not to dismantle the national iron and steel industry in order to hamper the defence industry. This implied a defence of the Fascist regime’s autarchic industrial policy of the late 1930s, which “purified from propagandistic rhetoric”, had actually been “a process (...) analogous to that undergone by the Soviet economy” during the early Five-Year Plans⁸⁸. The plan however called for the implementation of a new “rationalisation” programme, which would strengthen the national productive apparatus through the elimination of what were termed “non-vital activities”⁸⁹.

As of late 1944, an economic expert with ties to both the Resistance and IRI thus drafted a blueprint for a national reconstruction plan, which interconnected fiscal, monetary, and industrial policies. Similarly to the French 1944 *Tranche*, short-term fiscal and monetary measures such as budget-balancing and deflationary credit controls were not conceived as an end in themselves, but as the necessary preconditions for the launching of an ambitious industrial reconstruction programme. In this way, Lenti’s reconstruction plan,

⁸⁴ Lenti, *Elementi per un piano*, p. 130.

⁸⁵ *Ibid.*, pp. 112-114.

⁸⁶ *Ibid.*, p. 120.

⁸⁷ *Ibid.*, pp. 137, 147.

⁸⁸ *Ibid.*, p. 95.

⁸⁹ *Ibid.*, p. 165.

can be seen as the product of the encounter between the almost 'neo-Socialist' programme of the PdA and the technocratic *planisme* of the IRI managers operating at Ansaldo, which was further suggested by Lenti's acknowledgment of the Fascist regime as a developmental state.

The reconstruction plan also featured an ambitious administrative section, which proposed the creation of a Ministry of Economic Reconstruction, tasked with "harmonising and coordinating reconstructive measures", thus becoming "a super-ministry"⁹⁰. The Ministry would be led by a "man with no ties to political parties", capable of appreciating the "technical character" of his mission and "imposing himself over the contrasting interests of single categories and the needs of an excessive bureaucracy"⁹¹. The super-ministry should thus be a "flexible, agile organ" and "composed of a small number of functionaries of great capacity, authority and honesty"⁹².

Other than being tied with the economic ministries, the new ministry would rely on a "Financial Directorate" and a "Reconstruction Directorate"⁹³. The "Financial Directorate" would be tasked with "collecting" the "internal funds" (tax revenues, loans, credit and insurance) and "foreign funds" necessary to finance the plan. The Reconstruction Directorate would allocate the funds and manage the reconstruction of industrial plants. Lenti argued that the plan's rationalisation programme could be achieved through an improvement of the Fascist legislation on public control over the installation of new industrial plants. The reformed legislation would imply public approval of new industrial

⁹⁰ Lenti, *Elementi per un piano*, pp. 178-9.

⁹¹ *Ibid.*, p. 178.

⁹² *Ibid.*, p. 178.

⁹³ 'Elementi economici per un piano di ricostruzione nazionale, ottobre 1944', FA, AAR, 25/4, fo.153

initiatives and the state funding of industrial reconstruction. “State controls of plant reconstructions” would however be limited to “essential activities” such as iron and steel and should not “prevent the emergence of theoretically more perfect industrial initiatives”⁹⁴. Furthermore, state policy should aid the “agency charged with the rationalisation of the Italian productive apparatus”⁹⁵.

This meant that unlike during Fascism’s pre-war *dirigiste* experiments, the planning organs would not promote rival industrial strategies but agree to implement the same modernisation programme. Lenti’s institutional reform would also imply a radical re-organisation of national economic administration through the institution of a super-ministry led by a small number of technical experts. In addition, the new super-ministry would also be able to liaise with the country’s major industrial establishments and banks. This would allow the ministry to finance the plan and coordinate its industrial modernisation programmes.

The administrative centralisation implied by the new ministry would also signify the end of the chronic polycentrism and infighting that had characterised Italian economic administration since the mid-1930s. The document did not feature any reference to IRI or to its potential role in the reconstruction process. Yet, Lenti’s association with Ansaldo’s research department suggests he would favour the appointment of a major IRI manager as the head of the new Ministry of Economic Reconstruction. And, given the IRI managers’ modernising fervour, the Institute would have likely become the agency in charge of post-war industrial rationalisation. Thus, the implementation of Lenti’s institutional

⁹⁴ FA, AAR, 25/4, fo. 153.

⁹⁵ *Ibid.*, fo. 153.

blueprint implied the survival and reform of the technocratic components of Fascist economic administration and their control over the ministerial bureaucracy.

It is unclear whether Rocca was aware of Lenti's presence at Ansaldo. Yet, Lenti's idea of entrusting the Ministry to small 'brain trust' led by a neutral technocrat capable of operating above political parties and vested interests, resonated strongly with the ideas of the IRI manager. Furthermore, Rocca's personal papers indicate that in the spring of 1944 he was already in contact Angelo Saraceno (1908-95), Pasquale's Socialist brother and a member of Morandi's circle. On 10 March 1944 Rocca wrote to Saraceno, stressing the ideologically heterogeneous background of the supporters of the "revolution of the technicians" and calling for the need for a "free movement of self-consciousness" amongst industrial cadres as a necessary condition for the country's post-war reconstruction⁹⁶. Anti-Fascists such as Lenti therefore probably found shelter at one of the nationalised industrial establishments administered by Rocca because the IRI manager was interested in engaging with the components of the Resistance that were sympathetic to his call for a planned and expert-led re-organisation of Italian industry.

In the late summer of 1944 the government of the pro-Allied Southern Kingdom of Italy, based in Salerno and supported by the CLN, began to undertake steps in the direction desired by Rocca. Crucial to these efforts were the persuasive actions undertaken by the IRI managers after the liberation of Rome. Already on 2 July 1944, Donato Menichella, IRI's original General Manager, urged Andrew Kamarck (1914-2010), the representative of the Finance Sub-

⁹⁶ 'Da R. A. a Angelo Saraceno, Milano 10-3-1944', FA, AAR, 71/33, fos. 3-4.

Commission of the Allied Control Commission (ACC), to persuade his superiors not to dismantle the Institute. In his defensive report Menichella stressed the need to maintain IRI as a means to prevent the “pathological” interlinking of industry and finance in post-war Italy and defended its record as a neutral technocratic institution, independent from Fascist ideology⁹⁷. Kamarck himself affirmed that Menichella’s report played a pivotal role in convincing the Allied authorities that IRI was not a “morally corrupt” agency, “charged with carrying out a Fascist social vision in the manner of the Ministry of Corporations”⁹⁸. As Rolf Petri has pointed out, Menichella’s report crucially contributed to the retrospective perception myth that IRI had been independent from Fascist *dirigisme*⁹⁹.

Menichella’s defence eventually proved successful. On 8 September 1944, the provisional government based at Salerno appointed Leopoldo Piccardi (1899-1974) – a jurist with a Fascist past, who had also served as Minister of Industry, Commerce and Labour in the first Badoglio cabinet in 1943-44 – as IRI’s new Commissioner. Furthermore, the Commissioner answered directly to the Prime Minister’s office, thus bypassing the interference of the economic ministries¹⁰⁰. This was a radical institutional innovation, which fulfilled an ambition harboured by IRI’s managers since the mid-1930s. Not accidentally, veteran IRI cadres such as Sergio Paronetto, by then one of the DC’s leading

⁹⁷ D. Menichella, ‘Rapporto presentato al capitano Andrew Kamarck, rappresentante della Finance Sub-Commission della Allied Control Commission presso l’IRI’, in F. Cotula, C.O. Gelsomino, and A. Gliobianco (eds.), *Donato Menichella, stabilità e sviluppo nell’economia italiana 1946-1960, 1. Scritti e discorsi* (Bari, 1997), p. 153.

⁹⁸ A. Kamarck, ‘Donato Menichella: La commissione di controllo alleata e l’IRI, l’ECA e la Banca d’Italia’, in *Donato Menichella: Testimonianze e studi raccolti dalla Banca d’Italia* (Bari, 1986), p. 39.

⁹⁹ R. Petri, ‘Dalla ricostruzione al miracolo economico’, in G. Sabatucci and V. Vidotto, *Sotria d’Italia 5. La Repubblica* (Bari, 1997), p. 337.

¹⁰⁰ G. Fumi, ‘Dalla fine del Fascismo allo statuto del 1948’, in *Storia dell’IRI 1*. p. 525.

economic experts, welcomed the institute's rehabilitation. Shortly before his premature death in March 1945, Paronetto stressed how IRI's preservation could constitute an opportunity to "create and develop a body of close-knit and adequately prepared civil servants (...) experts by personal practice and diligent work habits in the field of industrial management"¹⁰¹. According to Paronetto, the renewed IRI constituted an antidote to the potential return to the ministerial bureaucracy and its "legal-formalistic mentality"¹⁰². The post-Fascist IRI thus had to be strictly staffed with technocratic industrial experts and freed from interference by the rival bureaucratic bodies that had constrained its actions in the Fascist era.

IRI's preservation also enjoyed the enthusiastic support of the young Catholic-Communist political scientist Franco Rodano (1920-83), leader of the Party of the Christian Left, and one of Palmiro Togliatti's key liaisons with Catholic milieus. In an article published on 25 September 1944, Rodano praised IRI as a flexible technocratic organ, free from bureaucratic impediments and adapted to the requirements of modern democracy and economic governance¹⁰³. The Catholic-Communist intellectual also warned against the dangers of liquidating IRI as a relic of Fascist totalitarianism to please the anachronistic aspirations of "old anti-Fascist" liberals¹⁰⁴. Furthermore, Rodano also insisted – somewhat ambitiously – that the Institute's creation had actually contradicted Fascist economic policy as it had ended the dominion of finance capital over a substantial portion of Italian industry¹⁰⁵. Rodano's passionate article was a clear

¹⁰¹ 'Il problema della socializzazione e l'IRI, febbraio 1945', ACS, IRI, STO/522/3, fo. 38.

¹⁰² Ibid., fo. 39.

¹⁰³ 'Prospettive sulla funzione dell'IRI, 25 Settembre 1944', ACS, IRI, STO/536, fo.5

¹⁰⁴ Ibid., fo. 2.

¹⁰⁵ Ibid., Fos. 2-3.

sign of the PCI's contribution to the preservation of IRI in early post-Fascist Italy. Communist admirers of technocracy such as Rodano indeed regarded the Institute as a model managerial state agency, capable of conciliating the management of modern capitalism with the PCI's demand for 'progressive democracy'. To ensure IRI's survival, Rodano however also had to stress the Institute's independence from the Fascist regime, and even its opposition to Fascist economic policy.

During Piccardi's chairmanship, between November 1944 and April 1945 IRI contributed to the industrial re-activation of Southern, Central and finally Northern Italy. Shortly before the Liberation the Institute set up a series of "study committees", charged with elaborating sectorial plans for the modernisation of the Institute's iron, steel and mechanical industries¹⁰⁶. Piccardi chose Oscar Sinigaglia – a veteran of IRI's pre-war initiatives purged by the 1938 racial laws – as FINSIDER's new chairman and the head of the study committee for the iron and steel industry, which reconfirmed pre-war plan to concentrate steel production in integrated steelworks located in coastal industrial centres¹⁰⁷. Piccardi's activity in the closing months of the war thus mirrored the initiatives undertaken by Rocca and the Committee for Post-war Production during the agony of the RSI. By appointing Sinigaglia – who had converted to Catholicism, befriended Alcide De Gasperi and joined the DC during his exile in the Vatican –

¹⁰⁶ 'Relazione sull'attività svolta dal commissario straordinario dall'8 settembre 1944 al 12 marzo 1946', ACS, IRI, STO/522/6, fos. 13-16.

¹⁰⁷ FINSIDER, *Relazione del consiglio di amministrazione sul bilancio al 31 marzo 1945* (Rome, 1946), pp. 47-53.

the new Commissioner also ensured the return of one of IRI's chief pre-war managerial cadres and a key inspirer of its industrial modernisation strategy¹⁰⁸.

One of the most striking aspects of the Italian civil war was therefore the convergence between the agendas of some economic administrators, who operated within the RSI and anti-Fascist factions. Despite their determination to defeat the Fascist regime, the technocratic sensibilities of certain anti-Fascist reformers prompted them to salvage some components of Fascist economic administration. This process led them inevitably to build contacts with those industrial planners, who had served the Fascist regime, but who had eventually abandoned it in favour of a new vehicle that would favour their quest to reform Italy's political-economic institutions and modernise its industrial structure.

¹⁰⁸ Doria, 'Le strategie industriali', pp. 387, 410; G.L. Osti, *L'industria di stato dall'ascesa al degrado: Trent'anni nel gruppo Finsider. Conversazioni con Ruggero Ranieri*, (Milan, 1993), p. 113.

PART THREE:
DEMOCRATISING ORGANISED CAPITALISM
(1944-47)

Between the summer of 1944 and the spring of 1947, the economic reformers associated with the Italian and French Resistance sought to reform authoritarian organised capitalism within the framework of 'state-led democracy'.

In early post-Liberation France, the Provisional Government and its most ambitious *planiste* economic reformers succeeded in salvaging both the Ministry of Industrial Production's techno-corporatist planning apparatus, and the General Delegation for National Equipment (DGEN), which in 1944-45 was attached to the new Ministry of the National Economy (MEN). The MEN also reprinted the DGEN's *Tranche*, and attempted to launch it as the foundation of the country's industrial reconstruction strategy. Yet, by the spring of 1945 this attempt failed, as other economic ministries – notably the Ministry of Industrial Production (MPI) – refused to accept the chain of command advocated by the MEN. A comprehensive reconstruction programme, the Modernisation and Equipment Plan (PME) was only launched in January 1946. The PME's success story was however due to an additional institutional reform, which integrated the former DGEN and other Directorates of the MEN into the new General Planning Commissariat (CGP), also led by technocratic experts.

In the meantime, between 1944 and 1946 the partially purged sectorial Directorates and reformed Organisation Committees (COs) of the MPI began drafting sectorial programmes for the long-term modernisation of pivotal industrial sectors such as iron and steel. By the spring of 1946, the MPI formally

abolished the COs, but redistributed their tasks were redistributed to the equally techno-corporatist Modernisation Commissions (CMs) attached to the CGP, and to the Ministry's new Consultative Committees. The CMs inherited the long-term planning powers of the COs and even integrated upgraded versions of some of their sectorial programmes into the PME. The Consultative Committees and the sectorial Directorates of the MPI inherited the short-term industrial control duties of the COs, including the distribution of raw materials and the enforcement of the contracts brokered between the state and private producers within the framework of the PME. Even the CMs retained a role in the monitoring of the long-term execution of their sectorial programmes. Thanks to this framework, the French developmental state was able to launch the reconstruction and modernisation of both private enterprises and the new nationalised sector within the framework of a coordinated plan. This was also achieved thanks to the CGP planners' capacity to select the CMs' among those managers and Communist labour representatives most inclined to endorse the PME. The civil servants and industrial managers of the Modernisation Commission for Steel (CMSID), were largely chosen from its CO predecessor, and were all engineers from the *Corps des Mines*.

In early post-Fascist Italy (1945-47), the *planiste* economic experts affiliated with the Northern Italian Resistance succeeded in maintaining a reformed version of the techno-corporatist industrial control apparatus of the defunct Italian Social Republic (RSI), which played a key function in the re-activation of the Northern 'industrial triangle'. Ambitious Catholic and Socialist ministers, supported by some planners from the Institute for Industrial Reconstruction (IRI), even attempted to attach this set of institutions to the

reconstituted Ministry of Industry and Commerce (MIC) in Rome. In the context of these ambitions, the Ministry even instituted special tripartite study commissions, tasked with sketching the guidelines of sectorial plans that would target both public and private enterprises. Yet, the transformation of the MIC into Italy's chief industrial policy agency had many opponents: resurgent liberal experts and private industrial leaders, who saw the reform as a return of Fascist *dirigisme*; and even some IRI planners, who feared a return to ministerial interference with the re-launching of their own industrial strategy. No decision concerning the future role of the Ministry was reached by the spring of 1947.

In the meantime, Italy's new democratic rulers began to reflect upon the reform of the IRI, and entrusted it to a group of managers, who were however divided about its future administrative organisation and planning powers. Some particularly ambitious IRI planners argued that the Institute should become Italy's chief industrial planning agency, able to coordinate the development of both public and private enterprises. Fearing the hostility of the private sector towards the Institute and its pre-war industrial strategies, other more moderate IRI managers argued that its planning powers should be limited to the industries already under its control. As in the case of the MIC, these debates on IRI remained inconclusive by the spring of 1947. Playing a crucial role in the delay of these decisions was the discussion of the new Constitution, which postponed any major economic reform to 1948. As a result, on the eve of the breakdown of the anti-Fascist coalition in May-June 1947, no final decision was reached about the future role of both the technocratic and corporatist industrial planning bodies inherited from Fascism was reached.

V. TECHNO-CORPORATISM “DEMOCRATISED”: PLANNING AND INDUSTRIAL RECONSTRUCTION IN EARLY POST-LIBERATION FRANCE (1944-47)

From the DGEN to the General Planning Commissariat

Shortly after the Liberation of Paris in August 1944, the economic administrators of the French Provisional Government proceeded to re-organise the technocorporatist planning apparatus they inherited from the Vichy Regime. According to François Bloch-Lainé, the institutional framework of post-war French organised capitalism resulted from the encounter between the innovations implemented by the Regime, the proposals brought forward by the experts affiliated with the Resistance, and the plans drafted by those *grands commis*, who had undertaken a “prudent distancing” from the wartime state shortly before the Liberation¹. The preservation of the General Delegation for National Equipment (DGEN) and the subsequent transfer of its offices, personnel and planning powers to Jean Monnet’s General Planning Commissariat (CGP) are indicative of the process described by Bloch-Lainé.

One of the key protagonists of this reformist effort was the Radical politician Pierre Mendès-France, who headed the newly created Ministry of the National Economy (MEN) from September 1944 to April 1945. In accordance with the ideas he had developed in Algiers and coherently with his

¹ F. Bloch-Lainé and J. Bouvier, *La France Restaurée: Dialogue sur les choix d’une Modernisation, 1944-1954* (Paris, 1986), pp. 50-1.

determination to pose as the chief advocate of activist economic governance, Mendès-France salvaged the DGEN to launch a national reconstruction plan. A decree issued on 23 November 1944 attributed to the MEN “the preparation of the plan and the control over its execution”². The MEN would thus be “charged with the preparation of the programme for national equipment”³. As a result, pivotal aspects of national economic policy – industrial equipment, the orientation of industrial production, the allocation of Treasury subsidies, price controls and the implementation of the structural reforms for the re-organisation of national economic life – would be entrusted to the MEN⁴. The DGEN and the Central Office for the Allocation of Industrial Products (OCRPI) of the Ministry of Industrial Production (MPI) were to be integrated into the MEN as part of its Planning Directorate and its Executive Directorate, which would include the “Directorate for National Equipment”⁵. Through the take-over of these offices, the MEN would hence be able to coordinate the policies of the other economic ministries, which would be effectively reduced to the rank of junior departments.

The MPI would thus lose all primacy in the field of industrial policy, delegating all long-term initiatives to the MEN’s planning offices. The subordination of the DGEN and the other economic ministries to the MEN meant the enactment of the administrative framework elaborated by Jean Bichelonne and his staff in the summer of 1943, which had been explicitly copied by Resistance groups such as the Civil and Military Organisation (OCM). The latter

² ‘Ordonnance du 23 novembre 1944 réorganisant le comité économique et fixant les attributions du ministre de l’économie nationale et l’organisation de ses services’, AN, Secrétariat Général du Gouvernement et Services du Premier Ministre [henceforth SGG], F60/901, fo. 1.

³ Ibid., fo. 1.

⁴ Ibid., fo. 2.

⁵ Ibid., fo. 2.

had indeed relied on the inputs of eminent Vichy technocrats converted to the democratic cause in 1943-44 such as the *Mines* engineer Aimé Lepercq, the Provisional Government's first Minister of Finance until his accidental death on 9 November 1944. The MEN reform was thus a clear sign of the Resistance's determination to 'learn from the enemy'.

On 17 November 1944 a report by Mendès-France also addressed the plan that his super-ministry would launch to ensure the "reconversion" of the French economy into a peace economy⁶. The young minister defined the plan as "a hierarchy of needs", which corresponded to "the necessity of reconstruction and to re-equip our country"⁷. Industrial investments were indicated as the key to France's future prosperity. Evoking the early Soviet five-year plans, Mendès-France argued that the plan would be initially devoted to infrastructures and heavy industry⁸. Among the particular sectors targeted by the plan, Mendès-France cited the machine tool and railway industries⁹. The execution of the plan required the fulfilment of two major conditions: the achievement of structural reforms such as the nationalisation of key industrial sectors – electricity, coal, machine tools, credit and insurance – and the implementation of a series of fiscal and monetary austerity measures, aimed at curbing inflation and at what he termed "organising and directing consumption"¹⁰.

Archival evidence suggests that the MEN's national reconstruction plan was none other than the *Tranche de Démarrage* prepared by the DGEN prior to the Liberation. Under Mendès-France's instructions, the *Tranche* was indeed

⁶ P. Mendès-France, 'Exposé au conseil du ministres sur le programme du Ministère de l'Économie nationale', in *Oeuvres Complètes 2.*, p. 56.

⁷ Ibid., p. 56.

⁸ Ibid., p. 57.

⁹ Ibid., p. 57.

¹⁰ Ibid., p. 60.

reprinted in November 1944, complete with a new preamble written by his neo-Socialist advisor Georges Boris, the planning agency's new director¹¹. The preamble praised the Soviet Five-Year plans and identified the "equipment plan" not as a "therapeutic" device aimed at advancing post-war reconstruction, but as a permanent "organic element of social and economic mechanisms"¹². State intervention, would thus become the rule in the political economy of post-war France¹³. Without it, Boris argued, individual initiative would be incapable of rationally allocating resources, thus creating dangerous imbalances detrimental to the general interest¹⁴. Evoking again the Soviet experience, the preamble advocated for a propaganda campaign, "a labour mystique" aimed at inciting all Frenchmen to devote their time to "constructive activities"¹⁵. In this context the French worker was to prioritise achievements over demands¹⁶. The plan would indeed represent an opportunity to achieve what Boris termed "the great task of the 20th century": the reconciliation of interests¹⁷.

The preamble shows that Mendès-France's staff did not limit themselves to the maintenance and reform of Vichy's DGEN, but also adopted and reframed its reconstruction strategy. Under the Provisional Government, the *Tranche's* implementation would be however be characterised by a strong Socialist spirit, which explicitly praised the Soviet experiment and the permanent recasting of the developmental state as the supreme regulator and planner of national economic life. The Socialism expressed in the preamble however belonged to a

¹¹ J. Crémieux-Brilhac, *Georges Boris: Trente ans d'influence: Blum, De Gaulle Mendès-France* (Paris, 2010), p. 325.

¹² 'Plan d'équipement national: Tranche de Démarrage – Préambule, Novembre 1944', AN, SGG, F60/659, fos. xi, xiii-xiv.

¹³ *Ibid.*, fo. xiii.

¹⁴ *Ibid.*, fos. xiv-xv.

¹⁵ *Ibid.*, fo. xi.

¹⁶ *Ibid.*, fo. xii.

¹⁷ *Ibid.*, fo. xvi.

particularly modernist and hierarchical blend, which demanded that French workers sacrificed their short-term claims in favour of their commitment to national industrial modernisation. This hinted that the reconstruction effort would require the temporary suspension of the workplace concessions obtained by French workers under the Popular Front. Higher wages and shorter working hours could only be restored once the imperatives of national reconstruction and modernisation had been fulfilled.

Socialism aside, Mendès-France and Boris acknowledged that the DGEN planners, ministerial officials and professional representatives had drafted the *Tranche* prior to the liberation. According to Boris's preamble, the *Tranche* had been elaborated "during the darkest days" and "in consultation with the concerned administrations, and qualified personnel belonging to economic, industrial, agricultural and colonial milieus"¹⁸. This acknowledgement can be interpreted as a sign of the reformers' willingness to cooperate with former Vichy technocrats during the implementation of the plan.

As Philippe Mioche has pointed out, Boris' staff comprised the former DGEN Director Frédéric Surleau, and new recruits such as the Socialist economist Robert Marjolin (1912-86)¹⁹. It is not accidental that such ideologically opposed figures found themselves in the same planning staff. As he admitted in his post-war memoirs, Marjolin belonged to a fringe of young *planiste* socialist economists, who had criticised the Popular Front's prioritisation of the strengthening of the unions' bargaining power, wage increases and reduction in working hours, over the implementation of a vigorous

¹⁸ AN, SGG, F60/659, fo. i.

¹⁹ Mioche, 'Aux origines du Plan Monnet', p. 414.

policy of industrial modernisation²⁰. A shared rejection of the economic ‘Malthusianism’ of the pre-war years and a firm belief in the necessity to modernise French industry facilitated the cooperation between former Vichy technocrats and Socialist experts.

On 24 November the MEN informed the other economic ministries of the necessity to re-organise their offices, to set the stage for the execution of the production programmes that would precede the national reconstruction plan. According to the MEN’s instructions, “each ministerial department” would establish an “office” in charge of “all the matters relative to the ensemble of its needs and resources”²¹. The chief of each of these offices would become “the permanent representative of the given ministry at the planning bureaus of the MEN”²².

The report suggests that Mendès-France was determined to implement immediately the directives of the 23 November 1944 decree. Most importantly, the directives concerning the creation of a series of administrative links between the planning and technical offices of the other economic ministries and the MEN’s Planning Directorate and the OCRPI confirms Mendès-France’s particular determination to subordinate the central organs of the former industrial-control apparatus of the Vichy regime to the new super-ministry. Yet, the document also shows that the MEN’s Planning Directorate and the Directorate of Industrial Life would occupy an almost equal position in the decision-making chain of command as far as the allocation of raw materials and industrial products was concerned.

²⁰ R. Marjolin, *Architect of European Unity: Memoirs, 1911-1986* (London, 1989), pp. 63-5.

²¹ ‘Le Ministre de l’Économie Nationale à Monsieur le Secrétaire General du Gouvernement Provisoire, 24 Novembre 1944’, AN, SGG, F60/915, fo. 1.

²² *Ibid.*, fo. 1.

This hints that the MPI would uneasily allow the new MEN to seize the industrial-control apparatus that had previously been under its control.

It is clear, however, that the ambitions of Mendès-France encountered considerable bureaucratic opposition. As of 12 December 1944 the MEN had not yet managed to establish an administrative link between its Planning Directorate and the other economic ministries²³. Furthermore, the ministries had not yet provided the MEN's Planning Directorate, with the necessary information for the implementation of the industrial production programme for early 1945²⁴. Clearly, the highly centralised chain of command formally imposed on 23 November was not functioning as expected.

A note from the MEN's Planning Directorate dated 9 January 1945 still reiterated the main directives contained in the 24 November 1944 report, with particular emphasis on the need to create the junior ministerial planning offices intended to transmit the MEN's directives²⁵. According to the Resistant Jean-Louc Crémieux-Brilhac, in January 1945 Robert Lacoste (1898-1989), the Socialist Minister of Industrial Production was still refusing to transfer the offices of his administrative branch – especially the OCRPI – to the MEN²⁶. On 27 March 1945, Mendès-France acknowledged that the various ministries had submitted the statistical information needed for the annual industrial production programme and demanded his ministerial colleagues to provide their opinion on

²³ 'Note sur la détermination des besoins prioritaires de pays pour le 1er trimestre 1945, 12 Décembre 1944', AN, F60/915, fo. 1.

²⁴ *Ibid.*, fo. 2.

²⁵ 'Note sur la détermination des besoins prioritaires du pays pour le deux premiers trimestres de 1945', AN, SGG, F60/915, fo. 1.

²⁶ Crémieux-Brilhac, *Georges Boris*, p. 322.

the *Tranche* by 1 May²⁷. This meant that in the early spring of 1945 the MEN was still struggling to enforce the chain of command that had been formally introduced in November 1944.

On 6 April 1945 Mendès-France resigned from the MEN. Scholars such as Kuisel and Mioche have attributed Mendès-France's resignation to his clash with the Finance Minister René Pleven (1901-93) over the execution of the deflationary austerity measures that the MEN deemed necessary to set the stage for its industrial policy²⁸. Crémieux-Brilhac in a similar spirit argued that Pleven was "a champion of a policy of pragmatism and [monetary] elasticity", which enjoyed the support of the majority of the economic ministers, the orthodox liberal governor of the Bank of France, Emmanuel Monnick, and the combined forces of both the Communists and "reactionaries"²⁹. François Bloch-Lainé, Deputy Director of the Treasury in 1944-45 argued that Mendès-France's forceful approach frightened French capitalists and the "liberals" within the governmental coalition³⁰. According to Kuisel, Mendès-France also lacked the support of the large majority of the Socialists with the exception of the *planiste* deputies André Philip and Jules Moch, and the ministers Adrien Tixier and Augustin Laurent³¹. In an unsent draft letter to De Gaulle dated 29 March 1945 Mendès-France also lamented the reluctance of other economic ministries – notably the MPI – to follow the directives of the MEN³². The letter thus suggests

²⁷ 'Le Ministre de l'économie Nationale à Monsieur le Ministre d'État, 27 Mars 1945', AN, SGG, F60/659, fo. 1.

²⁸ P. Mioche, 'La planification comme "réforme de structure": L'action de Pierre Mendès-France de 1943 à 1945', *Histoire, Économie et Société*, 1/3 (1982), p. 487; Kuisel, *Capitalism and the State*, p. 198.

²⁹ Crémieux-Brilhac, *Georges Boris*, p. 327.

³⁰ Bloch-Lainé and Bouvier, *La France restaurée*, pp. 133-4.

³¹ H. Footitt and J. Simmonds, *France 1943-1945*, (Leicester, 1988), p. 253; Kuisel, *Capitalism and the State*, p. 198.

³² P. Mendès-France, 'Le départ de Pierre Mendès-France', in *Oeuvres Complètes 2*, pp. 151-2.

that the planning powers attributed to the MEN in November 1944 never really came into effect. Mendès-France thus resigned after acknowledging the impossibility of consolidating the MEN's control over the planning organs of the former Vichy regime.

Kuisel argues that after Mendès-France's departure from the Provisional Government in April 1945, French planning seemed to have reached a dead end³³. For him, Mendès-France's resignation and Pleven's appointment to the MEN, left an institutional void, which would only be filled in early 1946 with the creation of a new technocratic agency – the General Planning Commissariat (CGP) – and the launching of a new national reconstruction programme: the Modernisation and Equipment Plan (PME), also known as the 'Monnet Plan'.

Nevertheless, Mioche illustrates that after April 1945 Pleven, his Under-Secretary for the National Economy Gaston Cusin (1903-93), and the Minister of Reconstruction and Urban Planning, the *Polytechnicien* Raoul Dautry, attempted to revive the *Tranche's* reconstructive agenda³⁴. Pleven and Cusin even retained key planning offices such as the Directorate for National Equipment, still headed by Surleau and his deputy, the *Polytechnicien* and *Ponts* engineer Emile Bizot³⁵. Mioche particularly highlights the initiative of the MEN's Council for the National Economy, which comprised 15 members among civil servants, labour delegates and business representatives. In August-December 1945 the Council and the "technical services of the relevant ministries" drafted a series of sectorial equipment programmes, targeting coal, electricity, gas, housing, the railways, the

³³ Kuisel, *Capitalism and the State*, p. 201.

³⁴ P. Mioche, *Le Plan Monnet, Genèse et élaboration, 1941-1947* (Paris, 1987), pp. 57-69.

³⁵ Société Didot-Bottin, *Annuaire de l'administration Française-1945* (Paris, 1945), p. 54.

merchant navy, the machine tool industry and agricultural mechanisation³⁶. These programmes were eventually synthesised into the “Equipment Plan for 1946”³⁷. The coordination of this new plan was entrusted to the MEN’s Directorate for Economic Programmes, which since September 1945 comprised the Directorate for National Equipment³⁸. A report drafted by Dautry on 11 December 1945 however lamented that “despite the efforts of the Ministry of the National Economy” – led by the Communist François Billoux (1903-78) since November – “each ministry and perhaps each industrial branch [had] drafted their personal programmes”³⁹. By the end of 1945, the MEN was thus confronted by the same administrative difficulties previously faced by Mendès-France.

It was in this context that in early December 1945 the economic diplomat, civil servant and former businessman Jean Monnet (1888-1979) proposed the creation of a new central planning body – the CGP – charged with implementing a new plan for the reconstruction and modernisation of France’s productive apparatus: the PME. Born in Cognac into a family of liquor merchants, Monnet pursued a career that combined private enterprise with public administration, which culminated in his appointment as head of the French Supply Mission in Washington from 1943 to 1945. Monnet’s experiences with planning dated back to the First World War, when he had served in the staff of the Commerce Minister Etienne Clémentel, a forerunner of French technocratic *planisme*⁴⁰.

³⁶ ‘Les plans français d’équipement- Les programmes actuels d’équipement’, Historical Archives of the European [henceforth HAEU], Etienne Hirsch, EH/70, fo. 1.

³⁷ HAEU, Etienne Hirsch, EH/70, fo. 1.

³⁸ ‘Organisation du Ministère de l’Économie Nationale au 1/11/1945’, AN, SGG, F60/901, fo. 1.

³⁹ ‘Note sur la reconstruction, 11 décembre 1945’, AN, Ministères chargés de la Reconstruction, des Travaux publics, de l’Urbanisme et l’Équipement: Archives et documentation, 19900616/1, fo. 3.

⁴⁰ J. Monnet, *Memoirs* (New York, 1978), pp. 54-5.

A wide range of scholarly works emphasise Monnet's international profile, his anti-provincialism and his profound admiration for American technical progress and management. The British journalist and post-war political commentator John Ardagh described Monnet as a Saint-Simonian economic moderniser, but also as a "not typical technocrat", trained outside the *grandes écoles*, determined to "pull up to American standards by novel non-American methods", which "broke at once with many of the taboos and formalities of French administration"⁴¹. With the exception of Mioche and the political economist Katia Caldari, contemporary scholars have largely adhered to this narrative. Kuisel and Marie-Laure Djelic have even emphasised the non-French roots of Monnet's project by stressing the originality of Monnet's CGP in relation to its Vichy antecedents and the influence that the New Deal and the organisation of the US war economy had on Monnet's institutional innovations⁴². Even Luc-André Brunet's most recent study of the birth of the CGP stressed its nature as an "unprecedented innovation in French administration"⁴³.

Monnet's 1976 memoirs have unsurprisingly emphasised the originality of his project and its independence from previous planning experiences. According to Monnet, his staff found itself "on virgin territory", as previous planning experiments had indeed been, by his account, "incoherent and uncoordinated"⁴⁴. Monnet also attributed to himself the choice of the technical experts who later became the chief members of his staff. The former MEN official

⁴¹ J. Ardagh, *The New French Revolution: A Social and Economic Survey of France, 1945-1967* (London, 1968), p. 21.

⁴² Kuisel, *Capitalism and the State*, pp. 220-1; M. Djelic, 'Genèse et fondements du plan Monnet: L'inspiration américaine', *Revue française d'études américaines*, 68 (1996) pp. 77-81.

⁴³ L. Brunet, 'The Creation of the Monnet Plan, 1945-46: A Critical re-evaluation', *Contemporary European History*, 27/1 (2018), p. 11.

⁴⁴ Monnet, *Memoirs*, p. 235.

Robert Marjolin became Deputy Planning Commissioner; the *Mines* engineer and former industrial manager Etienne Hirsch was appointed Head of the Technical Division of the CGP; and the *Inspecteur des Finances* Paul Delouvrier (1914-95) led its Financial Division. The economists Jean Vergeot (1896-1970) and Jean Fourastié (1907-90) headed the CGP's Statistical Division, and the young economist Felix Gaillard (1919-70) served as Monnet's first chief of staff⁴⁵. Strongly opposed to ministerial interference with technical expertise, Monnet pressed De Gaulle to attach the new CGP directly to the office of the Head of the Provisional Government in order "to influence the whole range of departments that would be involved in implementing the plan"⁴⁶. Like Mendès-France, Monnet sought to overcome administrative poly-centrism, but rather than instituting a super-ministry, he preferred to create an extra-ministerial technocratic general staff.

Claude Gruson, who rejoined the civil service in 1946 after a long illness, has presented the CGP as the most important of the "economic institutions of the Liberation" and as a major addition to the institutional innovations brought by Vichy⁴⁷. However, historians have recently begun to question the originality of Monnet's project. Philip Nord for example argues that Monnet's CGP was "novel", but that "its originality ought not to obscure its debt in personnel, structure and animating ethos to 1930s non-conformism and technocracy, not to mention (...) to Vichy"⁴⁸. Nord has also emphasised that CGP officials such as Delouvrier and Gaillard had been convinced supporters of Marshal Pétain before joining the

⁴⁵ Monnet, *Memoirs*, pp. 236-9.

⁴⁶ Memorandum sur le 1er plan de modernisation et d'équipement (1946-1952)', Fondation Jean Monnet Pour L'Europe [henceforth FJME], Fonds Jean Monnet [henceforth FJM], AMF/0/1/2, fo.14

⁴⁷ Gruson, *Origines et espoirs*, p. 38.

⁴⁸ Nord, *France's New Deal*, p. 153.

Resistance after Laval's return in 1942⁴⁹. Nevertheless, Nord refrained from establishing a clear institutional link between the former DGEN and the CGP. Much the same is true of Mioche and Caldari, who have emphasised the recruitment of former DGEN officials by the CGP – notably Surleau and Bizot – but have still treated the two bodies as separate entities⁵⁰. Even the French historian Michel Margairaz, who has acknowledged that the Commissariat constituted the “heir of the *dirigiste* apparatus” salvaged in 1944-45, has distinguished the CGP from the MEN's Planning Bureau and excluded any direct lineage from the original DGEN⁵¹.

Regardless of this insistence on the institutional originality of the CGP, it is clear that Monnet's ideas owed much to the prior experiences of Vichy and Mendès-France. When Monnet submitted his proposals for the institution of the CGP and the launching of the new national reconstruction plan, the French government was already in the process of re-organising the planning Directorates of the MEN, including the former DGEN. As Brunet remarked, rather than filling an institutional void, Monnet's proposal was actually challenging the MEN's monopoly over the coordination of national economic planning⁵². Yet, as Sheenan has acknowledged, the ambition to entrust the coordination of the national reconstruction plan to a technocratic planning commission independent from the ministries was not original⁵³. Regardless of whether Monnet was aware of the the Vichy precedent, he restored the independence of the national

⁴⁹ Nord, *France's New Deal*, pp. 112-13.

⁵⁰ Mioche, *Le Plan Monnet*, p. 72; K. Caldari, 'Corporatism and Planning in Monnet's Idea of Europe', in A.M. Cunha and C.E. Suprinyak (eds.), *Political Economy and International Order in Interwar Europe* (London, 2021), p. 106.

⁵¹ M. Margairaz, *L'État l'économie et les finances: Histoire d'une conversion 1932-1952 II* (Paris, 1991), pp. 855-6.

⁵² Brunet, 'The Creation of the Monnet Plan', p. 12.

⁵³ Sheenan, *Rethinking France*, p. 248.

planning commission, a privilege that had been enjoyed by the DGEN in 1941-43 and advocated by its planning staff in the original administrative section of the *Tranche*, available to Marjolin since late 1944. Furthermore, Marjolin reported in his memoirs that Monnet already “might have had his eye on the Planning Directorate for himself” since early 1945⁵⁴.

The documents Monnet submitted to De Gaulle on 6 December 1945 confirm the close relationship between the CGP and the former DGEN. The memorandum concerning the launching of the PME presented the CGP as an entirely new institution, charged with issuing general directives to the also new tripartite “Modernisation Commissions”(CMs), charged with elaborating long-term sectorial plans for the reconstruction of each major branch of French industry⁵⁵. Yet, the memorandum was submitted alongside a draft decree, which revealed the CGP’s direct relationship with the central planning offices inherited from the Vichy regime. The draft’s article 6 indeed decreed that “during the elaboration of the plan (...) the Directorate for National Equipment of the Ministry of the National Economy” would be “provisionally placed under the authority of the High Planning Commissioner”⁵⁶. This not only indicates that Monnet intended to place the CGP above the authority of the economic ministries. He also explicitly intended to subordinate some of the key planning offices of the MEN – especially the former DGEN – to the new planning commission.

⁵⁴ Marjolin, *Architect of European Unity*, p. 133.

⁵⁵ ‘Memorandum sur le Plan de Modernisation et équipement, 4/12/1945’, AN, SGG, F60/901, fos. 4-5.

⁵⁶ ‘Project de décret en forme de règlement d’administration publique portant la creation d’un Conseil du Plan et fixant les attributions du Haut-Commissaire au Plan’, AN, SGG, F60/901, fo. 3.

A key supporter of the CGP's creation was none other than the former DGEN Director Frédéric Surleau, who had been appointed rapporteur of the State Council's Commission for Public Administration. While analysing the draft decree submitted by Monnet, Surleau stressed the "convenience of eliminating the duplicates that may result from the creation of a Planning Council – the CGP's advisory body – and a General Planning Commissioner attached to the Head of the Government"⁵⁷. Surleau thus proposed that "similar organisms at the Ministry of the National Economy – existing or foreseen – should either be suppressed or remain without holders", thus hinting that their staff should be transferred to the CGP⁵⁸. Other than confirming Surleau's firm support for a central planning organ free from ministerial interference, the document also indicates the centrality of the former Vichy official in the creation of the CGP. Surleau was so determined to provide the new body with the administrative independence and flexibility required to accomplish its task, that he advocated either the DGEN's suppression or the transfer of its staff to the CGP. Mioche identified Surleau as the "most significant example" of the "continuity of men" that characterised the French experiments with planning in the 1940s⁵⁹. Nevertheless, Surleau was much more than a mere survivor; he was an active institutional innovator, adamant to preserve the administrative methods that he and François Lehideux had pioneered under Vichy.

The CGP's institutive decree, dated 3 January 1946 however reprised the directives of Monnet's draft, thereby allowing the offices of the former DGEN to

⁵⁷ 'Commission de la Fonction Publique, Note 237-837, 27 Décembre 1945', FJME, FJM, AMF/1/1/3, fo. 1.

⁵⁸ Ibid., fo. 2.

⁵⁹ Mioche, *Le Plan Monnet*, p. 72.

be emancipated from the MEN's control and integrated into the CGP⁶⁰. According to a memo concerning the structure of the CGP dated 16 February 1946, the Directorate for National Equipment and the other planning offices detached from the MEN were to become part of the CGP's "Economic and Statistical Division", as well as of Hirsch's "Technical Division", charged with coordinating the elaboration of the PME's sectorial programmes⁶¹. Far from being a brand-new institution, the CGP was thus the result of Monnet's effort to deprive the MEN of its control over the DGEN and place it under the authority of a formally new agency. The Planning Commissioner's pragmatic distaste for 'political' interference with strictly 'technical' policy decisions, led him to resuscitate the technocratic *planisme* advocated by the DGEN planners.

The CGP was initially meant to be a temporary institution, exclusively charged with coordinating the preparation of the PME. During a meeting of the Inter-Ministerial Economic Committee on 21 February 1946, André Philip, Billoux's successor, insisted that the CGP should wither away after the elaboration of the PME and leave its execution to the MEN⁶². Philip was determined to reclaim the planning powers, offices and personnel that had been temporarily entrusted to the CGP; but, not all ministers positively viewed the return of these vital planning powers to the MEN. On 18 February 1946 even Billoux – then the Minister of Reconstruction and Urban Planning – called for the need "to intimately associate the Programmes Directorate (...) with the CGP" ⁶³.

⁶⁰ 'Décret N°46-2 du 3 Janvier 1946 portant création à la Présidence du Gouvernement d'un conseil du plan de modernisation et d'équipement et fixant les attributions du Commissaire Général du Plan', AN, SGG, F60/901, fo. 3.

⁶¹ 'Budget et organisation du Commissariat Général du Plan', AN, SGG, F60/901, fos. 1-2.

⁶² 'Extrait du compte-rendu de la Séance du Comité Economique Interministériel jeudi 21 février 1946', AN, SGG, F60/925, fo. 4.

⁶³ 'Compte -rendu de la Séance du Lundi 18 février 1946', AN, SGG, F60/925, fo. 9.

The Communists may have been initially sceptical about attributing excessive planning powers to Monnet's CGP, but the prospect of an overly powerful MEN controlled by their Socialist rivals led them to reconsider their stance⁶⁴. Not accidentally, in his memoirs Monnet referred to Billoux as one of his chief Communist partners, whilst the latter indicated the creation of the CGP as one of the institutional innovations sponsored by the Communist ministers⁶⁵.

After months of discussions, between CGP officials, ministerial functionaries and the representatives of particular industrial sectors, Monnet eventually submitted the first draft of the PME to the government on 23 November 1946. Monnet's report argued that "the CGP", which had been "entrusted with the mission of ensuring the elaboration of the plan" would also "receive that of ensuring the coordination and the control of its execution"⁶⁶. A CGP note dated 12 December 1946 even called for the suppression of the MEN, its replacement by a new Ministry of Commerce exclusively charged with price and foreign trade controls and the permanent transfer of the Economic Programmes Directorate – comprising the offices of the former DGEN – to the CGP⁶⁷. On 9 December 1946 Surleau also stressed that "the General Planning Commissioner should receive a permanent delegated authority from the Prime Minister for the execution of the Plan, as he had for its preparation"⁶⁸.

Converging on this position was also the CGT Secretary and *Ponts* engineer Pierre Le Brun (1906-70), one of the key experts tasked by Monnet

⁶⁴ Sheenan, *Rethinking France*, p. 283.

⁶⁵ F. Billoux, *Quand nous étions ministres* (Paris, 1972), pp. 117-18.

⁶⁶ Commissariat Général au Plan [henceforth CGP], *Rapport Général sur le Premier Plan de Modernisation et d'Équipement* (Paris, 1947), p. 102.

⁶⁷ 'Organisation de l'action gouvernementale en matière économique, 12.12.1946', FJME, JM, AMF/1/5/11, fo. 2.

⁶⁸ 'Note de Monsieur Surleau: Procédure d'approbation et d'exécution du Plan, 9.12.1946', AN, Commissariat Général au Plan [henceforth CGP], 80AJ/1/19, fo. 4.

with elaborating the PME's programme for the electrical industry. During the Planning Council session of 27 November 1946 Le Brun argued that the "Commissariat should be charged by the government with coordinating the control of the plan's execution, outside the technical ministries"⁶⁹. This technocratic convergence between the former Vichy official and the CGT delegate was not accidental. Monnet described Le Brun as a "convinced Marxist", but also as "the brains of the trade union movement (...) a loyal and even friendly partner in our work"⁷⁰. Despite his political beliefs, as a technical expert Le Brun agreed with the fellow *Ponts* engineer Surleau that the PME's coordination had to be entrusted to the CGP. Le Brun's position also indicates how several months of loyal cooperation between the planners and the CGT fundamentally changed the labour movement's position on the future status of the CGP. By November 1946, even the CGT's Communist General Secretary, Benoît Frachon (1893-1975) had accepted to cooperate with the CGP as a member of the Planning Council⁷¹.

Similarly supportive of the CGP, albeit in a more nuanced way, was the Vice-President of the National Council of French Employers (CNPFE), the manager and *Mines* engineer Pierre Ricard (1899-1956). A former civil servant, Ricard had served in the Third Republic's Ministry of Armaments (1939-40) in Vichy's MPI (1940-44), and in the MEN's advisory council (1945-46). In 1945 Ricard had also been one of the founders of the Association of Industrial Managerial Cadres (ACADI), which would become one of the planners' chief allies in the business community. Though he did not explicitly mention the CGP, Ricard pointed to the PME as an opportunity to "restore the very notion of the state" and renovate a

⁶⁹ 'Intervention de P. Le Brun, Secrétaire de la CGT au Conseil du 27-11-46', AN, CGP, 80AJ/1/11/3, fo. 3.

⁷⁰ Monnet, *Memoirs*, pp. 245-6.

⁷¹ 'Intervention de Monsieur Ricard au Conseil du Plan 27/11/46', AN, CGP, 80AJ/1/11/4, fo. 9.

“civil service whose recruitment and functioning [would] not be contaminated by politics”⁷².

The government officially launched the PME on 16 January 1947 with a decree, which designated the CGP as the organ charged with coordinating “the preparation of all production, essential raw material allocation, reconstruction and investment programmes”, and to “adjust them within the framework of the plan and within the limits of available resources”⁷³. The decree also gave the CGP responsibility for “monitoring the plan’s execution” and to inform the Prime Minister if the competent ministers failed to follow the plan’s directives⁷⁴. Article 5 also decreed that the MEN’s Directorate of Economic Programmes –comprising the offices of the former DGEN – should “be placed at the disposal of the Planning Commissioner”⁷⁵. Both Lacoste and Philip featured among the decree’s signatories, thus hinting that both their ministries accepted the new chain of command⁷⁶. Despite Philip’s hopes, Léon Blum preferred to support the project of the CGP planners. The CGP was given responsibility for coordinating the policies of the economic ministries in order to ensure the PME’s execution. The Blum government had thus in effect agreed to fulfil the design of the Vichy planners, which Monnet had revived in 1946. Furthermore, the decree ensured that the remnants of the old DGEN would be integrated into the CGP. By January 1947, French post-war economic reformers had thus succeeded in launching a major national reconstruction plan, coordinated by a technocratic agency, partially obtained through the re-organisation of Vichy’s DGEN.

⁷² AN, CGP, 80AJ/1/11/4, fo. 9.

⁷³ *Journal Officiel de la République Française, Lois et Décrets*, 16 Jan. 1947, p. 590.

⁷⁴ *Ibid.*, p. 590.

⁷⁵ *Ibid.*, p. 590.

⁷⁶ *Ibid.*, p. 590.

Sectorial Planning Re-arranged: Organisation Committees and Modernisation Commissions

The years 1944-47 also saw the successful reform of the techno-corporatist Organisation Committees (COs), the tasks and personnel of which were inherited by two sets of sectorial bodies: the Consultative Committees of the Ministry of Industrial Production (MPI), and the Modernisation Commission (CMs), attached to Monnet's General Planning Commissariat (CGP).

Following the Liberation, Robert Lacoste, who took over Bichelonne's office as Minister of Industrial Production, endorsed the necessity to maintain the COs and the sections of the Central Office for the Allocation of Industrial Products (OCRPI). According to an ordinance issued on 3 October 1944, the COs would be entrusted to "provisional Commissioners, appointed by the relevant ministers"⁷⁷. Each Commissioner would rely on the assistance of a consultative committee, comprising representatives from labour unions and business organisations⁷⁸. The ordinance also deprived the COs of their status as state-controlled trade organisations, leaving all bargaining powers to the reconstituted free associations⁷⁹. Lacoste justified the maintenance of the COs by emphasising the necessity of "national economic management" and the need to establish "a hierarchy of needs" as well as the basis for a "rational organisation of production"⁸⁰. An ordinance of 18 September 1944 also preserved the central organs of the MPI, including the General Secretariat for Industrial Production

⁷⁷ 'Ordonnance relative aux organismes dits "Comités d'Organisation" 3 oct, 1944', AN, SGG, F60/13, fo. 1.

⁷⁸ Ibid., fo. 1.

⁷⁹ Ibid., fo. 2.

⁸⁰ 'Exposé des motifs, 27/9/1944', AN, SGG, F60/13, fo. 1.

and the various sectorial Directorates, which acted as the link between the Secretariat and the COs⁸¹.

As of September-October 1944, the Provisional Government was therefore determined to preserve the techno-corporatist industrial-control apparatus of the Vichy regime and place it at the service of the national reconstruction process. Both the Organisation Committee for Steel (CORSID), and the Iron and Steel Directorate of the MPI were maintained. Following the ordinance of 3 October, the CORSID's President and Vice-President, the *Mines* engineers Jules Aubrun and Eugène Roy, resigned their posts. The former became the first President of the newly constituted trade organisation of French steelmakers, the Syndical Chamber of the French Iron and Steel Industry (CSSF), whilst the latter joined a commission of experts on post-war Franco-German economic relations⁸². On 8 March 1945 Lacoste appointed the less controversial and yet technocratic *Mines* engineer Alexis Aron (1879-1973) as CORSID's new Commissioner⁸³. Aron had been the General Manager of the North-Eastern Iron and Steel Company in the interwar years and an early member of CORSID, but had eventually been purged because of his Jewish origins⁸⁴. Aron had been no collaborator, but his technocratic credentials constituted an element of continuity with his predecessors.

In an interview published by the American Socialist-lenient *Free World* magazine in April 1945 Lacoste enthusiastically portrayed the reform of the COs, renamed "Professional Offices" (OPs), as the attempt "to substitute a more liberal

⁸¹ 'Ordonnance relative à l'organisation du Ministère de la Production', AN, SGG, F60/13, pp. 1-2.

⁸² Brunet, *Forging Europe*, p. 187.

⁸³ *Ibid.*, p. 152.

⁸⁴ *Ibid.*, p. 152.

spirit for the dictatorial spirit of the former professional organisation”⁸⁵. The aim of the reform was to “institute a professional democracy where up to now a few personalities in commerce and industry had arbitrary control”⁸⁶. The Minister thus seemingly salvaged Vichy’s industrial-control apparatus to operate a democratic-corporatist reform of France’s industrial order. Brunet claims that Lacoste’s efforts achieved the results imagined by Belin and other early neo-Socialist supporters of the Vichy regime⁸⁷. Nevertheless, the specific case study of CORSID – renamed Professional Office for the Iron and Steel Industry (OPSID) in July 1945 – illustrates that despite the inclusion of the trade unions, technocratic managerial figures were still in charge of the COs. Lacoste thus refrained from questioning the techno-corporatist character of these institutions; instead his reforms were in line with the suggestions formulated by those Resistance groups that advocated a blend of technocracy and corporatism as the foundation of post-war industrial reforms, notably the Civil and Military Organisation (OCM).

Technical experts also dominated the MPI’s central organs. As of late 1945 both the General Secretary and the Cabinet Director of Lacoste’s Ministry were two *Mines* engineers: Lambert Blum-Picard (1894-1964) – also a former member of Fighting France’s Union of Engineers and Technicians – and Jean Couture (1913-2006)⁸⁸. Directly subordinated to the Secretariat, was the new Directorate for Industrial Coordination, the *de facto* successor of the OCRPI, headed by the *Polytechnicien* engineer and former *X-Crise* member Claude

⁸⁵ ‘Reviving France’, *Free World* [New York], no. 9, (Apr. 1945), p. 33.

⁸⁶ *Ibid.* p. 33.

⁸⁷ Brunet, *Forging Europe*, p. 168.

⁸⁸ Société Didot-Bottin, *Annuaire -1945*, p. 175.

Beaurepaire (1897-1982)⁸⁹. Lacoste may have hoped to build a more democratic industrial order. Yet, much like René Belin in 1940, he eventually chose technical experts rather than trade unionists as his chief advisors, thus continuing the ‘managerial revolution’ initiated by Vichy’s industrial administrators.

Between the autumn of 1944 and the spring of 1945, CORSID continued to carry out its industrial-control duties focusing on the allocation of raw materials to French steelworks and on drafting their monthly production programmes. Yet, other senior figures of the French provisional government had far more ambitious plans for the reformed COs. Mendès-France attributed a pivotal role to the COs in his proposal for the “structural reform” of the French economy, presented to the Council of Ministers on 27 February 1945. The MEN envisaged a three-sector planned economy, in which the “controlled sector”, would comprise those industries that “if left completely independent, they would threaten the free sector and the interest of consumers”⁹⁰. This structural reform would not negate the “primacy of the entrepreneur” within the controlled sector, but henceforth their initiatives would be “allowed to develop within the framework of a more or less rigorous regulation”⁹¹. This regulation would be enforced through the former COs, which once entrusted to competent “state delegates”, would constitute an “important means of state action”⁹². The functions of the reformed COs would be considerable, including collecting statistical information on behalf of the state, issuing governmental directives,

⁸⁹ Société Didot-Bottin, *Annuaire -1945*, p.175.

⁹⁰ Ministère de l’Économie Nationale [henceforth MEN], ‘Les Nationalisations, mars 1945’, in *Oeuvres Complètes 2.*, p. 576.

⁹¹ *Ibid.*, p. 576.

⁹² *Ibid.*, p. 576.

ensuring the distribution of rationed products, proposing production programmes, establishing price codes.

Mendès-France hence also considered the COs as peripheral agencies charged with ensuring the compliance of key branches of the private sector with the directives of the national plan dictated by the MEN's planning Directorates. All of this reflected the institutional blueprint elaborated by Bichelonne and his staff in 1943, which tasked professional organisations with ensuring the compliance of French industry with the directives of the national plan. In line with the Resistance's Socialist-leaning manifestos, Mendès-France however proposed the creation of a large nationalised sector, which would include: credit and insurance, the electrical industry, the iron and steel industry, the machine tool industry, and the merchant navy⁹³. According to the document, nationalised enterprises would constitute "sufficiently powerful means of intervention" in "everyday economic management and medium to long-term reforms"⁹⁴.

According to Mendès-France's vision of structural reform, COs should be abolished within the nationalised sector, as there was "no need for an intermediate institution between the state and public industries"⁹⁵. The authority of the CORSID would be thus wither in favour a "national company", capable of exercising "general financial and technical control" over its constituent firms⁹⁶. The managers of the nationalised enterprises would be trained within the framework of new "administrative schools", which would contribute to the "constitution of a new *grand corps* of administrators, destined to administer large-scale enterprises and nationalised establishments on behalf

⁹³ MEN, 'Les Nationalisations', p. 573.

⁹⁴ Ibid., p. 574.

⁹⁵ Ibid., p. 576.

⁹⁶ Ibid., p. 599.

of the state”⁹⁷. These new cadres would be “at the same time civil servants, economic managers and businessmen”⁹⁸. Mendès-France’s structural reforms would hence deprive some COs of their control over basic industrial sectors that would be subsequently nationalised. A nationalised company, charged with coordinating the reconstruction and modernisation of the iron and steel industry, would specifically replace CORSID. The cadres in charge of the new nationalised establishments would however remain technocratic figures, capable of blending the attributes of the civil servant with those of the industrial manager.

Despite its Socialist rhetoric, Mendès-France’s structural reform of the iron and steel industry would thus not undo the technocratic revolution that had characterised both administrative and industrial life under the Vichy regime. Even the Minister’s own promise that some of the future managers would be “senior workers”, chosen from the unions on the basis of their “experience and awareness of the collective interest”, hinted that structural reform would convert them to his own brand of technocratic Socialism⁹⁹. Structural reforms would indeed introduce the new classes to the imperatives of “collective responsibility”¹⁰⁰. Furthermore, the minister stressed the motives behind his nationalisation proposals lay “outside ideological considerations” and were aimed at attaining “realistic objectives” of industrial modernisation such as the renovation of Lorraine’s integrated steelworks and boost national productive capacity to at least 12 million tons of steel ¹⁰¹. Mendès-France’s blueprint for the

⁹⁷ MEN, ‘Les Nationalisations’, p. 604.

⁹⁸ Ibid., p. 604.

⁹⁹ Ibid., p. 605.

¹⁰⁰ Ibid., p. 605.

¹⁰¹ Ibid, p. 574.

future planned economy was no utopian syndicalist order, but a reformed version of Vichy's techno-corporatist industrial-control system with 'modern' Socialist connotations.

The Provisional Government officially approved the structural reform of the iron and steel industry on 9 March 1945¹⁰². Nevertheless, the nationalisation failed to materialise. Mendès-France's collected works hint that the Communist ministers François Billoux and Charles Tillon's dissatisfaction with the allegedly non-punitive character of the nationalisations, contributed to delaying the enforcement of the structural reform.¹⁰³ Furthermore, it is also likely that Lacoste's hostility to Mendès-France and his determination to preserve the current structure of the partially democratised COs also contributed to frustrating the structural reform. Not accidentally, the CSSF's Economic Secretary, Jacques Ferry, described Lacoste as "the socialist who best understood the problems of the iron and steel industry" and who entertained "a certain intimacy of thought" with Aubrun¹⁰⁴. Therefore it seems that Lacoste preferred to maintain CORSID rather than enforcing an excessively radical nationalisation, which might cost his Ministry the cooperation of key private managers.

Nationalisations aside, Mendès-France and his managerial opponents agreed on the necessity to restructure fundamentally the iron and steel industry¹⁰⁵. Already in October 1944, CORSID, the Iron and Steel Directorate and the competent offices of the OCRPI developed their own "plan for the

¹⁰² MEN, 'Les Nationalisations, p. 605.

¹⁰³ Ibid., pp. 607-10.

¹⁰⁴ Ferry and Mioche, *Jacques Ferry et la sidérurgie*, p. 81.

¹⁰⁵ P. Mioche, 'Méfiance, intelligence convergence: les relations entre Pierre Mendès-France et le patronat' in *Pierre Mendès-France et l'économie*, p. 258.

management of the iron and steel sector”¹⁰⁶. The plan constituted an updated version of the sectorial rationalisation programme drafted in April 1944 and was aimed resolving the “French iron and steel problem” characterised by the permanence of “old and worn-out equipment” incapable of competing with foreign producers and adequately supplying the national machine-tool industry with raw materials at competitive prices¹⁰⁷. The CORSID’s plan called for “a radical change in the modes of exploitation of Lorraine’s mineral basin”, (...) the practical implementation of new techniques in the operation of blast furnaces” and the concentration of the means of production through the installation of three new Thomas steelworks capable of individually producing 1.8 million annual tons of steel¹⁰⁸. This new productive structure would allow the entire industry to produce 10 million tons of raw steel per year¹⁰⁹. Throughout 1945 Aron and the OCRPI engineer in charge of iron and steel – Georges Vidalot – lobbied in favour of the launching of the sectorial plan, even seeking the attention of Jean Monnet as a potential negotiator of an Allied loan that would finance the programme¹¹⁰. The authors also explicitly stressed that the plan “inserted itself into the activities of the Organisation Committee” and appealed to the “will of professional leaders” to endorse its agenda¹¹¹.

Following its re-organisation by Lacoste, CORSID/OPSID did not only resume its short-term industrial-control duties, but also began to plan the long-term renovation of the French iron and steel industry. This indicates that

¹⁰⁶ ‘Plan d’aménagement de la sidérurgie française, octobre 1944’, FJME, JM, AME/52/2/1, fo. 1.

¹⁰⁷ Ibid., fo. 1.

¹⁰⁸ Ibid., fo. 10.

¹⁰⁹ Ibid., fo. 6.

¹¹⁰ ‘De Georges Vidalot à J.M., 31 mai 1945’ FJME, JM, AME/52/2/2, fos. 1-2; ‘Note pour Monsieur Monnet, 26 Septembre 1945’, FJME, JM, AME/52/2/4, fos. 1-2.

¹¹¹ FJME, JM, AME/52/2/1, fo. 18.

following the Liberation the reformed COs continued to perform the long-term planning tasks they had carried out under Vichy within the framework of the 1941-42 National Equipment Plan and the 1944 *Tranche*. The Liberation and the prospect of an imminent German defeat however allowed sectorial planners to envision an even more ambitious programme, aimed at recasting France as a major European iron and steel producer. The plan also suggests that though hostile towards nationalisation, the managers of French private iron and steel companies were more than willing to cooperate with their civil service partners to ensure the modernisation of their sector. Their appeal to the leaders of the CSSF to endorse their agenda also hints that the CORSID saw themselves as technical mediators who blended the boundaries between public administration and trade representation to enforce a specific agenda of national industrial renewal. The correspondence between Monnet and the MPI officials also suggests that their efforts likely played a role in stirring his attention towards the resolution of French industrial problems.

In the meantime, On 30 November 1945, the Communist trade unionist Marcel Paul (1900-82), who had replaced Lacoste as Minister of Industrial Production, instituted a series of Consultative Committees, tasked with assisting each sectorial Directorate of the Ministry in matters concerning production and raw materials' allocation within each industrial branch¹¹². Each ministerial Director would chair his own sectorial committee, which would comprise equal number of "employers (...) engineers and technicians," and "working personnel". Following several discussions between the Iron and Steel Directorate and the

¹¹² 'Création de comités consultatifs auprès des directions du Ministère de la production industrielle, 30 novembre 1945' AN, Commerce et Industrie, F12/19046/4, fo. 1.

various members of the affected trade organisations, the Consultative Committee of the Iron and Steel Industry met for the first time on 6 April 1946. The Committee's chair was the *Polytechnicien* and *Mines* engineer Albert Bureau (1909-91), who in March 1945 had succeeded Robert Baboin as Iron and Steel Director¹¹³. Described by Ferry as a staunch advocate of both *dirigisme* and nationalisations, Bureau had served as a manager at SNCF in the late 1930s and had been in charge of the Nord's railway network during the German occupation¹¹⁴. The CSSF's appointees included Aubrun and Roy, as well the fellow *Mines* engineer and former CORSID official Léon Daum¹¹⁵. The committee also included eight representatives of the General Confederation of Labour (CGT)¹¹⁶.

This new body was techno-corporatist in inspiration. Despite the presence of trade-union officials, at least three of its permanent business representatives were veterans of Bichelonne's industrial-control apparatus. Furthermore, at least three of the CGT representatives were engineers, and thus more likely to endorse the technical imperatives of the so-called 'battle of production'. The Communist head of the CGT's metallurgical federation, Alfred Costes (1888-1959), openly endorsed Aubrun and Roy's appointment¹¹⁷. The pragmatic need to entrust the technical aspects of industrial reconstruction to qualified experts led Communist ministers to support the introduction of techno-corporatist planning bodies, and even appoint veterans of Vichy's industrial-control apparatus. Not accidentally, the *Mines* engineer Roger Martin, who still

¹¹³ Martin, *Patron de droit divin*, p. 46.

¹¹⁴ Ferry and Mioche, *Jacques Ferry et la sidérurgie*, p.31

¹¹⁵ 'Procès verbal de la réunion du Comité Consultatif de la Sidérurgie du Samedi 27 Avril 1946', AN, Commerce et Industrie, F12/19046/1, fo. 1.

¹¹⁶ *Ibid.*, fo. 1.

¹¹⁷ 'Costes à Bureau, 5 Février 1946', AN, Commerce et Industrie, F12/19046/5, fo. 2.

served as the Ministry's Deputy Iron and Steel Director, referred to Paul as a "quiet force", who expressed "reasonable ideas"¹¹⁸. The fact that it took Paul and Costes almost a year to draft their own proposal for the nationalisation of the iron and steel industry – submitted on 12 December 1946, but nullified by Paul's resignation and Lacoste's return three days later – is a further indication of the Communists' caution in relation to radical industrial reforms¹¹⁹.

On 26 April 1946 Paul decreed the dissolution of the OCRPI and the reformed COs,¹²⁰. The OPSID was officially dissolved in June 1946. The reform designated the Ministry's sectorial Directorates and the newly formed trade organisations as the bodies in charge of drafting short-term production programmes, and allocating the necessary raw materials and other rationed products within each industrial branch¹²¹. The reform also tasked the sectorial Consultative Committees with assisting the ministerial Directorates and employers' trade organisations with the industrial-control tasks inherited of the former COs¹²². On 11 May 1946 the Provisional Government also passed a "Law on Production Programmes", which charged the MPI' with working out "engagements" that would commit producers to execute the sectorial plans necessary for the implementation of the national reconstruction plan¹²³. The ministry would be obliged to "consult the Consultative Committee and the trade organisation representing the considered industrial branch"¹²⁴. It thus seemed

¹¹⁸ Martin, *Patron de droit divin*, p. 48.

¹¹⁹ *Journal Officiel de la République Française, Documents Parlementaires, Assemblée Nationale*, 12 Dec. 1946, p. 32.

¹²⁰ *Journal Officiel de la République Française, Lois et Décrets*, 28 Apr. 1946, pp. 3534-5.

¹²¹ *Ibid.*, p. 3535.

¹²² *Ibid.*, p. 3535.

¹²³ *Journal Officiel de la République Française, Lois et Décrets*, 12 May 1946, p. 4097.

¹²⁴ *Ibid.*, p. 4097.

that the sectorial Consultative Committees of the MPI and the free trade organisations were the sole successor institutions of the defunct COs/OPs.

Nevertheless, by the early spring of 1946 the CGP introduced a further set of tripartite sectorial planning bodies: the Modernisation Commissions (CMs). The 18 CMs were charged with drafting the industrial restructuring programmes of the PME by targeting nationalised enterprises such as the newly constituted Electricity of France (EDF) and Gas of France (GDF), and essential private industries such as iron and steel. The protagonists of the PME and historians have long debated the relationship between the COs and the CMs. Monnet, Vergeot and Hirsch – the CGP official tasked with their creation and coordination – have identified the CMs as modified versions of the British “working parties”, the sectorial planning bodies established by the Board of Trade in 1945¹²⁵. The distinctively French characteristic of the CMs was the addition of a civil servant – absent in Stafford Cripps’ committees – to the representatives of labour and business organisations¹²⁶. Claude Gruson, identified the CMs as “one of the most important structural changes that marked this period”, but also pointed out it was necessary to recognise how the Organisation Committees of the *vichysoise* period had facilitated this change¹²⁷. Despite Gruson’s concessions, Kuisel endorses Monnet and Hirsch’s interpretation, whilst Nord rejects the notion that the CMs constituted the direct descendants of the COs¹²⁸.

Luc-André Brunet is the only scholar who speaks of an “institutional metempsychosis”, a transfer of institutional traits and personnel, from the COs to

¹²⁵ Monnet, *Memoirs*, p.237; Hirsch, *Ainsi va la vie*, p.89; FJME, FJM, AMF/0/1/2, fo. 23.

¹²⁶ Hirsch, *Ainsi va la vie*, pp. 89-90.

¹²⁷ Gruson, *Origines et espoirs*, p. 39.

¹²⁸ Kuisel, *Capitalism and the State*, p. 227; Nord, *France’s New Deal*, p. 157.

the CMs¹²⁹. The Canadian historian emphasises the tripartite composition of the CMs and cites a January 1946 document in which Monnet called for a “simplification” of French economic administration, which would transfer the regulatory powers of the COs to “genuinely democratic and professional bodies”¹³⁰. According to Brunet, this “was a clear reference to the Modernisation Commissions”¹³¹. Nevertheless, the January 1946 document featured no reference to his CMs, and likely amounted to a critique of the rationing of raw materials by the COs rather than their long-term planning tasks¹³². The “democratic and professional organs” Monnet had in mind were therefore free trade organisations and the Consultative Committees. However, this does not necessarily mean that Brunet was incorrect in arguing that the CMs resulted from an effort to re-organise the planning apparatus inherited from Vichy, but that the proof of their affinity lays elsewhere.

During an inter-ministerial meeting on 18 February 1946, Paul called for the need to distinguish between long-term “equipment programmes” aimed at “improving the fundamental bases of production” and short-term “production programmes” such as output targets¹³³. Responding to Paul, Monnet argued that the PME would constitute a “synthesis of partial plans” and that its elaboration required “the implementation of all the available methods”¹³⁴. Thanks to its specialised “study Commissions” – the CMs – the CGP would “mobilise all

¹²⁹ Brunet, *Forging Europe*, p. 197.

¹³⁰ *Ibid.*, p. 201.

¹³¹ *Ibid.*, p. 201.

¹³² ‘Simplification de la réglementation économique, 24 janvier 1946’ FJME, JM, AMF/1/6/5, fos. 1-2.

¹³³ AN, SGG, F60/925, fos. 6-7.

¹³⁴ *Ibid.*, fo. 8.

expertise for the study of long-term problems”¹³⁵. As far as the realm of raw material allocation and short-term production programmes was concerned, Monnet reiterated that the “simplification of the regulations inherited from the German occupation” was “a vital necessity”¹³⁶. Monnet was thus proposing to redistribute the immense tasks of the COs as follows: the CMs would inherit their long-term planning powers and focus on the industrial restructuring initiatives of the PME, whilst the sectorial bodies of the MPI – the Directorates and the Consultative Committees from late April 1946 – would take over the short-term industrial-control duties such as the allocation of raw materials and the drafting of production programmes. In this way, the CMs were successor institutions of the COs, just as much as the Consultative Committees.

The CMs also inherited the COs’ techno-corporatist organisational structure. CGP planners such as Robert Marjolin insisted that the PME was “a democratic plan”, distinct from “a technocratic plan” derived from the “work of a group of self-referential technicians”¹³⁷. Nevertheless, the CMs’ personnel were hardly democratically appointed. By Monnet’s own admission, the selection of these “new men” was entrusted to Etienne Hirsch, the *Mines* engineer in charge of the CGP’s Technical Division¹³⁸. As Monnet noted, “Hirsch was very good at discovering first rate experts” as “he knew his way about the world of industry”¹³⁹. This hints that CM members, including the delegates of trade organisations, were not chosen as the representatives of organised interests engaged in democratic discussion with the central planners, but as technical

¹³⁵ AN, SGG, F60/925, fo. 9.

¹³⁶ *Ibid.*, fo. 9.

¹³⁷ ‘Un plan démocratique, 3 Février 1947’, FJME, Robert Marjolin, ARM/2/2/1, fo. 30.

¹³⁸ Monnet, *Memoirs*, p. 244.

¹³⁹ *Ibid.*, p. 244.

experts capable of co-opting their respective trade organisations into accepting the PME's modernising agenda. Even Monnet's chief US advisor, the economist Robert Nathan (1908-2001), stated that trade associations "should not be permitted to become channels or instruments for promoting self-interested agendas", but should be "partners" for "securing their cooperation in sponsoring the accepted policies"¹⁴⁰.

Particularly indicative of Hirsch's techno-corporatist bias was the composition of the Modernisation Commission for Steel (CMSID), created on 9 March 1946. Hirsch was far from unaware of France's 'iron and steel problem'. As General Manager of the Kuhlmann chemical works before the war, Hirsch had often preferred to purchase products such as steel pipes from foreign producers, given the high prices of French raw materials¹⁴¹. While surveying the state of France's productive apparatus in late 1945, the French planner was particularly shocked by the backwardness of the iron and steel industry, whose most modern plant – the German-built Hagondange integrated steelworks – dated back to 1906¹⁴². Hirsch therefore appointed to the CMSID a group of technical experts capable of co-opting the privately owned French iron and steel industry into endorsing a radical industrial restructuring programme.

The CMSID's President was none other than the CSSF member and former CORSID Vice-President Eugène Roy – still the General Manager of the Longwy steelworks in Lorraine – whilst The MPI's Iron and Steel Director, Bureau, was appointed as Roy's Deputy¹⁴³. Ferry described Roy as one of those industrial

¹⁴⁰ 'Organization for Planning, August 23rd 1946' HAEU, Jean Monnet American Sources, JMAS.H/01, fo. 8.

¹⁴¹ Hirsch, *Ainsi va la vie*, p. 89.

¹⁴² *Ibid.*, p. 94.

¹⁴³ CGP, *Rapport Général*, p. 190.

leaders who saw the PME as “a framework capable of harmonising investment decisions” and even imposing decisions on the private sector¹⁴⁴. The Commission’s “rapporteurs” to the CGP were the *Polytechnicien*, *Mines* engineer, and former CORSID Under-Secretary Jean Latourte (1910-76), as well as the ministerial Deputy Director Roger Martin¹⁴⁵. Other notable CMSID technocrats included the former OPSID Commissioner Alexis Aron and the fellow *Mines* engineer Henri Malcor – still the Chief Engineer of the Marine & Homécourt Steelworks – who had played a pivotal role in creating CORSID’s R&D office: the French Iron and Steel Research Institute (IRSID) in 1943-44¹⁴⁶.

The chief CGT representative within the CMSID was Alfred Costes, a champion of the ‘battle of production’ promoted by the French Communist Party (PCF)¹⁴⁷. Though a partisan of nationalisation, Costes agreed with his managerial adversaries in denouncing the technical backwardness of French steelworks and incited workers to fight “battle for steel”, endorsing the state’s efforts to renew the sector in order to re-launch other pivotal branches such as machine tools and naval construction¹⁴⁸. As Martin remarked, “the Communist Party and the CGT found a converging path between their ideological beliefs and the imperatives of industrial development”¹⁴⁹. Communist trade unionists such as Costes hence regarded workers’ participation in national industrial renewal as a necessary condition for the emancipation of the French proletariat.

¹⁴⁴ Ferry and Mioche, *Jacques Ferry et la sidérurgie*, p. 102.

¹⁴⁵ CGP, *Rapport Général*, p. 190.

¹⁴⁶ Ibid., p.190; H. Malcor, ‘Un sidérurgiste, l’état et la profession’, in *Henri Malcor*, pp. 186-7.

¹⁴⁷ Bloch-Lainé and Bouvier, *La France restaurée*, p. 127.

¹⁴⁸ A. Costes, *La bataille de l’acier- Produire ou Mourir: Le rôle de la Metallurgie Française dans la renaissance du pays*, (Paris, 1946), pp. 8-9, 30-3.

¹⁴⁹ Martin, *Patron de droit divin*, p. 49.

Hirsch may have had in mind an improved version of the British Industrial Working Parties when he designed the CMs. Nevertheless, when he appointed the members of the CMSID he reproduced the techno-corporatist structure of CORSID. The CMSID leaders were experts with a common technical training and a shared professional background that blurred the lines between management and public administration. Roy, Latourte and Martin were already active when the DGEN planners canvassed the COs to draft the 1944 *Tranche*, whilst Aron and later Bureau had been key promoters of the CORSID's plan for the re-organisation of the iron and steel industry in 1944-45. Even labour representatives such as Costes contributed to the CMSID's activities not as the defenders of the working class, but as promoters of the same industrial renewal projects sponsored by the managers and civil servants appointed to the CMSID.

By the spring of 1946, the CGP planners had thus designed a system of sectorial bodies, which by inheriting the long-term planning powers of the COs placed ministerial officials, trade unionists and the managers of both public and private enterprises at the service of the PME. Cooperation of pivotal private sectors such as iron and steel was ensured through the managerial champions of industrial renewal rather than the 'Malthusian' *patrons* such as François de Wendel, who – as Brunet has observed – was deliberately excluded from the CMSID¹⁵⁰.

By November 1946, the CMSID submitted to the CGP the first draft of its sectorial plan, which reprised the guidelines of CORSID's long-term programme of October 1944. The sectorial plan sought to modify the structure of the French steel sector through the re-organisation and concentration of existing steel

¹⁵⁰ Brunet, *Forging Europe*, p. 198.

plants “in order to allow the implementation of mass production machinery”¹⁵¹. The plan hence called for the modernisation of existing blast furnaces, and the construction of two new integrated Thomas steel plants¹⁵². Furthermore, the sectorial plan also featured directives concerning the installation of the two new wide-strip rolling mills – one in the Nord and the other in Lorraine – also a major project championed by the OPSID since the spring of 1945¹⁵³. Designed in the United States in the 1930s, wide-strip rolling mills capable of producing cheap thin steel sheets were deemed essential for the development of key consumer industries such as the automotive sector¹⁵⁴. As of November 1946, the CMSID had thus become the promoter of the industrial renewal agenda once championed by CORSID/OPSID.

According to Rousso, unlike the COs, the CMs did not constitute means of state coercion, limiting themselves to purely consultative tasks¹⁵⁵. The CMs however inherited some of the old COs’ executive powers. According to the CGP report of November 1946, the execution of the PME within of private industry would be achieved through the brokering of “contractual agreements between the industries engaged in the implementation of the plan and the state”¹⁵⁶. These agreements would be brokered, “either with one or more professional organisations, with a group of enterprises, or even, in exceptional cases, with individual enterprises”¹⁵⁷. Private contractors would thus commit to implement

¹⁵¹ CGP, *Rapport Général*, p. 147.

¹⁵² *Ibid.*, p. 147.

¹⁵³ *Ibid.*, p. 147; ‘Trains à Bandes: Note du Commissaire Provisoire, 16 Juillet 1945’, AN, CSSF/19900482/11, fos. 2-5.

¹⁵⁴ F.M.B. Lynch, *France and the International Economy: From Vichy to the Treaty of Rome* (Lodon, 1997), p. 62.

¹⁵⁵ H. Rousso, ‘Les élites économiques dans les années quarante’, *Mélanges de l’école française de Rome*, 95/2 (1983), pp. 38-9.

¹⁵⁶ CGP, *Rapport Général*, p. 103.

¹⁵⁷ *Ibid.*, p. 103.

the plan elaborated by the Modernisation Commission” and keep it updated about the progress of its execution¹⁵⁸. On the other hand, “the department in charge of the given industry” – the competent Directorate of the MPI – “working alongside the Modernisation Commission [would] ensure the execution of all the tasks and administrative controls necessary for the achievement of the plan”¹⁵⁹. The CGP planners thus also intended to task the CMs with monitoring the execution of the PME’s sectorial plans alongside the MPI’s peripheral organs. Very much like the COs, the CMs would turn key private industries into instruments of state planning.

As far as the nationalised sector was concerned, the CGP report of November 1946 argued that nationalised enterprises should consider the PME “an executive order” and “strictly apply the principles defined by the plan”¹⁶⁰. Like Mendès-France, the CGP planners also intended to turn public enterprises such as EDF, GDF, SNCF and Renault into peripheral executive agencies.

Not all planners however agreed with the CGP’s proposals. At the Planning Council meeting of 27 November 1946, Pierre Le Brun proposed “the ministries should be responsible for the administrative control of the plan’s execution within the industries under their authority (...) assisted by the dual or tripartite Consultative Committees”¹⁶¹. The CGT expert demanded “systematic efforts to merge these Committees with the corresponding Modernisation Commissions”¹⁶². According to Le Brun, the Ministry’s Consultative Committees should absorb the CMs and become the exclusive enforcers of the PME’s

¹⁵⁸ CGP, *Rapport Général*, p. 103.

¹⁵⁹ *Ibid.*, p. 103.

¹⁶⁰ *Ibid.*, p. 102.

¹⁶¹ AN, CGP, 80AJ/1/11/3, fo. 3.

¹⁶² *Ibid.*, fo. 3.

modernisation programmes. In November 1946 Latourte referred to the CMSID as an “indispensable centralising organ”, which “should be maintained for six months to study the modifications submitted” by the concerned trade organisations¹⁶³. Yet, he argued that “the implementation” of the sectorial plan should be left to the CSSF “under the control of the Iron and Steel Directorate”¹⁶⁴.

In contrast, on 9 December 1946 Frédéric Surleau identified the CMs as “ideal organs of concerted effort”, which “should continue their planning role by ensuring the permanent coordination” of the PME, especially within pivotal sectors such as iron and steel ¹⁶⁵. According to the former Vichy official, all of the planning powers once attributed to the COs must be transferred to the CMs, thus by-passing the ministerial Consultative Committees. In February 1947 the *Mines* engineer, CSSF official and member of the Associations of Industrial Managers and Cadres (ACADI) Louis Charvet (1901-87) agreed with the CGP’s proposals, as long as “the technical organs charged by the state with monitoring the execution of the plan” – the CMs – would “leave the initiative and responsibility of action to the concerned industrialists”¹⁶⁶. Charvet thus saw the entrustment of executive powers to the CMs as a means to boost the sense of responsibility of the industrialists and turn private enterprises into vehicles of state action.

The redistribution of planning tasks decreed by the government eventually resulted in a compromise. On 24 February 1947 a new decree determined that “the general programmes established in application of the decree of 16 January 1947” on the PME would be placed “under the rules of the

¹⁶³ ‘Mise en application du Plan, Novembre 1946’, FJME, JM, AMF/5/2/44, fo. 1.

¹⁶⁴ *Ibid.*, fo. 1.

¹⁶⁵ AN, CGP, 80AJ/1/19, fos. 2-3, 4.

¹⁶⁶ ‘A propos du plan: L’essentiel est la méthode’, *Bulletin de l’ACADI* [Paris], no.3 (February, 1947), p. 2.

law of 11 May 1946”¹⁶⁷. This meant that the executive coordination of the PME’s sectorial programmes would be exclusively entrusted to the MPI’s Directorates and their Consultative Committees. But on 24 April 1947 Monnet informed the business leader Georges Villiers that the 16 January decree had charged the CGP “with monitoring the execution of the plan (...) assisted by the Modernisation Commissions”¹⁶⁸. According to the Planning Commissioner the CMS’ task was “precisely to propose the measures they [deemed] necessary to ensure the proper execution of the plan”¹⁶⁹. Despite the decree on production programmes, the CGP planners thus exploited the PME decree of January 1947 to ensure that their CMS would also still monitor the execution of the sectorial plans.

Prior to the breakdown of the governmental coalition in May 1947, the CGP succeeded in launching a national industrial restructuring plan, which turned both public and private enterprises into instruments of state action. This was possible thanks to the salvaging of the peripheral bodies of Vichy’s developmental state – the COs – and the subsequent redistribution of their tasks to the Consultative Committees and the CMS. Crucial to this process was the alliance between the CGP planners and a group of enthusiastic modernisers selected from the civil service and business organisations, who had partially served Vichy. Equally important was the role of the advocates of industrial renewal from the labour unions. This was well demonstrated by the case of the CMSID, which inherited the tasks and personnel of CORSID/OPSID and integrated its agenda into the PME.

¹⁶⁷ *Journal Officiel de la République Française, Lois et Décrets*, 19 Feb. 1947 p. 1752.

¹⁶⁸ ‘Le Commissaire Général à Monsieur Georges Villiers, 24 Avril 1947’ AN, CGP, 80AJ/274/1, fo.

1.

¹⁶⁹ *Ibid.*, fo. 1.

VI. TECHNOCRACY AND CORPORATISM RESCUED: INDUSTRIAL POLICY IN EARLY POST-FASCIST ITALY

(1945-47)

Reforming the RSI's Industrial-Control System

Following the Liberation of Milan on 25 April 1945 and the subsequent surrender of the Italian Social Republic (RSI), Northern Italy came under the jurisdiction of the Allied Military Government (AMG) and the Northern Italian National Liberation Committee (CLNAI), chaired by the Socialist *planiste* economist Rodolfo Morandi. Having consolidated its control over the territories of the former RSI, the CLNAI proceeded to take over the economic institutions of the defeated Fascist republic. It was in this context that Resistance leaders decided to salvage the RSI's industrial-control apparatus, which contributed to the country's early post-war industrial re-activation at least until the breakdown of the anti-Fascist governmental coalition May-June 1947.

The CLNAI's Central Economic Commission (CCE), chaired by Cesare Merzagora (1898-1991), a manager at the Pirelli rubber manufacturer converted to the anti-Fascist cause after 1943, undertook this pivotal decision¹. The CLNAI's industrial policy was entrusted to the CCE's "industrial sub-commission", whose members included the *planiste* economist Libero Lenti, and the Socialist manager Angelo Saraceno, brother of Pasquale Saraceno, the chief

¹ M. Ferrari-Aggradi, *La svolta economica della Resistenza* (Bologna, 1975) p.18.

economic expert of the Institute for Industrial Reconstruction (IRI) since 1933². One of the CCE's earliest tasks was to purge the economic institutions of the defunct RSI by replacing former collaborators with its own "Commissioners"³. The CCE also maintained the RSI's Ministry of Industrial Production and its sectorial Industrial Committees, rebranding them as the Northern Italian Industrial Council (CIAI)⁴. The officials of the Allied Force Headquarters (AFHQ) endorsed the initiative as a remedy to the "complete lack of a coordinated policy for re-starting Italian industry", which in their view had characterised the territories liberated between 1943 and early 1945⁵.

The main task of the CIAI was to organise the allocation of the raw materials to northern Italian enterprises within the framework of the 'first aid' programmes provided by the United Nations Relief and Rehabilitation Administration (UNRRA), and coordinate short-term industrial production programmes. One of the most important initiatives undertaken by the CIAI in this field was also to draw up a plan for the determination of industrial imports in 1946, drafted by a group of experts, including Pasquale Saraceno Morandi, Lenti and the Communist economist Antonio Pesenti (1910-73), who had just stepped down as Finance Minister of the Southern Kingdom of Italy in order to aid the CCE⁶. In the aftermath of the Liberation the CLNAI hence sought to preserve the techno-corporatist industrial-control apparatus of the RSI in order to ensure the re-activation of northern Italian industry. The instruments once used to mobilise these industries on behalf of the Reich's war effort were now

² Ferrari-Aggradi, *La svolta*, p.114.

³ *Ibid.*, pp. 93,98.

⁴ *Ibid.*, p. 128.

⁵ D.W. Ellwood, *Italy 1943-1945* (Leicester, 1985), p. 227.

⁶ Ferrari-Aggradi, *La svolta*, p. 143.

employed to allow Allied aid to contribute effectively to Northern Italy's industrial rebirth. This crucial experience did not just mark the salvaging of the RSI's most important industrial planning framework; but it also facilitated the encounter between the technocrats, who had served the Fascist regime at least until 1943 such as Pasquale Saraceno, and the new *planiste* experts affiliated with the Resistance, notably Morandi.

Following the arrest of the RSI Minister Angelo Tarchi, the Socialist economist Roberto Tremelloni (1900-87) – then very close to Morandi – was appointed as the President of the CIAI, while the Catholic economist and IRI official Mario Ferrari Aggradi (1916-97) took over as its Vice-President⁷. The Industrial Committee for Iron and Steel was entrusted to the engineer Luigi Decio (1886-1965), who also served as the new Commissioner of the Marelli mechanical works in Milan⁸. Until the late summer of 1945, the CIAI maintained an authoritarian organisation, excluding labour representatives from its Committees⁹. The professional backgrounds of the appointees suggest that the levers of industrial policy in Northern Italy were thus mainly entrusted to either *planiste* economists or technical experts. The liberators therefore intended to preserve the techno-corporatist connotations of the industrial-control apparatus inherited from the RSI. Not surprisingly, Pasquale Saraceno regarded the early CIAI experiment as an exception to the Italy's chronic "marginalisation of the

⁷ Ferrari-Aggradi, *La svolta*, p. 116.

⁸ *Ibid.*, p. 115.

⁹ 'Resoconto della riunione plenaria dei commissari dei comitati industriali del 9/8/1945', ACS, Ministero dell'Industria e del Commercio [henceforth MIC], Commissione Centrale Industria-Sottocommissione Alta Italia [henceforth CCI-SIAI]/1, fo. 1.

technicians” and as an “interesting experience of integration of external forces into public administration”¹⁰.

The CLNAI’s maintenance of the Industrial Committees also received the endorsement of Agostino Rocca, one of the most notable IRI planners affected by the anti-Fascist purge of April-May 1945. As a consequence of Rocca’s exclusion from public offices, Italian economic administration had lost one of the chief advocates of technocratic *planisme*; but this did not prevent him from continuing his fight for the institutions he had contributed to build. In the summer of 1945 he urged the CLNAI’s economic experts to “hold the line” against “super-individualistic” Italian industrialists, in order to preserve the industrial-control system¹¹. According to Rocca, “the same forces” that had ensured “the failure of the corporative state” and had “prevented the nationalisation of at least some industrial sectors” were now bent on “wasting national resources under the pretext of pseudo-liberal formulas”¹². As David Ellwood has observed, since May 1945 the Milanese delegates of *Confindustria* had indeed been particularly hostile to the maintenance of these planning bodies, which they explicitly referred to as Fascist¹³. Instead, Rocca argued that planning was necessary, especially for the rationalisation of the iron, steel and mechanical industries, which he deemed unable to survive in the face of foreign competition¹⁴. According to Rocca, only the imposition of a centralised chain of command could achieve this objective. He therefore argued that the president of each Industrial

¹⁰ Saraceno, *Intervista sulla Ricostruzione*, pp. 57-9.

¹¹ ‘R.A. a Saraceno Angelo 20 luglio 1945’, FA, AAR, 56/117, fo. 1.

¹² *Ibid.*, fo. 1.

¹³ Ellwood, *Italy 1943-45*, p. 227.

¹⁴ FA, AAR, 56/117, fo. 4.

Committee “should take responsibility for all decision-making” to avoid “compromise solutions or dispersion of responsibilities”¹⁵.

The efforts of the CLNAI’s economic experts were therefore even praised by former Fascist technocrats, who viewed the maintenance of the RSI’s industrial-control system as the means to ensure industrial reconstruction and modernisation. Rocca in particular saw the reform of the Industrial Committees as an opportunity to control what he viewed as an excessively individualistic and opportunistic private industrial leadership – now resurgent under the false flag of *laissez-faire* – and to avoid the compromises that had characterised the corporatist revision of IRI’s sectorial plans in the late 1930s.

Building upon the centralising efforts of the RSI planners, throughout the late spring and summer of 1945, the CIAI administrators sought to strengthen the authority of the Industrial Committees by ensuring their absorption of all of the technical-economic and statistical services of defunct Fascist trade associations¹⁶. Furthermore, the CIAI constantly reiterated that the sectorial planning bodies of the RSI were not the expression of private interests, but state organs¹⁷. The CIAI’s economic experts were indeed continuing the actions undertaken by Rocca and other managers shortly before the Liberation: allocating raw materials to maintain Northern Italian industries operational, while strengthening the planning powers of the Committees.

On 9 July 1945, the CIAI administrators however began to discuss the possible democratisation of the Industrial Committees by including trade organisations’ representatives from both business and labour, while ensuring

¹⁵ FA, AAR, 56/117, fo. 3.

¹⁶ ‘Riunione dell’1.5.1945 di tutti i commissari dei comitati industriali’, ACS, MIC, CCI-SIAI/1, fo. 1.

¹⁷ ‘Resoconto della riunione plenaria dei commissari dei settori industriali del 30/05/1945’, ACS, MIC, CCI-SIAI/1, fo. 2.

that the Commissioners of the Industrial Committees would remain technical experts appointed by the CLNAI¹⁸. As a result, the CIAI's industrial-control efforts soon had to accommodate two compromises long abhorred by the IRI managers: the attribution of some regulatory powers to the representatives of *Confindustria*, and the partial democratisation of industrial policy. For the remainder of 1945 and early 1946, *Confindustria* continued to counter the functioning of the Industrial Committees and worked to prevent the extension of their tasks to the other structural problems of industrial reconstruction¹⁹.

Following Italy's administrative unification in early 1946, the last Minister of Industry and Commerce of the Kingdom of Italy, the Christian Democrat Giovanni Gronchi (1887-1978), attempted to extend the former RSI's industrial-control system to Italy's central and southern regions by attaching it to his Ministry. A former Catholic trade unionist and a founding member of the Italian Popular Party (PPI), Gronchi had already served as Under-Secretary for Industry and Commerce in Mussolini's first government in 1922-23. According to the former IRI cadre and future central banker Guido Carli (1914-93) – then Director of the Italian Foreign Exchange Office in Rome – “though not a Fascist”, Gronchi “was inclined towards an administered, corporatist economy”²⁰. In the spring of 1946 the CIAI remained in Milan and renamed the Northern Italian Industrial Sub-Commission (SIAI) whilst the Industrial Committees became “Sections”²¹. The SIAI was subordinated to the new Central Industrial

¹⁸ ‘Resoconto della riunione plenaria straordinaria dei commissari dei comitati industriali del 9 luglio 1945’, ACS, MIC, CCI-SIAI/1, fo. 2.

¹⁹ ‘Resoconto della riunione dei commissari dei comitati industriali del 3 gennaio 1946’, ACS, MIC, CCI-SIAI/1, fo. 3.

²⁰ G. Carli, *Cinquant'anni di vita italiana* (Bari, 1993), p. 44.

²¹ ‘Regolamento interno per il funzionamento della sottocommissione e delle sezioni’, ACS, MIC, CCI-SIAI/1, fos. 1-3.

Commission (CCI), based in Rome and attached to Gronchi's ministry²². The chief tasks of the re-organised industrial-control apparatus – assigned by the Italian government in agreement with the Allies – remained the distribution of the raw materials and industrial products supplied by UNRRA, and the enforcement of the ministry's veto power over the construction of new industrial plants.

The composition of the new organs was similar to that of the CIAI. The two bodies comprised technical experts from the Ministry of Industry and Commerce (MIC), delegates from the Italian General Confederation of Labor (CGIL) and the *Confindustria*, as well as the representatives of public enterprises. Notable participants included Pasquale Saraceno, recently appointed as the head of the Technical Secretariat of the MIC; Roberto Tremelloni, serving as Under-Secretary for Industry; the engineer Oscar Sinigaglia, Chairman of IRI's FINSIDER subsidiary since March 1945 and the Institute's Vice-President from November 1946 until July 1947; Angelo Costa (1901-76), the president of *Confindustria* since December 1945; and the Communist economist Bruzio Manzocchi (1917-60), representing the CGIL. Like the CLNAI, the MIC thereby preserved the 'democratised' techno-corporatist industrial-control apparatus of the former RSI. This allowed the Roman government to plan the rationing of scarce raw materials and continue the re-activation of key public and private industries. Another continuity with the RSI was the hiring of IRI personnel as ministerial officials. This further suggests that the MIC – much like its RSI predecessor – had the ambition of becoming Italy's chief industrial planning organ by co-opting IRI's personnel.

²² 'Verbale della riunione tenuta il 29/3/1946 tenuta presso la sottocommissione alta Italia', ACS, MIC, CCI-SIAI/1, fo. 2.

As the historian Camillo Daneo has observed, in 1945-47 the CIAI and then the Ministry's CCI-SIAI complex was well placed to undertake long-term industrial planning tasks, similar to those of the General Planning Commissariat (CGP)²³. Rocca's 1945 letter to the CIAI planners in July 1945 strongly advocated for the preservation of the Industrial Committees as part of a long-term industrial restructuring programme. In the summer of 1945, the IRI official Alberto Campolongo, formerly a close collaborator of Rocca and head of the research department of the Ansaldo works in Genoa from 1941 to 1948, also praised the "serious work" undertaken by the CIAI/SIAI and proposed that their jurisdiction should be extended "beyond the importation of raw materials, to that of national production, plants and financial means" by "prolonging their validity to much longer time periods"²⁴. Campolongo formulated his proposals within the framework of his own call for a national reconstruction plan, which placed significant emphasis on the "structural productive rationalisation" of key sectors such as iron, steel and engineering²⁵. Resistance planners such as Morandi and especially Lenti – a concealed protégé of both Rocca and Campolongo in 1943-45 – similarly identified industrial rationalisation as a key component of the reconstruction process.

This scenario seemed all the more likely after Rodolfo Morandi succeeded Gronchi as the first Minister of Industry of the newborn Italian Republic in July 1946. One of the most important initiatives carried out by Morandi's Ministry were the enquiries of the Reconversion Commission, tasked with exploring the possible developments that Italian industrial sectors could undertake in their

²³ Daneo, *La politica economica della ricostruzione 1945-1949* (Turin, 1975), p. 331.

²⁴ A. Campolongo, *Ricostruzione economica dell'Italia* (Milan, 1946), p. 158.

²⁵ *Ibid.*, pp. 159-61.

transition towards a peacetime economy. The commission members included technical experts such as the former Ministry of Corporations official Eugenio Anzilotti (1885-1972), then General Director of the Ministry of Foreign Trade; the former IRI official Guido Carli; the IRI-affiliated engineer Luigi Sarracino; the statistician Alessandro Molinari (1898-1962), Director of the Central Statistical Institute (ISTAT) since 1929; the statistician Mario Saibante (1902-58); and the chemist Vincenzo Caglioti (1902-98) from the National Research Council (CNR)²⁶.

The commission relied on a network of 27 engineers, chemists and industrial managers from both public and private enterprises to collect vital information on the developmental key sectors such as electricity, mining, metallurgy, machine tools, chemicals, and textiles²⁷. Sinigaglia for example supplied the data on the iron and steel sector²⁸. The recruitment of these experts was an expression of the 'managerial revolution' that Morandi wanted to promote at the MIC through cooperating with technical experts and civil servants, who had previously served the Fascist regime. In line with Morandi's 'industrialist' ambitions, the report – published in February 1947 – denounced the technical and organisational backwardness of Italian industry as well as the lack of adequate technical education, emphasising that Italian universities trained only 754 engineers in 1938-42 against 4,869 jurists, political scientists and economists²⁹.

²⁶ Commissione per la Riconversione, *Rapporto al Ministero dell'Industria e del Commercio* (Rome, 1947), p. 88.

²⁷ *Ibid.*, pp. 9-11.

²⁸ *Ibid.*, p. 9.

²⁹ *Ibid.*, pp. 69-70, 74-5.

Morandi's choice of Sinigaglia as the expert in charge of the report's iron and steel section also indicated the minister's endorsement of IRI and FINSIDER's solution to the 'Italian iron and steel problem': the concentration of national production in large-scale modern integrated steelworks capable of supplying cheap raw materials to the mechanical sector. In line with Morandi's attention for this particular sector, in August 1946 the MIC also instituted a special commission, charged with studying the possible post-war developments of the iron and steel industry. The Commission's chair was Ernesto Santoro, the Ministry's General Director for Industry and holder of the same position at the Ministry of Corporations in 1933-43³⁰. Its members included Sinigaglia, Ernesto Manuelli (1906-85) – FINSIDER's General Manager since 1945 – two delegates of *Confindustria* and two representatives of the CGIL³¹.

Alongside the CIAI/SIAI's Industrial Committee for Iron and Steel, this tripartite commission was the Italian organ that most closely resembled the French Modernisation Commission for Steel (CMSID). The commission's report, drafted on 8 September 1946 called for an increase in the supply of raw materials for Italian steelworks and for the "allocation of adequate funds for the damaged plants"³². The report however explicitly refrained from indicating any guidelines on the long-term restructuring of the plants, emphasising that these initiatives would be dependent on the restoration of a stable supply of raw materials from abroad³³. Consequently, the document gave no indication as to whether Italian steel production should be concentrated in large-scale integrated

³⁰ 'Sottocommissione per le industrie siderurgiche- Relazione, 8 settembre 1946', ACS, IRI-Nera, STU/13, fo. 1.

³¹ *Ibid.*, fo. 1.

³² *Ibid.*, fos. 7-8.

³³ *Ibid.*, fo. 5.

plants or in smaller electrical steelworks reliant on scrap, as FINSIDER's private adversaries advocated. Nevertheless, it indicates the ambition of the MIC under Morandi to direct the reconstruction of the iron and steel industry by developing a plan that would affect both public and private enterprises as well as involving the trade unions.

Morandi also intended to involve the CCI-SIAI complex in the management of long-term industrial reconstruction. At the SIAI meeting of 15 March 1947 Morandi pointed out that his Ministry required a specific organisation to "study and coordinate the serious problems of industrial production, foreign trade and reconstruction"³⁴. The country needed an "economic programme", which had to be "constantly examined, controlled and revised in order to ensure its adherence to (...) the economic and industrial situation"³⁵. According to Morandi the CCI-SIAI was the organ best adapted to perform this role, as it required "the technicians and the managers of enterprises to protect the general interests against possible arbitrary decisions"³⁶. The speech thus indicates that Morandi intended to charge the CCI-SIAI apparatus with the formulation and execution of a long-term industrial reconstruction programme, based on cooperation between the state, industrial experts and organised interests, and targeting both public and private enterprises. Nevertheless, prior to the breakdown of the anti-Fascist coalition government in May-June 1947 the Ministry neither acquired the planning powers advocated by Morandi, nor was it able to launch a comprehensive long-term industrial restructuring programme.

³⁴ 'Verbale della sottocommissione tenuta alla camera di commercio di Milano il 15/3/1947', ACS, MIC, CCI-SIAI/1, fo. 2.

³⁵ Ibid., fo. 2.

³⁶ Ibid., fo. 2.

Several factors can explain this failure. To begin with, as pointed out by the economist Paolo Baffi (1911-89), then chief economist of the Bank of Italy, between the Liberation and the 1947 split the Treasury Ministry in Rome was dominated by economic liberals such as Epicarmo Corbino (1890-1984), whose dogmatic belief in sound finance and *laissez-faire* prompted them to “resist the spending requests coming from the economic ministries in charge of single sectors” such as the MIC³⁷. As long as Corbino, and his equally conservative successors – the Christian Democrats Giovanni Battista Bertone (1874-1969) and Pietro Campilli (1891-1974) – were in office, Morandi’s attempts to acquire the funds necessary for a long-term industrial re-structuring plan would have been rebuffed.

Nevertheless, the Treasury’s orthodox liberalism was not the only factor, which explained the MIC’s inability to launch a nation-wide industrial restructuring initiative. The representatives of the *Confindustria* also constantly reiterated that the Ministry’s regulatory powers should be limited to the rationing of scarce raw materials and should not extend to any other long-term plans³⁸. This was in line with the stances of *Confindustria*’s President, Costa, who outlined his categorical opposition to planning in March 1946, while being interviewed by the commission of experts that the Constituent Assembly charged with studying the chief problems of post-war economic reform. During his interview Costa bluntly stated: “to plan is to make mistakes”³⁹. Furthermore, the leader of *Confindustria* also refused state intervention as a necessary

³⁷ P. Baffi, ‘Memoria sull’azione Einaudi, 1945-1948’, in *Testimonianze e ricordi* (Milan, 1990), p. 59 ; M. De Cecco, ‘La politica economica durante la Ricostruzione, 1945-1951’, in S.J. Woolf (ed.), *Italia 1943-1950, La Ricostruzione*, (Bari, 1974) pp. 289-90.

³⁸ ‘Resoconto della riunione della sottocommissione del 19/4/1946’ ACS, MIC, CCI-SIAI/1, fo. 2.

³⁹ Ministero per la Costituente, *Rapporto della commissione economica presentato all’Assemblea Costituente II: Industria II-Appendice alla relazione (interrogatori)*, (Rome, 1946), p. 82.

response to the “complexities of modern productive life” and reiterated: “as long as the state regards its intervention as a creator of wealth, it will only obtain the same results as those of Fascism”⁴⁰. This use of the anti-Fascist card to discredit the general idea of state planning also contributed Morandi’s failure to turn the MIC and the bodies it inherited from the RSI into the coordinators of a long-term industrial reconstruction plan. Saraceno indeed confirmed that the aftermath of the Liberation was characterised by a “widespread tendency to identify anti-Fascism with economic liberalism”, which significantly interfered with the implementation of radical *planiste* solutions to the problems of economic reconstruction⁴¹.

Another major business adversary of the CIAI and its successor institutions was Giovanni Falck (1900-72), the son of Giorgio Enrico (1866-1947) – the chief opponent of Rocca’s plan to restructure the iron and steel industry in the late 1930s – who referred to these organs as “an impediment to the demanded return to normality”⁴². Probably through the mediation of his anti-Fascist brother Enrico (1899-1953) – one of the founders of the Christian Democracy (DC) and a member of the CLNAI – in April 1945 Giovanni had been appointed as the new leader of the Milanese *Confindustria*⁴³. The anti-Fascist rehabilitation of the Falcks thus contributed to the private sector’s offensive against the possible expansion of the planning powers of the defunct RSI’s industrial-control apparatus. The empowerment of *Confindustria* through the inclusion of their delegates in the CIAI and then in the MIC’s CCI-SIAI complex

⁴⁰ Ministero per la Costituente, *Rapporto della commissione economica: Industria II* p. 83.

⁴¹ Saraceno, *Intervista sulla ricostruzione*, p. 125.

⁴² *Ibid.*, p. 203.

⁴³ Ferrari-Aggradi, *La svolta*, p. 102; H. James, *Family Capitalism: Wendels, Haniels Falcks, and the Continental European Model* (Princeton NJ, 2006), p. 264.

eventually resulted in the outcome that Rocca had warned against in the summer of 1945: the exploitation of liberalism as an expedient to prevent the state-led re-organisation of Italian industry. Ironically enough, the former enemies of the disgraced Fascist technocrat were at the forefront of the private producers' offensive against Morandi's *planiste* ambitions.

Nevertheless, hostility towards the entrustment of more planning powers to the MIC, but also came from some IRI managers. When interviewed by the Constituent Assembly's economic advisors, FINSIDER managers acknowledged that only an economic plan would ensure the re-organisation of the iron and steel sector⁴⁴. Nevertheless, they identified IRI as the "technical organ" best suited to carry out state directives and that no other bodies were necessary "to ensure IRI's activities conformed to the general criteria of state policy"⁴⁵. The FINSIDER managers were thus determined to prevent the return of the administrative polycentrism of the pre-war years by defending the Institute's autonomy from ministerial interference. In 1937-40 the Ministry of Corporations – the MIC's predecessor – had indeed significantly interfered with the implementation of IRI and FINSIDER's plan for the rationalisation of the iron and steel industry. Not accidentally, the very first draft of Sinigaglia's sectorial modernisation programme in April 1947 – reprising the guidelines of Rocca's 1937 'autarchic' plan – was not prepared by the ministerial commission appointed by Morandi, but exclusively by FINSIDER's planners⁴⁶. To overcome

⁴⁴ Ministero per la Costituente, *Rapporto della commissione economica presentata all'Assemblea Costituente II: Industria III-Appendice alla relazione (questionari e monografie)* (Rome, 1946), p. 45.

⁴⁵ *Ibid.*, p. 44.

⁴⁶ 'Situazione attuale e piani di sistemazione delle aziende siderurgiche del gruppo FINSIDER', ACS, IRI-Nera, STU/39/2, fos. 10-11.

administrative polycentrism and the opposition of vested interests, industrial planning had to be the exclusive prerogative of the IRI.

FINSIDER's stance was in line with the positions that Rocca and Sinigaglia took in the summer of 1945: "ministries should not perform managerial tasks" and should entrust these functions to "the IRI or to another organ that relies on industrial methods and men"⁴⁷. Rocca even added that "entrusting this or that [ministerial] General Directorate to engineers such as Rocca or Sinigaglia would not be enough" to alter the bureaucratic nature of a Ministry⁴⁸. This particular point – one of the chief differences between Rocca and the French *Mines* engineers at the Ministry of Industrial Production – suggests that he and Sinigaglia would have also been sceptical of Morandi's attempt to turn the MIC into a technocratic institution. IRI's pre-war and wartime conflicts with the Roman bureaucracy had probably been so acute that Rocca eventually convinced himself that ministerial organs were beyond any possibility of reform. For Rocca, the RSI's Ministry of Industrial Production – where he had served in 1944-45 – and the earliest version of the CIAI probably constituted exceptions to this rule because they had been set up in the industrial North, away from the 'legalistic' mentality of the Roman civil service.

Even some former CIAI officials were hostile to its transformation into the coordinator of Italy's long-term industrial reconstruction. During his interview by the Constituent's economic advisors on 2 April 1946 Bruno Chiesa, the commissioner of the Industrial Committee for quarries, argued that planning was an "intrinsic concept of us technicians", who "want to plan everything". This

⁴⁷ 'A.R. a Sinigaglia Oscar, 12 luglio 1945', FA, AAR, 52/15, fo. 5.

⁴⁸ *Ibid.*, fo. 5.

concept however clashed with a “country of individualists”, which was “insubordinate and opposed to planning”⁴⁹. The difficulties encountered by CIAI officials during the industrial-control experiments of 1945-46 thus caused some of them to dismiss planning as a naïve ambition of deluded technocrats incapable of acknowledging the individualistic nature of the Italian people.

The caution of the trade unions towards potentially socially disruptive industrial restructuring plans also contributed to sinking the prospect of a tripartite planned reconstruction effort led by the Ministry of Industry and Commerce (MIC). Despite Sinigaglia’s efforts to win over CGIL leaders such as the Socialist Oreste Lizzadri, trade-unionists did not endorse FINSIDER’s sectorial plan⁵⁰. The CGIL indeed insisted that the restructuring of Italian steelworks should not imply lay-offs⁵¹. The prioritisation of full employment over the modernisation of the industrial apparatus thus rendered tripartite technocratic planning more unlikely in Italy than in France.

Finally and most importantly, as the Economic Commission remarked, no major economic reform could take place before the end of the constitutional debate, therefore implying that these reforms could only take place in 1948⁵². Experts and civil servants were merely supposed to advise the Constituent Assembly in its effort to build the foundations of Italian post-war democracy. This differentiated Italian democrats from their French counter-parts, who allowed a new generation of technocratic civil servants to introduce the CGP before the end of the French constitutional debate.

⁴⁹ Ministero per la Costituente, *Rapporto della commissione economica: Industria II*, p. 542.

⁵⁰ ‘Sinigaglia a Oreste Lizzadri 8/1/1947’, ACS, IRI-Nera, STU/39/2, fo. 2.

⁵¹ *Ibid.*, fo. 1.

⁵² Ministero per la Costituente, *Rapporto della commissione economica: Industria II*, p. 460.

IRI in early Post-Fascist Italy: Reform Proposals and Missed Opportunities

Another fundamental component of the industrial policy pursued by early post-Fascist national unity governments was the decision to preserve the Institute for Industrial Reconstruction (IRI). Between the Liberation and the break-up of the Anti-Fascist coalition government in May 1947 IRI contributed to Italy's industrial re-activation and began to work on long-term sectorial reconstruction programmes. This was also a time of ambitious institutional reform proposals to transform IRI into the chief organ in charge of coordinating national industrial reconstruction. Nevertheless, managerial hesitations, governmental neglect and the opposition of vested interests contributed to the failure of this ambition. Even the Constituent's economic advisors were unable to reach a consensus on the future of this institution.

Following the Liberation of the North, the IRI offices formerly controlled by the Italian Social Republic (RSI) were taken over by the Northern Italian Liberation Committee (CLNAI), which appointed the Institute's new Northern Commissioner: the engineer Roberto Einaudi (1906-2004)⁵³. Einaudi was the son of the liberal economist and central banker Luigi Einaudi (1874-1961), and one of the representatives of the Italian Liberal Party (PLI) within the CLNAI. Yet, Roberto had also been an intimate collaborator of Agostino Rocca and was one of the protagonists of FINSIDER's pre-war attempt to restructure the Italian iron and steel sector⁵⁴. His decision to join the Resistance and the PLI is thus not only

⁵³ Ferrari-Aggradi, *La svolta*, p. 101.

⁵⁴ Fumi, 'Dalla fine del fascismo', p. 543.

indicative of the IRI managers' conversion to democracy, but also of their determination to obtain the support of Italy's new ruling parties, including those formerly hostile to state intervention and industrial policy. IRI's shareholdings were not the only nationalised enterprises that the Resistance inherited from the Fascist regime. The CLNAI also appointed the Christian-Democratic manager Enrico Mattei (1906-62) as Commissioner of the General Italian Oil Company (AGIP), who immediately re-launched its hydrocarbon research programme with the cooperation of his Fascist predecessor, the engineer Carlo Zanmati (1896-1978)⁵⁵.

Between the Liberation and the spring of 1946, IRI's offices cooperated with the Northern Italian Industrial Council (CIAI) in the re-activation of the North's industries. As Saraceno pointed out, the short-term programmes for the distribution of the raw materials supplied by the UNRRA were prepared in IRI's Milanese offices⁵⁶. This is a further indication of the synergetic relationship between the IRI and the CIAI. In the meantime, the resumption of contacts between the IRI officials who had found themselves on either side of the 'Gothic Line' also revived a managerial network that lobbied in favour of the Institute's survival. One of these exchanges was the correspondence between Rocca and Oscar Sinigaglia in the summer of 1945. On 21 June 1945 Rocca suggested to his fellow engineer that "IRI should be a centre for economic- industrial studies", tasked with "clarifying and divulgating problems, and above all training managers"⁵⁷. The Institute should also remain "as the state's chief organ in the

⁵⁵ Ferrari-Aggradi, *La svolta*, pp. 101, 160.

⁵⁶ Saraceno, *Intervista sulla ricostruzione*, p. 46.

⁵⁷ 'R.A. a Sinigaglia Oscar, 21 giugno 1945', FA, AAR, 52/13, fo. 3.

field of industrial nationalisation”⁵⁸. Warning against the dual dangers of “plutocracy” and “bureaucracy”, Rocca insisted that IRI should be “an industrial and not bureaucratic organisation”, charged with executing governmental directives with “an industrial mentality”⁵⁹. Rocca’s opinions, shared by Sinigaglia, thus illustrate the IRI managers’ determination to shield the Institute’s technocratic character and autonomy from the bureaucratic interference of the economic ministries.

IRI’s veteran administrators were not alone in their advocacy for the preservation of the Institute’s technocratic connotations. In September 1945, the Italian Liberal Party (PLI) – under the pressure of its younger generation of affiliates – published a pamphlet on industrial reform by the former IRI cadre Guido Carli, which contrasted the party’s traditional hostility to state intervention⁶⁰. In line with Rocca and Sinigaglia, Carli argued that he did “not share the opinion of those who believe that all the economic experiences undertaken during the Fascist regime should be indiscriminately condemned”⁶¹. On these grounds Carli distinguished IRI’s industrial rationalisation efforts of the 1930s – for example FINSIDER’s 1937 sectorial plan – from other industrial policy initiatives of the Fascist regime such as the Ministry of Corporations’ regulation of new plant constructions⁶². Carli praised the Institute’s technocratic credentials and “organisation”, arguing that “a body of functionaries with common interests and operating under a central authority” had “the advantage

⁵⁸ FA, AAR, 52/13,, fo. 12.

⁵⁹ Ibid., fo. 12.

⁶⁰ P. Barucci, *Ricostruzione, pianificazione, Mezzogiorno: La politica economica in Italia dal 1943 al 1955* (Bologna, 1978), pp. 57-8.

⁶¹ G. Carli, *La riforma industriale in Italia* (Rome, 1945), p. 55.

⁶² Ibid., pp. 34-5, 60.

over a public [sector] without cohesion and lacking a defined policy, which can only operate coherently under a strong guidance”⁶³.

The former IRI cadre indeed argued that entrusting the coordination of post-war industrial reconstruction to technical experts such as the Institute’s managers constituted an antidote to some of the possible shortcomings of planning. These shortcomings comprised: “subordination of economics to politics”, the “multiplication of bodies between those that decide and those that execute”, and the private sector’s “resistance to the controls of external inspectors aimed at collecting data on economic problems to draft the plans”⁶⁴. According to Carli, IRI constituted the only organ capable of combining industrial expertise with public administration, earning the trust of private entrepreneurs, preventing the proliferation of competing planning agencies, while keeping politics outside the sphere that belonged to economic experts. It is worth noting that as of November 1945, IRI’s offices in Rome still answered directly to the Prime Minister. It was therefore not accidental that Carli presented the Institute as a model managerial agency, free from ministerial interference.

Following Italy’s administrative reunification in early 1946, IRI’s northern offices were subordinated to its Roman headquarters, led by its Commissioner Leopoldo Piccardi since September 1944. Piccardi’s management of the reunified IRI was however short-lived. In March 1946 the government appointed a new board of directors, and the Commissioner was demoted to the rank of Chairman of the Ansaldo works. On 19 April the government modified the IRI’s organisation by subordinating the Institute to the directives of the Inter-

⁶³ Carli, *La riforma industriale*, p. 30.

⁶⁴ *Ibid.*, pp. 55-6.

Ministerial Committee for Reconstruction (CIR), the council of economic ministers charged with coordinating national economic policy since December 1945⁶⁵. The decree also modified the composition of IRI's board of directors by including the representatives of all of the economic ministries, the Governor of the Bank of Italy and other public financial institutions⁶⁶. By the spring of 1946 the spectre of ministerial interference and administrative polycentrism had thus come back to haunt the resurrected Institute. The government's decision – which contradicted the liberators' original intention to preserve IRI's autonomy from ministerial interference – was probably the consequence of the Fascist past of its technical experts, which Sinigaglia highlighted in his correspondence with Rocca⁶⁷.

Nevertheless, between the spring of 1946 and the summer of 1947 some IRI technocrats, continued to elaborate ambitious proposals for the Institute's re-organisation and the reiteration of its autonomy. In early 1947 Giovanni Malvezzi – re-appointed as IRI's General Manager in May 1946 – elaborated the most radical proposal advanced in the early post-Fascist years in relation to the Institute's future industrial planning activities. According to Malvezzi “in the modern political-economic system” the state “must intervene to regulate and control – as the agency in charge of propelling and coordinating rationalisation instruments – the productive activity of the most important enterprises”⁶⁸. IRI's Research and Planning Office – set up by Pasaquale Saraceno in February 1947 – should thus become the “technical instrument” in charge of “authorising new

⁶⁵ MIC, *L'Istituto per la ricostruzione industriale*, p. 386.

⁶⁶ *Ibid.*, pp. 385-6.

⁶⁷ 'Sinigaglia Oscar a R.A., lett., Terminillo 14 agosto 1945', FA, AAR, 52/19, fos. 1-2

⁶⁸ 'Note per la riorganizzazione dell'Istituto per la Ricostruzione Industriale', ACS, IRI-Nera, STO/568/2, fo. 1.

industrial plants, allocation of raw materials, assigning industrial orders on behalf public administrations (...) etc.”⁶⁹.

To this end, Malvezzi argued that IRI’s planning office should build closer relations with the other institutions concerned with economic and industrial problems such as the National Research Council (CNR), the National Statistical Institute (ISTAT), the *Confindustria* and other trade organisations ⁷⁰. Moreover, as IRI should remain a “technical organ”, ministerial representation within the Institute’s board of directors should be limited to the representatives of the Ministry of Industry and Commerce (MIC), the Ministry of the Treasury and the Ministry of Foreign Trade ⁷¹. The rest of IRI’s administration should be exclusively be entrusted to “representatives of industry, technicians and experts”⁷². The Institute’s control over the private sector would be ensured through its Inspectorate, which would monitor the activities of private enterprises⁷³. To further strengthen the Institute’s grip over the private sector, Malvezzi suggested integrating into IRI the tasks of the *Istituto Mobiliare Italiano* (IMI), Italy’s chief public industrial credit institute⁷⁴.

Malvezzi therefore proposed transforming IRI into the Italian Republic’s chief national planning organ, capable of coordinating industrial, trade, credit and rationing policies within the framework of a reconstruction plan. This would transform IRI into the chief coordinator of Italy’s post-war organised capitalist economy. In this way, Malvezzi’s reform thus far closer to the ‘Nordio Scheme’ of

⁶⁹ ACS, IRI-Nera, STO/568/2, fos. 3-4.

⁷⁰ *Ibid.*, fo. 4.

⁷¹ *Ibid.*, fo. 4.

⁷² *Ibid.*, fo. 4.

⁷³ *Ibid.*, fo. 9.

⁷⁴ *Ibid.*, fos. 8-9.

1944, which advocated the creation of the RSI's Institute of Management and Finance (IGEFI).

To finance IRI's reconstruction plans, Malvezzi requested a 15 billion lire increase in its endowment fund⁷⁵. However, his contacts with the economic ministries were limited to "some colloquia with the Minister of Finance in the last months of 1946 and with the Minister of Industry" in March 1947⁷⁶. Moreover, when in February 1947 Malvezzi had asked the Ministry of the Treasury to finally make a decision about the Institute's institutional position and financial situation, he received no response⁷⁷. As the historian Ferruccio Ricciardi points out, the indifference exhibited by the Treasury Minister Pietro Campilli towards the Institute was pivotal in sinking Malvezzi's proposal before June 1947⁷⁸. This is not surprising, considering the Treasury's liberal record in early post-war Italy. But the failure of Malvezzi's project cannot entirely be attributed to the Treasury's orthodox intransigence. The postponement of any major industrial reform to the end of the constitutional debate also definitely played a role in preventing the implementation of the scheme prior to the 1947 split.

Furthermore, as Malvezzi argued in his report, the poor managerial performance of the elderly jurist and pre-Fascist moderate politician Giuseppe Paratore (1876-1967)– IRI's President from March 1946 until June 1947 – did not facilitate the general manager's efforts⁷⁹. During his interview by the Constituent's economic advisors on 13 April 1946 Paratore was so unprepared

⁷⁵ ACS, IRI-Nera, STO/568/2, fo. 8.

⁷⁶ 'Gestione commissariale: Riservato personale', IRI-Nera, STO/568/2, fo. 6.

⁷⁷ *Ibid.*, 5.

⁷⁸ F. Ricciardi, 'Il "Management" del "Governo della scarsità": L'IRI e i piani di ricostruzione economica', *Studi Storici*, 46/1 (2005), p. 135.

⁷⁹ ACS, IRI-Nera, STO/568/2, fos. 2-3.

about IRI that he refused to discuss the matter with the panel⁸⁰. Furthermore, he favoured the entrustment of the “regulatory plan” for Italy’s economic reconstruction to the vehemently anti-*planiste* Treasury⁸¹. Malvezzi’s own direct superior was therefore either too unprepared to support his reform proposal or more willing to entrust reconstructive plans to hostile ministerial organs. Even the undoubtedly *planiste* Rodolfo Morandi seemed unresponsive to Malvezzi’s proposal, probably on the grounds that he intended to launch an industrial reconstruction programme coordinated by the MIC rather than by the IRI.

What also likely contributed to the government’s inability to make a decision prior to the 1947 split were the contrasting views that key industrial administrators and business leaders had on IRI’s fate. The files of the Constituent’s Economic Commission are quite illustrative of these divergent opinions. Luigi Morandi, Rodolfo’s brother and the General Manager of Montecatini – the *de facto* monopolist in Italy’s chemical industry – argued that IRI should be transformed in Italy’s “planning office”, a new, staffed by “economists and technicians, capable of establishing an “integrative” form of planning with the authority to coordinate both the public and the private sectors⁸². The Communist economist Antonio Pesenti, who served IRI’s Vice-President under Paratore in 1946-47, also intended to charge the Institute with the “general coordination of our industrial policy, particularly in relation to reconstruction and economic recovery”⁸³. Pesenti’s position reflected the stance of the Italian Communist Party (PCI), which the Finance Minister Mauro

⁸⁰ Ministero per la Costituente, *Rapporto della commissione economica: Industria II*, p. 452.

⁸¹ *Ibid.*, p. 460.

⁸² *Ibid.*, pp. 96-7.

⁸³ Ministero per la Costituente, *Rapporto della commissione economica: Industria III*, p. 51.

Scoccimarro (1895-1972) echoed in a May 1946 pamphlet that identified IRI as “the instrument capable of re-organising Italy’s industrial economy”⁸⁴.

By contrast, the former Commissioner Piccardi believed that IRI should not become Italy’s new central planning organ. In his view national planning should be entrusted to other unspecified bodies, while IRI should aid the latter “by exercising its influence over the economic system”⁸⁵. The IRI manager Enrico Ottolenghi, himself a member of the Economic Commission, also rejected transforming the Institute into a “Ministry of Planning”⁸⁶. To avoid administrative confusion, rather than “inheriting the activities of the existing regional and poly-regional committees” – the MIC’s organs inherited from the RSI– IRI should instead “plan for itself”⁸⁷. Even some of IRI’s own managers therefore preferred to limit the Institute’s planning powers to its own shareholdings, leaving the management of the private sector’s reconstruction to the MIC’s industrial-control bodies: the Central Industrial Commission (CCI) and the Northern Italian Industrial Sub-Commission (SIAI).

Sinigaglia, who also served as the Institute’s Vice President from November 1946 until July 1947 was equally sceptical about extending IRI’s planning powers to the private sector. Both during his interview by the Constituent’s economic advisors and his correspondence with the more explicitly *planiste* Rocca, Sinigaglia insisted that IRI’s sectorial plan for the iron and steel industry should be limited to the steelworks controlled by FINSIDER, and thus exclude any ambition to plan private industrial investments. According to Sinigaglia, it was “useless to challenge capitalist forces” by proposing excessively

⁸⁴ M. Scoccimarro, *Su alcuni aspetti del nostro programma* (Rome, 1946), p. 15.

⁸⁵ Ministero per la Costituente, *Rapporto della commissione economica: Industria II*, p. 30.

⁸⁶ ‘L’IRI e la sua funzione nell’economia industriale italiana’, ACS, IRI-Nera, STO/522/5, fos. 97-8.

⁸⁷ *Ibid.*, fo. 98.

audacious *planiste* and statist projects⁸⁸. Not accidentally, as the historian Alessandro Zussini has observed, Sinigaglia was particularly hostile to Malvezzi, and played a key role in turning the rest of IRI's board of directors against the General Manager throughout the spring of 1947⁸⁹.

Also opposed to IRI's *planiste* ambitions was Angelo Costa, the Catholic liberal-conservative President of *Confindustria*. The Genoese entrepreneur argued that IRI should "ideally cease to exist", but the impossibility of its privatisation meant that it could only be de-centralised⁹⁰. The private steel magnate Giovanni Falck reiterated Costa's views, attacking IRI as a creation and beneficiary of Fascist *dirigisme*. According to Falck, the Fascist regime, IRI and FINSIDER had "carried out an assault on the private steel industry" in the form of the autarchic plan, which had attempted to concentrate steel production in its integrated plants to the detriment of scrap-reliant private steelworks⁹¹. In his mind, IRI could only be allowed to survive in post-Fascist Italy if its firms accepted fair and free competition, and the state ceased to bend the rules in their favour⁹². The interviews with Costa and Falck illustrate that the anti-*planiste* leadership of the *Confindustria* was opposed to transforming IRI into a national planning agency. Falck was particularly cunning in emphasising IRI's Fascist origins and portraying his private enterprise as a victim of FINSIDER's pre-war attempt to re-organise fundamentally the iron and steel sector.

Nevertheless, self-interest rather than ideology however likely motivated Costa and Falck's attacks on IRI. As a private ship-owner, Costa was threatened

⁸⁸ 'Sinigaglia Oscar a R.A. 13 giugno 1945', FA, AAR, 52/12, fo. 1.

⁸⁹ A. Zussini, 'Una battaglia solitaria all'IRI: L'attività del Direttore Generale Malvezzi nel 1947', *Vita e Pensiero* 33/3 (1998), p. 260.

⁹⁰ Ministero per la Costituente, *Rapporto della commissione economica: Industria II*, p. 89.

⁹¹ *Ibid.*, p. 201.

⁹² *Ibid.*, pp. 200-1.

by IRI's quasi-monopoly over the merchant navy and thus had an interest in ensuring the de-centralisation of an institution that seriously threatened his business activities. The same grounds accounted for the Falcks, whose scrap-reliant steelworks would have definitely suffered from the implementation of FINSIDER's sectorial programme in favour of integrated plants. The two entrepreneurs thus opposed the preservation of IRI and called for the reduction of its planning powers because the Institute's sectorial plans would have significantly interfered with their business ventures. IRI was therefore perceived as a threat by private industrialists not only because of its *dirigiste* connotations, but also because of the determination of its managers to re-organise the structure of Italy's industrial economy. As Rocca had predicted in 1945, by 1946-47, the same forces that had exploited corporatism to block the initiatives of Fascist modernisers were now rediscovering liberalism in order to block industrial rationalisation in the early post-Fascist period.

Saraceno also accused the Italian General Confederation of Labour (CGIL) of not having contributed to early-post war debates concerning industrial policy, especially to IRI's planning initiatives, regardless of their similarity to the industrial equipment objectives of the early Soviet Five-Year Plans⁹³. This suggests that the labour movement's lack of interest in industrial policy also contributed to prevent a comprehensive reform of the Institute before the 1947 split. According to the files of the Constituent's Economic Commission, the representatives of Venetian, Ligurian and South Tyrolean labour chambers did exhibit an interest in maintaining IRI as an instrument of post-war industrial re-

⁹³ P. Saraceno, 'Intervento', in *Il Piano del Lavoro della CGIL 1949-50: Atti del convegno organizzato alla Facoltà di economia e commercio dell'Università di Modena 9-10 maggio 1975* (Milan, 1975), pp. 165-170.

structuring and nationalisations⁹⁴. Nevertheless, the contributions of the Milanese labour delegates interviewed by the Constituent's economic advisors remained vague and doctrinaire, avoiding any reference to existing institutions⁹⁵. Most importantly, the CGIL leader, Giuseppe Di Vittorio did not participate in the debate on economic policy, preferring to focus on the reform of the trade unions and reassert their independence from the state⁹⁶. Building an independent trade-union movement was thus deemed more important than involving it in the reform of one of the chief institutional pillars of modern Italian organised capitalism.

The maintenance of the IRI, and the attempt to re-organise the planning bodies of the RSI as branches of the MIC therefore indicate that between 1945 and 1947, an ideologically heterogeneous coalition of *planiste* politicians, technical experts and civil servants ensured the post-Fascist survival of the technocratic and corporatist planning bodies that the Italian Republic inherited from the Fascist regime. Nevertheless, the firm intransigence of private industrial leaders, the CGIL's lack of enthusiasm towards industrial policy, and the Treasury's resistance to significant budgetary expenditures, and the divisions that characterised Italy's *planiste* camp, prevented Italian planners from agreeing upon a shared multi-sectorial industrial reconstruction plan and identifying a clear chain of command between the available planning bodies. Both technocracy and corporatism thus survived the Liberation, but no technocorporatist synthesis was achieved by June 1947.

⁹⁴ Ministero per la Costituente, *Rapporto della commissione economica: Industria III*, pp. 27-8, 45-6.

⁹⁵ Ministero per la Costituente, *Rapporto della commissione economica: Industria II*, pp. 275-6.

⁹⁶ Ministero per la Costituente, *Atti della commissione per lo studio dei problemi del lavoro I: Relazioni-questionari-interrogatori-inchieste* (Rome, 1946), pp. 174-6.

PART FOUR:
CONSOLIDATING ORGANISED CAPITALISM
(1947-53)

By early 1947 both French and Italian planners deemed American capital as vital for the pursuit of the industrial restructuring programmes prepared after the Liberation. France and Italy's acceptance of the European Recovery Programme (ERP) however came with the expulsion of Communist forces from the coalitions that had ruled the two countries since 1944-45. The breakdown of the two coalitions resulted in the progressive exclusion of labour representatives from industrial planning organs and the accentuation of the technocratic nature of these agencies. Although they shared this direction of travel, between 1947 and 1953, the Italian and French varieties of organised capitalism also began to radically diverge from one another.

In France the Modernisation and Equipment Plan (PME) survived the centrist turn of 1947-48. By 1952, the General Planning Commissariat (CGP) and the MPI succeeded in co-opting both public and private enterprises into executing the basic industrial modernisation programmes drafted by the Modernisation Commissions (CMs) in 1946-47. French planning bodies did undergo some important changes, starting with the dismantlement of the raw material allocation instruments available to the Ministry of Industrial Production (MPI) by 1949-50. In 1948-49 the CGP also lost its bid to control the PME's budget to the Ministry of Finance, and the CMs were deprived of their initial function to monitor the long-term execution of the plan. Nevertheless, the

maintenance of the sectorial Directorates of the MPI, and the resilience of the cooperative relationship between the planners and industrial managers, still allowed the French developmental state to re-structure key public and private industries. Also crucial was the support of the Ministry of Finance, which thanks to the creation of Treasury's the Modernisation and Equipment Fund (FME), mobilised the financial resources of the state budget at the service of the PME.

The programme of the Modernisation Commission for Steel (CMSID) succeeded in encouraging key projects such as the creation of new industrial conglomerates, the modernisation of integrated steelworks in the Nord, Lorraine and Normandy, and the installation of two wide-strip rolling mills. The cooperation between the engineers of the *Corps des Mines* from the civil service and those inside the Syndical Chamber of the Iron and Steel Industry (CSSF) became vital for the successful implementation of this sectorial programme. Benefiting from their bonds with public administration, these managerial 'new men' successfully even pushed some of the most reluctant *anciens patrons* into endorsing the planners' agenda.

In Italy, in contrast, the political changes of 1947-48 brought about some important victories for economic liberalism. By the summer of 1948, the Ministry of Industry and Commerce (MIC) lost the techno-corporatist planning commissions inherited from Fascism. This deprived the Italian state of a crucial instrument for the orientation of long-term private industrial investments. In the meantime, the centrist government provided the Institute for Industrial Reconstruction (IRI) with a new charter, which limited its range of action to its shareholdings. This reform put an end to the prospect of extending the Institute's influence into the private sector.

IRI's new statute however allowed the Institute and its sectorial subsidiaries to draft and implement their own sectorial modernisation programmes within the framework of the European Recovery Programme (ERP) between 1948 and 1953. It was in this context that the IRI's planners succeeded in their effort to re-launch the strategy for the reconstruction and modernisation of the integrated plants owned by IRI's FINSIDER. However, private producers independently pursued the reconstruction of their scrap-reliant plants, and even succeeded in obtaining ERP technical and financial aid. Making this possible was the fact that the new organs of the economic ministries in charge of allocating Marshall Aid – notably those of the MIC – treated IRI and its private rivals as equals. Rather than facilitating the coordination of the investment programmes of nationalised and private industries, this framework favoured the implementation of rival programmes. Even following the removal of this administrative framework, the Italian state relied on the largest public industrial sector in Western Europe, but fundamentally lacked the instruments to subject both nationalised and private enterprises to a coherent strategy.

VII. TECHNO-CORPORATISM IN ACTION: FRENCH INDUSTRIAL POLICY DURING THE MONNET PLAN

(1947-52)

The Execution of the PME and the Consolidation of France's Planning Apparatus

On 4 May 1947, the government led by the Socialist Paul Ramadier expelled the French Communist Party (PCF), thus ending the tripartite alliance that had led France since 1944. Growing US-Soviet tensions and working-class unrest against the wage-restraint policies imposed by reconstruction lay at the root of the split. The French Section of the Workers International (SFIO) remained a member of the Third Force governmental coalition until July 1951. This allowed *planiste* Socialist ministers such as Robert Lacoste to sustain Jean Monnet and the Modernisation and Equipment Plan (PME), which became the foundation of the French tranche of the European Recovery Programme (ERP). As Richard Vinen has observed, "both liberals and *dirigistes* wanted French production to be based on concentrated modern industries" and pursued policies which complemented the launching of the PME¹. This enabled the anti-inflationary stabilisation programme launched by the centrist Finance Minister René Mayer (1895-1972) in January 1948, which Monnet identified as a "necessary pre-condition to his own interventionist industrial plan"². In this way, the PME remained the centrepiece of French industrial policy until 1952-53.

¹ R. Vinen, *Bourgeois Politics in France, 1945-51* (Cambridge, 1995), p. 269.

² *Ibid.*, p. 269.

As Herrick Chapman however highlights, after their departure from government and the PCF and their allies in the General Confederation of Labour (CGT) withdrew their support for the “battle of production”³. This inevitably affected the composition of several political-economic institutions such as nationalised enterprises and the Modernisation Commissions (CMs) of the General Planning Commissariat (CGP). By the end of 1947, the eviction of the PCF cost the CGP planners the collaboration of Communist labour leaders such as François Billoux and Benoît Frachon⁴. Despite his sincere commitment to industrial modernisation, the CGT’s chief representative on the Modernisation Commission for Steel (CMSID), Alfred Costes, also withdrew his support in February 1948⁵. Even Pierre Le Brun, Monnet’s chief ally within the CGT, rejected the ERP and withdrew from the CM for the electrical industry⁶. Le Brun however served in the CM at least until the end of 1949 and even contributed to the drafting of the deflationary stabilisation programme executed by the Finance Ministry in early 1948⁷. Costes and Lebrun’s behaviour was coherent with the political strategy of the PCF, which, prior to its endorsement of the Cominform line in the autumn of 1947, still considered itself a “governmental party”, committed to *travaillisme* and the ‘battle of production’⁸.

Despite the PCF’s gradual shift towards the opposition, the CGP was determined to maintain its links with the CGT. According to Price Director Louis Rosenstock-Franck, even during the disruptive strikes of late 1947, “the Planning

³ Chapman, *France’s Long Reconstruction*, pp. 178-9.

⁴ Monnet, *Memoirs*, p. 256.

⁵ ‘Note sur la position de la Fédération des Travailleurs de la Métallurgie de France et d’outre mer sur le rapport de la commission de la Sidérurgie’, AN, CSSF, 19900482/50, fos. 3-4.

⁶ Monnet, *Memoirs*, p. 257.

⁷ Société Didot-Bottin *Annuaire Général de l’Administration Française-1949* (Paris, 1949), p. 75; *Journal Officiel de la République Française, Lois et Décrets*, 2 Oct. 1947, p. 9870.

⁸ R. Mencherini, *Guerre Froide, Grèves Rouges: Parti Communiste, Stalinisme et luttes sociales en France- Les Grèves insurrectionnelles de 1947-48* (Paris, 1998), pp. 127, 141.

Commissariat remained a calm island where Pierre Le Brun and his CGT friends were still open to discuss the future of our production”⁹. Jean Monnet described the 1947 split in the ruling coalition as a nefarious event, dictated by “electoral considerations and ideological battles”, which introduced “a point of view incompatible with the principles underlying the Plan”¹⁰. According to François Bloch-Lainé, Director of the Treasury at the Finance Ministry from 1947 to 1953, “Monnet had wanted to prevent, and then sincerely deplored the official rupture with the Communists and the split within the most important labour organisation”¹¹. Monnet had no Socialist sympathies, but he pursued the inclusion of labour representatives within key planning bodies as he deemed the CGT and the PCF essential partners in his quest to modernise French industry.

The eviction of the PCF from government however marked a significant victory for French technocracy. As Chapman argues, by the early 1950s within nationalised enterprises “production committees” were either abolished or demoted “from decision-making to consultative bodies” – especially in the coalfields – thus allowing managers to trump industrial democracy¹². The protagonists of this development were engineers such as Louis Armand (1905-71) at the National Railways (SNCF), Roger Gaspard (1902-82), Pierre Massé (1898-1987) at *Electricité de France* (EDF), and Pierre Lefauchaux at Renault. Nationalisations thus meant neither the achievement of socialism nor the restoration of pre-war capitalism, but the completion of the technocratic take-over of French industry that had begun with the institution of the Organisation

⁹ L. Franck, Rosenstock, *697 ministres: Souvenirs d'un directeur de prix, 1947-1962* (Paris, 1990), p. 26.

¹⁰ Monnet, *Memoirs*, p. 257.

¹¹ Bloch-Lainé and Bouvier, *La France Restaurée*, p. 139.

¹² Chapman, *France's Long Reconstruction*, p. 181.

Committees (COs) in 1940. As Chapman points out, these managers were not hostile to *dirigisme*, and were the enforcers of the “*étatisation* of public enterprise”¹³. Gaspard had for example served as Director for the Electrical Industry at the Ministry of Industrial Production (MPI) and Vice-President of the competent CM¹⁴. As of April 1949, the PME still constituted an “executive order” for nationalised enterprises, thus confirming their role as instruments of state-led industrial modernisation¹⁵.

Chapman also highlights that labour’s exclusion from industrial management was not common to all public enterprises. At EDF modernisation-inclined CGT leaders such as Le Brun and Marcel Paul maintained a cooperative relationship with the management, thus consolidating “techno-corporatism” as the defining feature of the firm’s governance in the post-war era¹⁶. This meant that despite their formal withdrawal from the CMs, Marxist trade unionists sustained the CGP’s agenda of industrial modernisation the planners through alternative channels. The French Confederation of Christian Workers (CFTC) and the SFIO-affiliated Workers’ Force (FO) also kept cooperating with the CGP¹⁷.

Between 1947 and 1952 the French planning apparatus underwent two significant transformations. The first concerned the role of the MPI, led by the Socialist *planiste* Lacoste from 1947 until 1950, and then by the Catholic centrist engineer Jean Marie-Louvel (1900-70) until 1954. By 1950, the MPI – renamed the Ministry of Industry and Commerce in 1948 – lost pivotal central planning and raw material allocation offices such as the Directorate of Industrial

¹³ Chapman, *France’s Long Reconstruction*, p. 182.

¹⁴ CGP, *Rapport Général*, p. 189.

¹⁵ CGP, *Le Plan de Modernisation et d’Équipement pour les années 1949 à 1952* (Paris, 1949), p. 106.

¹⁶ Chapman, *France’s Long Reconstruction* p.187; Frost, *Alternating Currents*, pp. 2-3.

¹⁷ *Ibid.*, p. 189.

Coordination¹⁸. The Ministry's Consultative Committee for the Iron and Steel Industry remained operational at least until its suppression December 1948, assisting the Iron and Steel Directorate in allocating raw materials and in the drafting of the short-term production programmes complementary to the PME¹⁹. The transformation of the Ministry of Industry into an executive branch of the CGP, prompted historians such as Henry Rousso to speak of a "relative decline of the 'great' ministry of the 1940s"²⁰.

Yet, in his reply to Rousso, the engineer Pierre Dreyfus (1907-94), the Ministry of Industry's head of cabinet in 1947-49, stated that the Ministry still "had to aid the modernisation, restructuring and development of French industry"²¹. Dreyfus particularly stressed that "Monnet did not know what a plan was", except for the "setting of very broad objectives", thus hinting that the CGP required the Ministry's assistance to ensure the short-term implementation of the PME²². Despite the reforms, the Ministry of Industry thus carried out key functions such as the coordination of the R&D centres set up by the law of 22 July 1948, and the surveillance of the PME's sectorial programmes²³. Between 1947 and 1952 the Iron and Steel Directorate – merged with the Mines Directorate since 1949 – was charged with "preparing and monitoring the execution of all the contractual agreements approved by the state to favour the development of the industrial and commercial branches under [the Directorate's] control"²⁴.

¹⁸ Rousso, 'Le Ministère de l'industrie', pp. 30-1.

¹⁹ 'Procès-verbal de la 48^e Réunion du Comité Consultatif de la Sidérurgie du 18 Décembre 1948', AN, Commerce et Industrie, F12/10946/1, fo. 1.

²⁰ Rousso, 'Le Ministère de L'industrie', p. 31.

²¹ P. Dreyfus, 'Débats-le Ministère de l'industrie et le Plan', in *De Monnet à Massé*, p. 71.

²² *Ibid.*, p. 71.

²³ CGP, *Annexes au Quatrième Rapport Semestriel sur la réalisation du plan de Modernisation et Équipement* (Paris, 1949), p. 44.

²⁴ Société Didot-Bottin, *Annuaire Général de l'Administration Française-1947* (Paris 1947), p. 295; Société Didot-Bottin, *Annuaire Général de l'Administration Française-1952* (Paris, 1952), p. 312.

The second important change was the growing role of the Ministry of Finance, which in 1948 absorbed the Ministry of the National Economy (MEN) and reduced it to the rank of State Secretariat for Economic Affairs. According to the career civil servant Claude Gruson – head of the Ministry’s Office of Economic and Statistical Studies (SEEF) since 1948 – Treasury Director François Bloch-Lainé was the protagonist of this shift, which transformed the *Rue de Rivoli* into a key component of the French planning apparatus²⁵. Bloch-Lainé argued that the Ministry’s involvement into the PME was due to the reluctance of the nationalised banks to finance the plan’s industrial modernisation programmes. Faced with the bankers’ inflationary concerns and ideological bias against planning, in late 1947 the planners hence began to work on the idea of a separate budget for the PME, administered by the CGP.²⁶ On 1 October 1947, the CGP was provided with its own “Investments Commission”, charged with “examining and proposing the revision of the investment programmes of the enterprises belonging to the basic sectors from 1 November 1947 to 31 December 1948”²⁷. The commission’s chairman was the *Ponts* engineer Roger Boutteville, President of the CM for the electrical industry²⁸.

In December 1947 Monnet proposed to appoint a special “study commission” tasked with devising a special “autonomous fund for the financing the investments by basic industrial activities”²⁹. The Planning Commissioner suggested the appointment of three engineers and former Vichy planners as the

²⁵ Gruson, *Origines et espoirs*, p. 46.

²⁶ Bloch-Lainé, *Profession: Fonctionnaire*, pp. 105-6.

²⁷ CGP, *Annexes au Troisième Rapport Semestriel sur la réalisation du Plan de Modernisation et Équipement* (Paris, 1948), pp. 172-3.

²⁸ *Ibid.*, p. 173.

²⁹ ‘Proposition de créer une commission d’étude pour l’institutionnalisation du Plan de Modernisation et Équipement’, AN, CGP, 80AJ/1, fos. 1, 4.

CGP's representatives: Frédéric Surleau, the former Director of the General Delegation for National Equipment (DGEN), Boutteville and Eugène Roy³⁰. The proposal also insisted that the CMs should perform a "permanent role in the execution of their programmes", but would only meet "two times a year to ascertain the achieved results in view of the published six monthly report"³¹. This project was coherent with Monnet and Surleau's determination to minimise 'political' ministerial interference with the directives of the CGP and with their support for an autonomous PME budget. The governmental decree of 15 March 1948 initially endorsed the planners' proposition by attaching Boutteville's "Investments Commission" to the CGP³². Furthermore, the Technical Division's files suggest that the CM such as Paul Maillard monitored the execution of the sectorial plans by personally inspecting industrial facilities at least until mid-1949³³.

Nevertheless, in June 1948 Bloch-Lainé eventually persuaded Mayer, then Minister of Finance, to subordinate both the Investments Commission and the "Modernisation and Equipment Fund" (FME) to the *Rue de Rivoli*³⁴. The reform placed the Treasury at the service of the PME, but ensured that "the Ministry of Finance remained the chief allocator of all public funds"³⁵. Mayer's official decree of 10 June 1948 appointed the Minister of Finance as the FME's chairman, assisted by his Directors of the Treasury and the Budget.³⁶ Other board members included the CGP Commissioner, the Governor of the Bank of France, and the

³⁰ AN, CGP, 80AJ/1, fo. 6.

³¹ *Ibid.*, fo. 5.

³² CGP, *Annexes au Troisième Rapport*, p. 173.

³³ 'Paul Maillard à Monsieur Senicourt, 21 Juin 1949', AN, CGP, 80AJ/274/1, fo. 1; 'Paul Maillard à Monsieur Dolveck, 21 Juin 1949', AN, CGP, 80AJ/274/1, fo. 1.

³⁴ Bloch-Lainé, *Profession: Fonctionnaire*, p. 109.

³⁵ *Ibid.*, p. 109.

³⁶ *Journal Officiel de la République Française, Lois et Décrets*, 10 June 1948, p. 5638.

Director of Economic Programmes, who answered to the CGP³⁷. The balance of power within the FME favoured the Ministry of Finance, but still allowed the CGP to influence the allocation of the financial resources required by the plan.

Within this framework, the representatives of the “technical ministries” – Industry, Transports, Agriculture – submitted the annual tranches of the PME’s sectorial programmes to the Investments Commission³⁸. According to the testimony of the business leader Jacques Ferry, access to public funding by French steelmakers entailed the submission of “dossiers” by the concerned firms to the Iron and Steel Directorate, which would then transmit them to the Ministry of Finance³⁹. From 1949 onwards the CMs hence finally acquired the purely consultative role that distinguished them from Vichy’s COs, leaving all executive functions to the Ministry of Industry’s Directorates. This new arrangement was the consequence of the pressures exercised by the Council of French Employers (CNPF), liberal economists such as Charles Rist and conservative economic ministers like Antoine Pinay (1891-1994), who served as State Secretary for Economic Affairs in 1948-49, and as both Finance Minister and Prime Minister in 1952-53. These pressures forced the planners into adopting “planning that is flexible in its methods (...) and accommodating itself to an accelerated return to a free economy”⁴⁰.

Yet, the attribution of these new responsibilities marked the *Rue de Rivoli’s* long awaited conversion to *planisme*. According to Gruson, the FME allowed the Ministry to “abandon the comfortable position of the classic financier” in favour of performing “the double role of the banker and the

³⁷ JO, *Lois et Décrets*, p. 5638.

³⁸ *Ibid.*, p. 5638.

³⁹ Ferry and Mioche, *Jacques Ferry et la sidérurgie*, pp. 69-70.

⁴⁰ Kuisel, *Capitalism and the State*, p. 245.

industrialist”, thus becoming “morally committed to finance the investment programmes entailed by the plan”⁴¹. Bloch-Lainé described his reform as the process that allowed the Treasury to become the “banker of the national economy”⁴². Between 1948 and 1952, thanks to ERP aid, the FME helped to finance the most important industrial modernisation projects of the PME, focusing on the nationalised sector and on private industrial branches such as iron and steel⁴³. Monnet had perhaps failed to subordinate the Ministry of Finance to the CGP, but Bloch-Lainé and his colleagues definitely expanded its duties and placed it at the service of the PME’s industrial expansion programme. This younger generation of *Inspecteurs des Finances*, incarnated by Bloch-Lainé and Gruson, ensured the administrative continuity necessary for the Ministry of Finance’s commitment to the PME throughout the governmental instability of the late 1940s. Ministers made short-term “small decisions”, but the civil service retained its grip over long-term “big decisions”⁴⁴.

Thanks to this “tyranny of the bureaus”, the “grey eminences” of the *Inspection des Finances* ensured that each minister would remain loyal to the PME’s agenda⁴⁵. Even intransigent adversaries of *dirigisme* such as Pinay were persuaded. Bloch-Lainé described Pinay as a champion of the “ghosts of pre-war years”, but under his ministerial term, “public investment suffered only small damages”⁴⁶. According to Jean Bouvier’s estimates, in 1952 the Council of Ministers approved roughly 86% of the industrial investments submitted by the

⁴¹ Gruson, *Origines et espoirs*, p. 43.

⁴² Bloch-Lainé, *Profession: Fonctionnaire*, p. 104.

⁴³ *Ibid.*, p. 116.

⁴⁴ *Ibid.*, p. 98.

⁴⁵ *Ibid.*, p. 99.

⁴⁶ CGP, *Annexes au Quatrième Rapport*, p. 171.

FME's board, and 75% of those sanctioned by the CGP⁴⁷. The most severe cut in state-funded industrial investments occurred in 1949 when the Council of Ministers approved only 60% of the investments submitted by the CGP⁴⁸. In 1950 and 1951 approved investments accounted for respectively 87% and 84% of the CGP's requests⁴⁹. This is indicative of the pressure exercised by the *Inspection des Finances* in favour of the PME. Pinay's policies hence marked "the successful marriage of the classic liberalism of before the war with the dynamic mechanisms of neo-capitalism"⁵⁰.

Also contributing to the PME's success was private enterprise's newfound enthusiasm for expansion and modernisation. Aside from occasional criticisms of excessively *dirigiste* measures such as price controls and raw-material allocations, private large-scale industry remained loyal to the CGP. As Bloch-Lainé stressed, the PME indeed constituted an opportunity to renovate French industry, according to the latest achievements of technical progress. Support for the PME especially came from industrial managers, who had been "students of the *grandes écoles*" and "had found themselves in the private sector after a stay in public administration", while retaining "an attachment for high state offices"⁵¹. The *Polytechnicien*, *Mines* engineer and former CO leader Jules Aubrun, President of the Syndical Chamber of the French Iron and Steel Industry (CSSF) until 1952, incarnated this new type of industrial leader. In a February 1951 report, Aubrun stressed the fruitful collaboration between the CSSF and the CMSID, and highlighted that "iron and steel companies [had] accepted to renounce some of

⁴⁷ Bloch-Lainé and Bouvier, *La France Restaurée*, p. 158.

⁴⁸ *Ibid.*, p. 158.

⁴⁹ *Ibid.*, p. 158.

⁵⁰ J. Rioux, *The Fourth Republic, 1944-1958* (Cambridge, 1987), p. 197.

⁵¹ Bloch-Lainé and Bouvier, p. 232.

their freedom in the common interest”⁵². Aubrun also added that French steelmakers would still “charge their trade organisation and its organs” such as the “Iron and Steel Technical Association” (ATS) – then still led by the fellow *Mines* engineer and CMSID member Alexis Aron – “with controlling their own modernisation programmes and the employment of the credits at their disposal, under the scrutiny of the Iron and Steel Directorate”⁵³. Between 1947 and 1952, the Directorate remained entrusted to two engineers from the *Corps des Mines*: Albert Bureau and Albert Denis (1914-2010). Unsurprisingly, the managerial *Mines* engineer and CMSID member Henri Malcor referred to these ministerial officials as “comrades of almost my age”⁵⁴.

Secondly, Bloch-Lainé regarded this new managerial elite as an agent of a “new Saint-Simonianism”, a “materialist religion”, aligned with the planners’ agenda⁵⁵. According to Bloch-Lainé, one of the chief promoters of this new Saint-Simonianism was the Association of the Association of Industrial Managerial Cadres (ACADI), which included *Mines* engineers such as the CNPF Vice-President Pierre Ricard and Roy, chairman of the CMSID until his death in 1949⁵⁶. As indicated in his contribution to a CGP-sponsored 1952 pamphlet, Ricard regarded productivity as one of the key concepts that animated the final phase of the PME’s execution. Ricard particularly praised the initiative of the Professional Technical Centres, tripartite sectorial R&D offices jointly managed by the MPI and trade organisations. These centres were charged with “promoting technical progress and participating in the improvement and

⁵² ‘L’effort de la sidérurgie française depuis 1944’ AN, CSSF, 19900482/21, fo. 2

⁵³ *Ibid.*, fo. 2.

⁵⁴ Malcor, ‘Un sidèrurgiste’, p. 180.

⁵⁵ Bloch-Lainé and Bouvier, *La France Restaurée*, p. 233.

⁵⁶ *Ibid.*, pp. 231-3; ‘Annuaire de l’Association des Cadres Dirigeants de l’Industrie’, *Bulletin de l’ACADI*, [Paris], no. 13, (Dec. 1947), p. 29.

guaranteeing of quality within industry”⁵⁷. Each Centre’s board of directors included, managers, “representatives of technical education”, and a “Government Commissioner appointed by the Minister of Industry” with “veto powers”⁵⁸. Ricard regarded the initiative as a “happy compromise between authoritarian state intervention and economic liberalism”⁵⁹.

The survival of the CGP-led planning apparatus and its modernising agenda after 1947, and especially after dismantlement of key *dirigiste* instruments in 1948-49, was thus also due to the consolidation of a managerial private industrial leadership, which endorsed the planners’ Saint-Simonian vision, and shared an educational background with public administrators, which favoured cooperation rather than hostility. These technocratic mediators between industry and public administration accepted some state coercion in exchange for the implementation of structural changes designed to boost the productivity and profitability of their enterprises. At the same time, this arrangement still allowed the state to transform private industries and trade organisations into public-policy instruments.

⁵⁷ CGP, *Annexes au Quatrième Rapport*, p. 44.

⁵⁸ *Ibid.* p. 44.

⁵⁹ P. Ricard, ‘L’expérience de la fonderie’ in J. Fourastié (ed.), *Productivité: des idées et des réalisations* (Paris, 1952), p. 18.

Techno-Corporatism and the Modernisation of the French Iron and Steel Industry

One of the most important achievements of the 1947-52 Modernisation and Equipment Plan (PME) was the re-structuring of the French iron and steel industry. The implementation of this sectorial plan is indicative of Richard Vinen's claim that the General Planning Commissariat (CGP), the Modernisation Commissions (CMs) and the economic ministries constituted the cornerstones of a "relatively autonomous state" bent on modernising the structures of French industrial capitalism⁶⁰. This process involved a mixture of coercion and persuasion, through which the planners succeeded in winning the backing of the Syndical Chamber of the French Iron and Steel Industry (CSSF).

The tripartite Modernisation Commission for Steel (CMSID) developed the final guidelines of the PME's iron and steel programme by February 1947. This ambitious sectorial plan constituted a much more detailed and expanded version of the projects elaborated by the Organisation Committee for Steel (CORSID) in 1944-45. Its chief objective remained the concentration of mass steel production into 15 modern large-scale integrated plants reliant on iron ore: Denain and Valenciennes (Nord); Senelle, Mont Saint Martin, Micheville and Réhon (Longwy Basin); Knutange, Thionville, Homécourt, Rombas, Hagondange, Hayange, and Joeuf-Moyeuvre (Mosel Basin); Neuves-Maisons (Nancy Basin); and Mondeville (Normandy)⁶¹. These projects entailed the construction of at least three new integrated Thomas steelworks (Mont Saint Martin, Hayange and

⁶⁰ Vinen, *Bourgeois Politics*, p. 99.

⁶¹ 'Rapport de la Commission de Modernisation de la Sidérurgie, Fevrier 1947', FJME, JM, AMF/9/5, fos. 190-1.

Joeuf-Moyeuivre) and the modernisation of the remaining plants by expanding the capacity of their blast furnaces, Thomas converters, and Martin-Siemens furnaces. The upgrade of the Hayange and Denain plants was closely connected with the installation of two new US-made wide-strip rolling mills⁶². The ultimate aim of these operations was to concentrate 2/3 of French raw steel production (8 million tons) into Thomas plants by 1950 ⁶³. This figure was nearly 25% higher than France's entire steel output in 1936 ⁶⁴. The productive share of the upgraded Thomas plants would increase to 10 million out of a national output of 15 million tons⁶⁵. French state planners and their allies from both the CSSF and the CGT were thus set on launching the comprehensive renovation of France's integrated steelworks, which would rely on Lorraine's iron ore reserves and become the chief suppliers of the national machine-tool sector. This outcome was coherent with the planners' expectation that the Ruhr's coal reserves would remain under Allied control⁶⁶.

Additionally, the CMSID sought to restructure the smaller and scrap-reliant plants of the Centre-Midi (Centre, Loire and Pyrenees). For the Loire, the CMSID advocated a rationalisation programme, which would imply the creation of two distinct industrial groups. The Loire's Eastern Group would rely on two steelworks: a Martin-Siemens plant in Marrel and one electrical plant in St-Chamond⁶⁷. The Loire's Western group would instead rely on the Martin-

⁶² FJME, JM, AMF/9/5, fos. 139, 164.

⁶³ Ibid., fo. 113.

⁶⁴ Ibid., fo. 28.

⁶⁵ Ibid., fo. 113.

⁶⁶ Milward, *The Reconstruction*, p. 137.

⁶⁷ FJME, JM, AMF/9/5, fo. 92.

Siemens steelworks of St-Etienne and on the Firminy electrical furnaces. This implied the closure of Martin-Siemens plants in St-Chamond and Firminy⁶⁸.

The CMSID report also contained indications on the administrative procedure that would manage the execution of the sectorial plan. This would be regulated through “contractual agreements” brokered between the state, the CSSF, industrial groups and individual enterprises “in accordance with the law on industrial programmes of 26 April 1946”⁶⁹. The CMSID would be periodically informed about the plan’s progression and “study the modifications” necessary to adjust the plan to new conditions⁷⁰. The short-term surveillance of the plan’s execution would be entrusted to the Iron and Steel Directorate of the Ministry of Industrial Production (MPI)⁷¹. Despite being almost entirely private, the restructuring of France’s iron and steel sector would be subjected to tight state controls. Ambitious projects such as the reconstruction of the Hayange and Jeuf-Moyeuivre steelworks, and the installation of Lorraine’s wide-strip rolling mill implied the acceptance of state directives by the plants’ owners, the de Wendels, the leaders of the pre-war *Comité des Forges*. The CMSID planners thus intended to restore the grandeur of France’s iron and steel industry in exchange for the *anciens patrons*’ acceptance of a state-led strategy.

A report published by the Iron and Steel Technical Association (ATS) in May 1948 suggests that these controls were implemented in 1947-48. According to the document, on 28 June 1947, the MPI attributed “the responsibility to authorise new constructions to the Iron and Steel Directorate” – then still led by the *Mines* engineer and CMSID Vice-President Albert Bureau – following

⁶⁸ FJME, JM, AMF/9/5, fo. 92.

⁶⁹ *Ibid.*, fo. 206.

⁷⁰ *Ibid.*, fo. 206.

⁷¹ *Ibid.*, fo. 207.

consultations with the CSSF and the ATS⁷². The report also stated that the ATS had demanded the various firms to “submit their 1947-48 programmes” and “specify their new construction programme for 1948-49”⁷³. This was part of the ATS’ effort to “accelerate the examination of new constructions by the Directorate”⁷⁴. By May 1948, the ATS had succeeded in brokering the institution of a “monthly liaison meeting” with the Directorate to discuss “the requests and the points of view of the trade organisation”⁷⁵. This procedure confirms the essential function played by the Directorate in monitoring the short-term execution of the PME’s sectorial programme by assessing the extent to which the new construction projects submitted by private producers were coherent with the directives issued by the CMSID. The mediating role played by the ATS in the procedure confirms the enduring techno-corporatist characteristics of French industrial policy. As of 1947-48, the chief cadres of the ATS included the *Mines* engineers Léon Daum and Alexis Aron, who had both served in the CORSID, and were both founding members of the Association of Industrial Managerial Cadres (ACADI). Technical expertise thus functioned as the chief link between private enterprises, trade organisations and state planning agencies.

The procedure did not prevent tensions arising between public administrators and trade representatives. On 7 June 1947 the CSSF President, Jules Aubrun, denounced that Bureau’s handling of the relationship between the Directorate and the trade organisation was still “too rigid” and hence still in

⁷² ‘Compte rendu de l’activité de l’Association Technique Mai 1948’, AN, Groupement Industrie Sidérurgique, 19890471/20, fo. 7.

⁷³ *Ibid.*, fo. 7.

⁷⁴ *Ibid.*, fo. 8.

⁷⁵ *Ibid.*, fo. 8.

continuity with the tight controls exercised by the CORSID⁷⁶. Bureau however argued it would be “inconvenient to abandon the effort undertaken in so many years”, including when Aubrun led the CORSID⁷⁷. Equally supportive of the Directorate’s stance was the CGT delegate Regis Crochat, who argued that state controls should be maintained, especially “in the field of new constructions” as well as in that of the “re-activation of blast furnaces”⁷⁸. According to Crochat, the CSSF required the Directorate’s guidance “in order to undertake its decisions in the general interest”⁷⁹. Even after the split of May 1947, CGT trade unionists were still committed to the PME’s objectives and therefore willing to back Bureau’s effort to maintain the development of the iron and steel sector under the strict control of his Directorate. The *dirigiste* administrative framework was thus maintained and the PME’s executive phase took off. According to the CGP’s report of October 1947, reparations had begun at the Mondeville steelworks, whilst the Denain-Anzin and North Eastern Steelworks had brokered a “joint venture”, which would coordinate the installation of the recently acquired Northern wide-strip rolling mill⁸⁰.

Tensions between state officials and some CSSF members however re-emerged during the CMSID meeting of 27 October 1947. The meeting’s attendees included the CMSID President Eugène Roy; the CGT delegate Alfred Costes; business representatives Aron, Henri Malcor and René Damien; and two state officials: Bureau and Etienne Hirsch, still head of the CGP’s Technical Division.

⁷⁶ ‘Procès Verbal de la 28^e Réunion du Comité Consultatif de la Sidérurgie du Samedi 7 Juin 1947’, AN, Commerce et Industrie, F12/19046/1, fos. 1-2.

⁷⁷ *Ibid.*, fo. 6.

⁷⁸ *Ibid.*, fo. 6.

⁷⁹ ‘Note définissant la position de la Chambre Syndicale de la Sidérurgie’, FJME, JM, AMF/9/5 fos. 6-7.

⁸⁰ CGP, *Rapport sur les résultats obtenus dans la réalisation du Plan de Modernisation et Équipement au cours du premier semestre 1947*, (Paris, 1947) p. 143.

During the meeting, Aron submitted a report on behalf of the CSSF, which endorsed the CMSID's modernisation programme, but refused to indicate the inefficient plants that should be closed down⁸¹. The CSSF report argued that "rationalisation [was] a continuous effort to be constantly adapted to the changing characteristics of the internal market" and thus could not be conceived "within the framework of a doctrinal programme"⁸². This meant that Aron and part of his colleagues were willing to endorse the technical upgrade of existing steelworks, but rejected the PME's effort to concentrate production into a specific set of large-scale units at the expense of smaller plants. As an industrial expert Aron had been one of the chief authors of the plan. Yet, as the mediator between the CMSID and the CSSF, he rejected the PME's harshest rationalisation measures.

Aron's polemical stance met the hostility of both trade unionists and state officials. Costes accused Aron of refuting his own opinion that a radical rationalisation programme would play a central role in the reconstruction of France's iron and steel sector⁸³. According to Costes, "the improvement of manufacturing quality" could not be achieved "by maintaining all the existing installations"⁸⁴. "Certain modifications", were "indispensable" and the "Commission's role [was] precisely to clarify their necessity to trade organisations, the government and public opinion"⁸⁵. Refuting the chief principles of the sectorial programme was inadmissible, as "the national interest

⁸¹ CGP, *Rpport sur les resultats*, pp. 4-5.

⁸² *Ibid.*, p. 4.

⁸³ 'Procès Verbal de la 35ème Réunion-27 Octobre 1947', FJME, JM, AMF/9/5, fos. 6-7.

⁸⁴ *Ibid.*, fo. 7.

⁸⁵ *Ibid.*, fo. 7.

[was] not different from that of iron and steel industry itself”⁸⁶. Costes’ contribution to the discussion is indicative of the support that some Communist CGT leaders still exhibited in favour of the PME, despite the PCF’s exclusion from the coalition government. By endorsing the cause of industrial rationalisation and insisting on the primacy of the CMSID in the plan’s chain of command, the CGT trade unionist sought to emphasise his role as an industrial expert rather than a Communist militant. For Costes, the CMSID was no instrument of interest mediation, but an administrative tool that allowed experts to dictate the PME’s directives to private industry.

Both Bureau and Hirsch shared Costes’ frustration. The ministerial Director pointed out that the CSSF’s report featured “unjustifiable scepticism” and invited Aron and Aubrun to draft a version of the rationalisation programme in line with CMSID’s directives⁸⁷. The head of the CGP’s Technical Division regrettably acknowledged that the CSSF’s response had been “negative” and “unconstructive”⁸⁸. Hirsch reiterated that the “circumstances imperatively [required] a modernisation effort” and a drastic “decrease in resale prices”⁸⁹. The “essential” problem of “specialisation and concentration” of production thus had to be resolved “in proper time”⁹⁰. This hints that both the CGP and the MPI had no intention of abandoning the CMSID’s rationalisation programme, regardless of the CSSF’s opinion.

Not all CSSF members rejected the CMSID’s sectorial plan. Managers such as Roy, Malcor and the fellow *Mines* engineer Damien disagreed with Aron’s

⁸⁶ FJME, JM, AMF/9/5, fo. 7.

⁸⁷ *Ibid.*, fo. 9.

⁸⁸ *Ibid.*, fo. 8.

⁸⁹ *Ibid.*, fo. 8.

⁹⁰ *Ibid.*, fo. 8.

polemic. Damien even convened with Bureau and Hirsch that the CSSF should elaborate its own concentration programme⁹¹. This suggests that the managers of the large-scale integrated plants that were intended to significantly benefit from the PME abandoned class solidarity in favour of supporting an industrial strategy that was beneficial to their particular business interests. It is however also important to point out that Roy, Malcor and Damien had been members of the managerial elite that after both 1940 and 1944 sought to capture the institutional borderlands between industry and public administration in order to fulfil their own vision of a resurgent industrial France.

Following this tense discussion the concerned agencies however continued the execution of the sectorial plan. On 17 January 1948 Bureau firmly declared that the CMSID's plan was "indispensable" and had to be "encouraged" with the help of ERP aid and within the framework of the recent "ministerial decrees that [had] consolidated the main functions of the old Professional Offices (OPs) – the reformed COs active until April 1946 – especially in the field of production programmes and new constructions"⁹². Bureau thus reiterated the imperative nature of the PME's iron and steel programme and pivotal role of his Directorate in its execution. On 7 February 1948 the Iron and Steel Directorate's Consultative Committee agreed to close the Toulouse steelworks by the end of March⁹³. This was indicative of the pressure that the Ministry continued to exercise on French steelmakers in accordance with the CMSID's directives,

⁹¹ FJME, JM, AMF/9/5, fo. 6.

⁹² 'Procès Verbal de la 37^e Réunion du Comité Consultatif de la Sidérurgie du Samedi 17 Janvier 1948', AN, Commerce et Industrie, F12/10946/1, fo. 3.

⁹³ 'Procès Verbal de la 38^e Réunion du Comité Consultatif de la Sidérurgie du Samedi 7 Février 1948', AN, Commerce et Industrie, F12/10946/1, fo. 3.

regardless of the CSSF's protests. The Directorate and its Consultative Committee continued to exercise these functions at least until December 1948.

In the meantime, the planners scored an important victory through the construction of the northern wide-strip mill at Denain. On 8 November 1947, Bureau announced to his Directorate's Consultative Committee that the construction of the plant was already "in course of being brought about"⁹⁴. The CGP report on the second semester of 1947 also announced the merger between the Denain-Ainain and North-Eastern Steelworks, which would give birth to the Union of Northern Iron and Steel Producers (USINOR), the future owner of the Nord's wide-strip rolling mill. The company was officially launched in July 1948 and Damien became its first General Manager. The constitution of USINOR definitely marked a victory of the 'expansionist' managers supported by the CGP and the CMSID over the representatives of pre-war industrial elites. According to Hirsch, "François de Wendel flat out refused" the importation of the two mills from the United States⁹⁵. Only "once the [USINOR] deal had been barely concluded", de Wendel declared his support for the building of the second mill in Lorraine⁹⁶. By brokering the contract with USINOR French planners were thus able to push de Wendel into endorsing one of the CMSID's chief projects.

In early 1948 the planners however lost the support of the CGT. In a report addressed to Roy, on 13 February 1948 Costes argued that the "industrialists [did] not want to accept the rationalisation (...) nor the specialisation of the plants"⁹⁷. Furthermore the CGT delegates contested that no

⁹⁴ 'Procès Verbal de la 36^e Réunion du Comité Consultatif de la Sidérurgie du Samedi 8 Novembre 1947', AN, Commerce et Industrie, F12/10946/1, fos. 9-10.

⁹⁵ Hirsch, *Ainsi va la vie*, p. 96.

⁹⁶ *Ibid.*, p. 96.

⁹⁷ AN, CSSF, 19900482/50, fo. 4.

decision had been made concerning the installation of the second wide-strip rolling mill in Lorraine, since “powerful interests [did] not wish the construction of the two mills”, as Hirsch’s testimony confirmed⁹⁸. For Costes, assigning this project to the de Wendel group would therefore be “against the national interest”⁹⁹. The CGT hence proposed to attach the new plant to the integrated steelworks of Hagondange, largely owned by Renault through the Union of Consumers of Metallurgic Products (UCPMI)¹⁰⁰. The last recorded position of the CGT on the CMSID plan thus suggests that the divorce between the CGT and the planners went beyond ideological considerations and Cold War divisions. The CGT rather attacked the planners for insisting on the need to assign the construction of the Eastern wide-strip mill to the Wendels – the symbol of pre-war ‘Malthusian’ family capitalism – rather than to a semi-public enterprise, led by Renault’s more dynamic managerial cadres.

The withdrawal of the CGT from the CMSID did not however prevent the planners from concluding a deal with the de Wendels. On 31 July 1948 the Ministry of Finance and the Ministry of Industry informed the Lorraine producers about “the great interest attached by the government to the installation of the wide-strip rolling mill at Hayange”¹⁰¹. In December 1948 the de Wendels formed a new joint venture with the Marine, Micheville, Longwy companies, and the UCPMI: the *Société Lorraine du Laminage Continu* (SOLLAC). According to Malcor’s testimony, the Marine Company – led by Daum – played a “considerable role” in brokering the initiative, as “de Wendel would have hardly

⁹⁸ AN, CSSF, 19900482/50, fo. 2.

⁹⁹ *Ibid.*, fo. 3.

¹⁰⁰ *Ibid.*, fo. 3.

¹⁰¹ ‘Daum à Denis, 5 Janvier 1949’, AN, Commerce et Industrie, F12/11026, fo. 1.

borne the weight of such a costly project alone”¹⁰². Daum himself became SOLLAC’s chairman and its chief liaison with the competent planning agencies, which by January 1949, had been deprived of its most coercive instruments. As explained by Albert Denis, the new head of the Iron and Steel Directorate and the Vice-President of the CMSID since March 1949, the PME had become “a recommendation without sanctions, except for the sudden denial of credit”¹⁰³. Funding from the Treasury’s Modernisation and Equipment Fund (FME) thus became essential to render the project compulsory.

On 5 January 1949 Daum sent the SOLLAC project to the Iron and Steel Directorate. Denis posthumously insisted that “we all did our best at the Directorate to favour the creation of SOLLAC”, even though the UCPMI initially threatened to withdraw its partnership¹⁰⁴. On 23 December 1949, Aubrun inaugurated the construction site of the SOLLAC plant alongside the Minister of Industry Robert Lacoste and the US ambassador David Bruce, acknowledging “the instigation of public administration” as well as the “will of the industrialists themselves” and “their acute sense of responsibility towards the national community”¹⁰⁵. With a funding of 49.4 million dollars directly provided by the European Cooperation Administration (ECA) and the FME’s 83.7 million aid in counter-part funds, the construction of the SOLLAC plant “was the largest single

¹⁰² H. Malcor, ‘La Compagnie des Forges et Ateliers de la Loire’, in *Henri Malcor*, p. 56.

¹⁰³ A. Denis, ‘Débats-Les plans et la sidérurgie’, in *De Monnet à Massé*, p. 153.

¹⁰⁴ *Ibid.*, pp. 153-4.

¹⁰⁵ ‘Allocution prononcée par Monsieur Aubrun lors de l’inauguration du chantier de la SOLLAC’, AN, CSSF, 1900482/21, fos. 2, 4.

Marshall Plan project”¹⁰⁶. The USINOR mill was fully constructed by the end of 1951, whilst the SOLLAC plant was completed in 1953.

The SOLLAC initiative can easily be interpreted as de Wendel’s victory over the UCPMI. The Wendels were SOLLAC’s largest shareholder and the new plant would be located at Séremange, near their integrated steelworks of Hayange. Nevertheless, Daum, SOLLAC’s chairman from 1948 to 1953, was not a member of the de Wendel clan, but a protagonist of the French ‘managerial revolution’ and a former CORSID functionary. Furthermore, SOLLAC also resulted from the efforts of the Iron and Steel Director at the Ministry of Industry, Denis. The SOLLAC project hence constituted an important victory of the *Corps des Mines*, which reconfirmed itself as the mediating link between the state and the CSSF. The key contribution of the FME was also indicative of the Treasury’s new role as the PME’s financier. The de Wendels materially benefited from the agreement, but considering their original scepticism towards wide-strip rolling mills, SOLLAC constituted a triumph for the French developmental state. As Harold James observes, “if the private steel business had had sufficient capital to modernise, they undoubtedly would have rejected the ideas of the planners”¹⁰⁷. The leverage of financial aid, and the cooperation of the managerial ‘new men’, sufficed in co-opting the pre-war ‘Malthusian’ *patrons* into endorsing a project devised by the state.

Complementary to the construction of the two new rolling mills was the reconstruction and modernisation of the integrated steelworks of the Nord, Lorraine and Normandy. According to the annual reports published by the CGP,

¹⁰⁶ M. Kipping, ‘Competing for Dollars and Technology: The United States and the Modernisation of the French and German Steel Industries after the World War II’, *Business and Economic History*, 23 (1994), p. 233.

¹⁰⁷ James, *Family Capitalism*, p. 305.

by the end of 1951 USINOR was able to repair and modernise its Thomas and Martin-Siemens integrated steelworks at Denain and Valenciennes. By late 1953 the de Wendels upgraded Hayange's blast furnaces, but refrained from modernising the rest of the Thomas/Martin Siemens steelworks. As the CMSID had argued that the Hayange plant had to be rebuilt anew to supply the rolling mill, Daum ensured that SOLLAC built an entirely new Thomas and Martin-Siemens steelworks adjacent to the Séremange rolling mill, which was completed in 1953¹⁰⁸. This is a further indication of the *Mines* engineers' capacity to compensate for the enduring caution of the *patrons*.

Another major step was the repair and upgrade of the Rombas, Homécourt and Micheville integrated Thomas and Martin-Siemens plants, completed by 1952-53. Since December 1950 these operations were carried out under the coordination of the Lorraine Iron and Steel Union (SIDELOR), which resulted from the merger of the three companies with the Pont à Mousson foundries. Conceived to reduce the production costs of the three steelworks owned by the Cavallier and Laurent families, SIDELOR was also the result of the modernising zeal of the *Corps des Mines*. The protagonist of this initiative was the engineer Roger Martin, who in 1948 left the Ministry of Industry and the CMSID to become the head of the iron and steel department of the Cavalliers' Pont à Mousson Company, which already owned the Rombas steelworks. According to Martin's memoirs, the SIDELOR project emerged in July 1950 at the monthly lunch held by the *Corps des Mines*, during which he proposed the merger to his

¹⁰⁸ CGP, *Rapport sur l'exécution du plan de Modernisation et Équipement de l'Union Française-1953* (Paris, 1954), p. 209.

colleague Malcor, Homécourt's chief engineer, President of the Iron and Steel Research Institute (IRSID), and "the architect of the final agreement"¹⁰⁹.

Though prone to emphasise his personal role, Martin admitted: "[SIDELOR] did not clash with the reflections I elaborated during the drafting of the Modernisation Commission's report"¹¹⁰. According to Malcor, back in 1946 even Aron had envisaged the concentration of the Lorraine's steelworks into three large companies¹¹¹. These ideas were not made explicit in the CMSID reports of 1946-47, but the USINOR and SOLLAC initiatives clearly indicated that the CGP encouraged mergers to better coordinate investment programmes. Daum and the fellow *Mines* engineers Jean Latourte – Rapporteur of the CMSID until 1949 and the General Manager of the Knutange Steelworks since 1947 – and Robert Baboin, head of the Iron and Steel Directorate in 1942-45 and General Manager of the Micheville Steelworks since January 1950 also strongly supported the initiative¹¹². The merger took place after a vigorous lobbying effort undertaken by Baboin, Daum and Malcor to persuade Hirsch, Denis and Bloch-Lainé¹¹³. The SIDELOR initiative hence further illustrates the efforts undertaken by the *Mines* engineers to mediate between the *patrons* and public planning agencies.

Other Lorraine integrated plants modernised within the framework of the PME by 1952-53 were those of Hagondange, Thionville, Knutange, and Réhon¹¹⁴.

The initial project of building a completely new Thomas Steelworks at Mont

¹⁰⁹ Martin, *Patron de droit divin*, p. 146.

¹¹⁰ *Ibid.*, p. 146.

¹¹¹ Malcor, 'Un sidérurgiste', p. 188.

¹¹² Martin, *Patron de droit divin*, pp. 146-8.

¹¹³ *Ibid.*, p. 149.

¹¹⁴ CGP, *Rapport sur l'exécution du plan de Modernisation et Équipement de l'Union Française, Année 1952* (Paris, 1953), pp. 145-150; CGP, *Rapport sur l'exécution du plan de Modernisation et Équipement de l'Union Française, Année 1954* (Paris, 1955) p. 209.

Saint-Martin was however scrapped due to the lack of an agreement between the Longwy Steelworks and the Belgian-owned La Chiers Company. Yet, in October 1953 the Longwy Steelworks merged with Senelle Company to form the Lorraine-Escaut group, thus setting the groundwork for the “rationalisation” of the Mont Saint-Martin and Senelle-Maubeuge plants¹¹⁵. The main broker of the merger was Jean Raty, Chairman of the Longwy Steelworks since 1940 and one of the business delegates of the CMSID¹¹⁶. A further achievement of the PME was the integral reconstruction of the Mondeville Thomas/Martin-Siemens steelworks, which was completed by the end of 1950¹¹⁷.

The industrial restructuring projects comprised into the PME soon bore their fruits. According to the estimates of the *Documentation Française*, the PME resulted in a 33% increase in productive capacity of French blast furnaces, whilst national raw steel output shifted from 6.679 million tons in 1938 to 10.867 million in 1952¹¹⁸. In 1952 French Thomas steelworks produced 6.605 million tons of raw steel, corresponding to 60% of national production, almost the equivalent of the sector’s entire pre-war output¹¹⁹. These results did not entirely meet the planners’ initial ambitious expectations, but they reversed the figures of the late 1930s. State funding and state supervision played a pivotal role in this process. Between 1947 and 1952 the state provided financed 38% of the sector’s investments¹²⁰. According to Michel Margairaz’s estimates, in 1949 alone iron and steel enterprises benefited from 73% of the credits allocated by the FME to

¹¹⁵ P. Mioche and J. Roux, ‘Fiches des sociétés’, in *Henri Malcor*, p. 316.

¹¹⁶ P. Mioche and J. Roux, ‘Fiches biographiques’, in *Henri Malcor*, p. 302.

¹¹⁷ CGP, *Cinq ans dans l’exécution du Plan de Modernisation et d’Équipement de l’Union Française* (Paris, 1952), p. 65.

¹¹⁸ ‘La Modernisation de la Sidérurgie Française’ *La Documentation Française Illustrée* [Paris], no. 77, (May 1953), pp. 19, 22, 27.

¹¹⁹ *Ibid.*, p. 27.

¹²⁰ *Ibid.*, p. 29.

all French private industry¹²¹. The share of medium-term credit was 31%¹²². As industrial credit institutes were either nationalised or managed by civil servants, nearly 70% of the investments undertaken by the French iron and steel industry in 1947-52 were thus subjected to the scrutiny of public administration¹²³.

The modernisation of the French iron and steel industry can therefore be considered as a major achievement of the French developmental state. Thanks to the CGP's techno-corporatist CMSID, the Iron and Steel Directorate and the Treasury, French planners were able to involve the most dynamic managerial cadres of the CSSF in the implementation of an industrial strategy, which was eventually accepted by leading *patrons*. As the Harvard economist and former ECA official John Shehan noted, "planning allowed an active government agency to enter within the counsels of industry and to push for more vigorous expansion than it might otherwise have been accomplished"¹²⁴. Even the managers acknowledged the role of planning. Malcor remarked: "the system implemented by the Planning Commission had the positive effect of providing a sort of moral consecration to the companies' investment projects, since they were always practically congruent with the plan"¹²⁵. The planners' blessing indeed "suppressed an impediment to the granting of credits by the banks or public organs", which backed the CMSID's industrial restructuring projects¹²⁶. The success story of the PME thus lay in the encounter between the 'Saint-Simonian'

¹²¹ M. Margairaz, 'Les plans et la Sidérurgie', in *De Monnet à Massé*, p. 140.

¹²² *Ibid.*, p. 140.

¹²³ *Ibid.*, p. 140.

¹²⁴ J. Sheahan, *Promotion and Control of Industry in Post-war France* (Cambridge MA, 1963), pp. 87-8.

¹²⁵ Malcor, 'Du caractère instructif', p. 263.

¹²⁶ *Ibid.*, p. 263.

developmental ambitions of both the state planners and the CSSF's younger generation of managers, facilitated by the CMSID.

The establishment of the European Coal and Steel Community (ECSC) between 1950 and 1952 facilitated all of this. As the ECA analyst Harold Lubbell observed in November 1951, the ECSC was designed to secure the supply of German coking coal necessary for the effective functioning of France's upgraded Thomas steelworks¹²⁷. The ECSC thus complemented the PME, by further pushing French producers to adapt to the imperatives of competitive modern industrial organisation, and facilitated access to vital raw materials. As Sheahan observed, in the French iron and steel sector "the propulsion for action came from international competition, but the guidance on how to act and assistance in doing it came from planning"¹²⁸.

The execution of the PME's iron and steel programme was not exempted from disappointments such as the maintenance of the Jeouf and Moyeuve steelworks as two separate units¹²⁹. As of January 1954, France still counted 159 among ironworks, steelworks and rolling mills, only 18 fewer than the 177 installations classified in 1947¹³⁰. The most discouraging results however concerned the Centre-Midi, especially the Loire. A study by the *École Nationale d'Administration* (ENA) in December 1950 on behalf of the CGP emphasised the "structural crisis" of the region's plants, due to the persistence of an irrational and uncoordinated productive apparatus¹³¹. This situation partially resulted from some of the local producers' refusal to endorse the CMSID's drastic

¹²⁷ 'The French Investment Program', AN, CGP, 80AJ/7, fo. 128.

¹²⁸ Sheahan, *Promotion and Control*, p. 86.

¹²⁹ J. Chardonnet, *La Sidérurgie Française, Progrès ou décadence* (Paris, 1954), p. 140.

¹³⁰ *Ibid.*, p. 135.

¹³¹ 'La crise de la production de l'acier dans le département de la Loire', AN, CGP, 80AJ/63, fos. 1-2, 8-9.

rationalisation programme, which precluded them from the FME's funding¹³². In October 1951 a second study by the Ministry of Defence also argued that the Marine Company – owner of the St-Chamond, Assailly, and Unieux plants and minority shareholder of the St Etienne Steelworks – had prioritised the modernisation of Homécourt and the creation of SIDELOR over the Loire programme¹³³.

According to Mioche, “the iron and steel industry missed the opportunity of a rationalisation of the sector” although “part of the employers supported it”, and “the trade unions – at least until early 1948 – strongly desired it”¹³⁴. Despite their relatively smaller size in comparison to the Nord and Lorraine's plants, the minimal restructuring of the Loire's steelworks definitely constituted one of the plan's chief disappointments. Yet, even Malcor – who had himself first referred to the PME as a “missed opportunity” – posthumously insisted that “with the creation of USINOR, SOLLAC, SIDELOR and later Lorraine-Escout, the iron and steel industry ran two-thirds of the distance”¹³⁵. Considering that integrated steelworks were all private and represented 77% of national production in 1952, the planners' capacity to subject them to the PME's directives remains impressive. Furthermore, the case of the Centre-Midi illustrates the resilience of the French developmental state's autonomy. The FME's refusal to allocate its funds to the Loire's producers in response to their objection to the PME shows that government agencies remained loyal to the CMSID's strategy.

¹³² AN, CGP, 80AJ/63, fo. 19.

¹³³ ‘Rapport sur la Modernisation de la sidérurgie de la Loire’, AN, CGP, 80AJ/11, fos. 6-7.

¹³⁴ P. Mioche, ‘Le Plans et la Sidérurgie’, in *De Monnet à Massé*, p. 136.

¹³⁵ H. Malcor, ‘Débat-Le plan et la sidérurgie’, in *De Monnet à Massé*, p. 153.

Both the ENA and Ministry of Defence reports proposed the creation of a special CM tasked with addressing the problem of the Centre-Midi¹³⁶. Hirsch endorsed the initiative, and throughout 1952 a Sub-Commission for the Centre-Midi operated in parallel with the CGP's study group in charge of preparing the sector's adaptation to the ECSC and the transition to the second PME. Former CMSID members such as Martin and Malcor actively took part at these studies. "Determined to do something about the Loire (...) especially after having been present at the meetings of the Modernisation Commission", in December 1952 Malcor brokered the merger between the Marine and St-Etienne Steelworks¹³⁷. As the CGP's new Commissioner, Hirsch particularly lobbied for the merger, as "recommended in 1946 by the Modernisation Commission"¹³⁸. The PME's disappointing results in the Centre-Midi thus did not prompt the CGP planners renounce to this particular aspect of their industrial strategy. On the contrary, though faced with this adversity, the French autonomous state and its managerial partners began to work on the conditions necessary for the possible implementation of this project during the second PME.

¹³⁶ AN, CGP, 80AJ/63, fo.29; AN, CGP, 80AJ/11, fo. 8.

¹³⁷ Malcor, 'La Compagnie', p. 57.

¹³⁸ 'Le Commissaire Général au Plan à Monsieur le Ministre de la Reconstruction et l'Urbanisme, 23 Décembre 1952', AN, CGP, 80AJ/63 pp. 1-2.

VIII. TECHNOCRACY WITHOUT STATE

CORPORATISM: INDUSTRIAL POLICY IN CENTRIST ITALY

(1947-53)

IRI, The Ministry of Industry and the Consolidation of Post-War Italian Organised Capitalism

The eviction of the Communist Party (PCI) and the Socialist Party of Proletarian Unity (PSIUP) from the national-unity government and the consolidation of the first centrist coalition led by Alcide De Gasperi's Christian Democracy (DC) in June 1947 marked a relatively new phase in Italian economic policy. De Gasperi's new cabinet, also referred to as "the government of economic salvation", ended the post-war inflationary spiral, liberalised foreign trade and achieved the reconstruction of key industries and infrastructures by relying on the European Recovery Programme (ERP). These policies were carried out within a modified institutional framework, which preserved pivotal industrial planning agencies inherited from Fascism such as the Institute for Industrial Reconstruction (IRI), but did not extend state planning to private enterprises.

The symbolic protagonist of this phase was the liberal-conservative economist Luigi Einaudi, who between June 1947 and his election as President of the Italian Republic in May 1948, held the posts of Governor of the Bank of Italy, Minister of the Budget and Deputy Prime Minister. Einaudi was one of Italy's most respected economists, a correspondent for *The Economist*, and had been one of the few independent senators during the Fascist *ventennio*. In the 1930s

Einaudi had distinguished himself as a critic of Keynesianism and state intervention in the economy, implicitly opposed to Fascist *dirigisme*¹. With reference to Nazi Germany and Soviet Russia, Einaudi had openly attacked technocratic planning in November 1944, arguing that “the wise men tasked by the government with regulating production and distribution according to an organic economic programme”, as “plans ended up enriching those in charge of the levers of planning”². As De Gasperi’s chief economic policy-maker, in 1947-48 Einaudi implemented a set of radical austerity policies in the fields of credit controls and public spending to halt post-war inflation and encourage productive private investments³. Einaudi’s policies have been characterised by his admirers as the cornerstones of Italy’s liberal “economic constitution”, an antidote to its “political constitution”, which resulted from “the intersection between the Marxist and Catholic conception of the relationship between state, economy and society”⁴. Leftist critics such as Palmiro Togliatti criticised Einaudi’s actions as an out-dated “liberal programme” aimed at “rejecting all measures invoked by all major democracies to organise the state’s action as a stimulator and manager of economic activity”⁵.

This presentation of the *azione Einaudi* as a return to the pre-Fascist liberal order however was an exaggeration. As even his own collaborators admitted, Einaudi’s radical ‘credit-crunch’ measures were implemented through

¹ L. Einaudi, ‘Il mio piano non è quello di Keynes’, in L. Villari (ed.), *Il capitalismo italiano del novecento* (Bari, 1972), pp. 291-2.

² L. Einaudi, ‘Si produce abbastanza?’ in L. Einaudi, *Scritti di Economia I.1- Le vicende economiche di un’epoca* (Turin, 2018), p. 510.

³ Banca d’Italia, ‘Analisi delle misure anti-inflazionistiche adottate dal governo De Gasperi’, in S. Riscossa and E. Tuccimei (eds.), *La Banca d’Italia e il risanamento post-bellico 1945-1948* (Bari, 1992), pp. 474-8.

⁴ Carli, *Cinquant’anni*, pp. 14, 15.

⁵ P. Togliatti, ‘La rottura dell’unità democratica’, in P. Togliatti, *La politica nel pensiero e nell’azione: Scritti e Discorsi 1917-1964* (Milan, 2014), p. 778.

the Inter-Ministerial Committee for Credit and Savings (CICR), the successor of the Fascist Inspectorate in charge of monitoring the activities of Italian financial institutions after the 1936 bank reform⁶. One of the Governor's chief aides and his eventual successor after 1948 was Donato Menichella, IRI's first General Manager. Einaudi and Menichella's credit-control measures therefore marked a repurposing of the instruments that had been used to finance Fascist regime in the late 1930s, to crush the post-war inflationary spiral. As the German-American economist Albert O. Hirschman commented in 1948, "Einaudi's orthodox policy actually corresponded to greater state intervention and control over Italian economic life"⁷.

According to Hirschman, the centrist government's decision to preserve the IRI particularly stood in contrast with Einaudi's liberal rhetoric⁸. In July 1947 De Gasperi appointed the engineer Giuseppe Imbriani-Longo (1894-1978), a long-service IRI manager, as the Institute's new Commissioner. In November 1947 IRI launched a new subsidiary, the Financial Mechanical Company (FINMECCANICA), tasked with coordinating the re-organisation of the Institute's engineering workshops and shipyards (covering 25-30% of national machine-tool production)⁹. On 12 February 1948, the government also approved the Institute's new charter, which decreed that IRI's activities were not to be subordinated to the directives of specific external organs. Its board of directors was charged with instituting the "Technical Consultative Committees", which would "provide their opinion on the improvement of the organisation of

⁶ P. Baffi, 'Memoria dell'azione Einaudi', p. 71.

⁷ A.O. Hirschman, 'Inflation and Deflation in Italy', in A. Graziani (ed.), *L'economia italiana, 1945-1970* (Bologna, 1972), p. 148.

⁸ *Ibid.*, 148.

⁹ Fumi, 'Dalla fine del fascismo', pp. 587-8.

controlled enterprises and on the most important transformations of the productive processes of these firms”¹⁰.

This marked a major break with the 1937 charter, as it allowed the Institute to issue its own internal planning directives without interference from other organs, thus granting the Institute with the autonomy unsuccessfully sought by its first generation of managers. Yet, the 1948 charter did not extend the Institute’s range of action to the private sector, strictly limiting its influence to its shareholdings. This clashed with the initial ambitions of the IRI planners of the 1930s and the radical reform proposals brought forward by technocrats such as Federico Nordio and Giovanni Malvezzi in 1944-47. The 1948 charter instead reflected the views of more moderate of IRI managers such as Oscar Sinigaglia, who had previously expressed their reluctance to consider subjecting the private sector to the initiatives of the developmental state.

The 1948 charter also eliminated the clause in the 1946 version, which had explicitly subordinated the Institute to the Inter-Ministerial Committee for the Reconstruction (CIR). Mariuccia Salvati and Giampiero Fumi have attributed this modification to De Gasperi’s Minister of Industry, Giuseppe Togni (1903-81), a former manager in the chemical industry and President of the National Confederation of Company Managers¹¹. This likely reflected Togni’s managerial distrust for bureaucratic interference with technical decisions; and it prompted business historian Franco Amatori to argue that in this particular phase of Italy’s post-war reconstruction (1948-53) IRI enjoyed an attitude of “benign neglect” on

¹⁰ *Gazzetta Ufficiale della Repubblica Italiana, Leggi e Decreti*, 21 Feb. 1948, pp. 600-1.

¹¹ Fumi, ‘Dalla fine del Fascismo’, pp. 588-9; M.A. Salvati, *Stato e industria nella ricostruzione: alle origini del potere democristiano*, (Milan, 1982), pp. 380-2.

the part of the ministries¹². Amatori also suggested that the 1948 charter, “made sure that IRI would not work as an arm of the entrepreneurial state, but as an institution that, together with private companies, would contribute to Italy’s competitiveness and economic success”¹³. Amatori attributes this particularly “privatistic” conception of IRI to Menichella, presenting him as the polar opposite to the overtly *planiste* Pasquale Saraceno, IRI’s chief economist¹⁴. The Marxist historian Camillo Daneo also argued that after 1948 IRI was “not utilised to plan in any way the activities of its shareholdings”¹⁵.

Archival materials and the accounts of key planners offer a more nuanced view of the Institute’s activities after 1948. As Saraceno illustrated in 1956, between 1949 and 1954 the IRI “initiated the execution of a series of programmes, drafted in the previous year on the basis of studies carried out in collaboration with the subsidiaries and the dependent firms”, and formally approved by the CIR in September 1948¹⁶. According to the Institute’s annual report for 1948 these “organic modernisation and development programmes” concerned the “industrial sectors of fundamental interest for the national economy”: iron and steel, machine-tools, shipyards, the merchant navy, electricity, and telecommunications¹⁷. “In this planning effort”, the report argued, IRI’s central organs relied “on the assistance of Technical Consultative Committees appointed according to the charter’s article 13” comprising

¹² F. Amatori, ‘Un profilo d’insieme: L’età dell’IRI’, in *Storia dell’IRI 2*, p. 13.

¹³ F. Amatori, ‘IRI: financial intermediary or entrepreneurial state?’, *Financial History Review*, 27/3 (2020), p. 447.

¹⁴ *Ibid.*, pp. 442, 446.

¹⁵ Daneo, *La politica economica*, p. 317.

¹⁶ MIC, *L’istituto per la Ricostruzione Industriale*, p. 79.

¹⁷ IRI, *Esercizio 1948*, (Rome, 1949), p. 8.

“technicians and experts in the single fields”¹⁸. These sectorial initiatives were included into a Four-Year Plan “for the development of Italian industrial production in 1949-52”, developed by Saraceno and his colleagues at IRI’s Office for Technical-Economic Plans in 1947-48¹⁹. The plan was submitted to the CIR on 15 September 1948, thus becoming the foundation of the Italian tranche of the ERP. Long-term planning hence remained a central feature of the Institute’s activities even after the approval of the 1948 charter. IRI may have been deprived of the capacity to plan directly and control the development of the entire national industrial system, but it was still allowed to subject its vast shareholdings to a comprehensive strategy designed to modernise Italy’s industrial core.

Technical expertise was the driving force of this new phase. According to the 1948 charter, IRI’s board of directors would include its President, its Vice-President, civil servants from the economic ministries and “three industrial and financial experts appointed by the President”²⁰. From 1948 to 1950 the Institute’s new President was Enrico Marchesano (1894-1967), a former manager at the Italian Commercial Bank and Italian Credit, both controlled by IRI since 1933²¹. As of April 1950, notable board members included: the engineer Isidoro Bonini (1899-1955), President of the Institute between 1950 and 1955; Bruno Visentini (1914-95), a jurist and a founding member of the Action Party (PdA), who was IRI’s Vice-President from 1950 until 1972; the engineer Aristide Zenari, former General Manager of the FINSIDER-controlled ILVA steelworks

¹⁸ IRI, *Esercizio 1948*, p. 8.

¹⁹ Centro di Studi e Piani Tecnico-Economici, *Elementi per un piano economico 1949-1952* (Rome, 1948), pp. 87-90.

²⁰ *GU, Leggi e Decreti*, p. 600.

²¹ IRI, *Esercizio 1949*, (Rome, 1950), p. 2.

during the autarchic plans and the first President of FINMECCANICA until 1951; and Oscar Sinigaglia, one of the very first managers appointed by Alberto Beneduce in 1933, and President of FINSIDER until his death in 1953²². IRI's new General Manager from 1948 until 1956 was Arturo Ferrari (1893-1977), also a cadre at the IRI-controlled Southern Electrical Company (SME) since 1933²³. As of April 1949, the Central Director and liaison between IRI's main office, FINSIDER and FINMECCANICA was Enrico Ottolenghi, who had already worked with Agostino Rocca on the plan for the re-organisation of Neapolitan industries in 1937²⁴. By June 1953, FINSIDER's General Manager was still the economist Ernesto Manuelli, a former official at the Fascist Ministry for Foreign Exchange and Currencies in 1935-40 and one of Rocca's closest aides at the IRI-controlled Ansaldo mechanical works in 1940-45²⁵. In 1953, the veteran Saraceno was still in charge of the Institute's Research and Planning Office ²⁶.

Aside from Bonini- who came from the private sector - and the openly anti-Fascist Visentini, IRI's leadership in the late 1940s and early 1950s was predominantly composed of technical experts, who had served in the various branches of Fascist economic administration from 1933 to 1945. The absence of labour representatives within the boards of either IRI or FINSIDER constituted a clear indication of the managers' hostile attitude towards workers' participation in industrial management and planning. After the decisive victory of the Christian Democrats at the 1948 elections the danger of a possible re-organisation of the Institute inspired by Socialist industrial democracy appeared

²² IRI, *Esercizio 1949*, p. 2.

²³ *Ibid.*, p. 2.

²⁴ 'Personale addetto ai servizi ed uffici dipendenti, 10.04.1949', ACS, IRI-Nera, STO/522, fo. 4.

²⁵ FINSIDER, *Esercizio 1953* (Rome, 1954), p. 1.

²⁶ Felisini, 'Profilo di un gruppo dirigente', p. 215.

to have been averted, and its technocrats were able to consolidate their hierarchical vision of the 'managerial industrial state'.

Parallel to the redefinition of IRI's planning powers, in 1947-48 the centrist government also re-organised the Ministry of Industry and Commerce (MIC). Togni and his successors – the Social Democrats Roberto Tremelloni and Ivan Matteo Lombardo (1902-80) – supervised the dismantlement of the technocratic planning bodies inherited from the Italian Social Republic (RSI): the Central Industrial Commission (CCI) and the Northern Italian Sub-Commission (SIAI). As of the summer of 1947, these tripartite bodies still exercised pivotal industrial control duties over both public and private enterprises, notably the control over large-scale plant constructions. The minutes of the SIAI's last recorded meeting – held on 19 September 1947 – indicate the Sub-Commission's officials met Togni on 23 August to discuss their proposal for the organ's reform. The SIAI delegates' proposal amounted to moving the commission's headquarters back to Milan to strengthen its ties with the North's industrial triangle²⁷. While insisting he was “not animated by any hostile prejudices towards the Sub-Commission”, Togni rejected the project on the grounds that the SIAI had to remain in Rome and asked its cadres to draw up a new reform proposal²⁸.

More explicitly hostile to the SIAI's maintenance was the MIC's General Director of Industry, Ernesto Santoro, who deemed it “unconceivable that the representatives of trade organisations” – a large portion of the Sub-

²⁷ 'Verbale della riunione della sottocommissione del giorno 19/9/1947', ACS, MIC, CCI-SIAI/1, fo. 2.

²⁸ *Ibid.*, fo. 2.

Commission's staff – “could carry out public functions”²⁹. This had been necessary in the aftermath of the Liberation, when Northern Italy was “administratively severed from the rest of the nation”, but could not be allowed now that “things had normalised”³⁰. Santoro proposed to “centralise the main coordinating organ in Rome and entrust all the eventual subordinate tasks to executive offices staffed by state officials”³¹. In response to Santoro's criticism, the SIAI's President, Targetti, proposed to move the Ministry's General Directorate for Industry to Milan, but to still allow the “representatives of collective interests” to retain a role in the devising of industrial policy³². Targetti then expressed his firm conviction that all the offices “derived from the Northern Italian Industrial Council” (CIAI) – the CCI and the SIAI – “not only [had] to be maintained”, but had to “be integrated into the activity of the state and exercise its functions” in those regions “where industry [was located]”³³. The proposal was “unanimously approved, aside from the representative of the *Confindustria*”³⁴.

As of late September 1947, the officials in charge of the residual industrial control apparatus of the former RSI were still willing to salvage it and place it at the service of the next stages of the reconstruction effort and restore its technocratic/regional organisation. The meeting however demonstrated the firm hostility of the *Confindustria* – a key ally of the DC-led centrist coalition – to the maintenance of this set of regulatory bodies. The ministerial bureaucracy, personified by Santoro, was also equally hostile to the preservation of the SIAI

²⁹ ACS, MIC, CCI-SIAI/1, fo., fo. 4.

³⁰ *Ibid.*, fo. 4.

³¹ *Ibid.*, fo. 4.

³² *Ibid.*, fo. 7.

³³ *Ibid.*, fo. 7.

³⁴ *Ibid.*, fo. 7.

and its potential transfer into the north, as this relocation may have resulted in the empowerment of new experts chosen outside the traditional civil service. The SIAI held no meetings after September 1947, thus suggesting that this body ceased to operate shortly afterwards. The CCI continued to function until the autumn of 1948, though it limited its functions to the enforcement of the Ministry's control over new industrial initiatives.

Throughout this period, the MIC took no particular initiative about the reform of the CCI. On the contrary, on 24 June 1948 the Ministry decided to suppress these controls on the grounds that they could hamper ERP-funded investments³⁵. The CCI's last recorded meeting took place on 24 November 1948³⁶. As the Communist trade unionist and SIAI official Bruzio Manzocchi wrote in mid-1948, with the abolition of the SIAI-CCI, "the tendency towards an indicative planning of industrial reconstruction and development came to an end"³⁷. The elimination of these bodies indeed meant that during the hypothetical implementation of a national industrial reconstruction plan the government would not possess one of its chief tools to control private industrial investments and coordinate them with the programmes undertaken by the IRI. The centrist government indeed abolished the last available platform where IRI managers, private entrepreneurs, ministerial officials, 'independent' experts, and labour leaders could have jointly elaborated a comprehensive industrial reconstruction plan akin to the French 'Monnet Plan'.

³⁵ 'Commissione Centrale Industria', *Industria e Commercio* [Rome], no.7-8, (15 Sept. 1948), p. 64.

³⁶ 'Verbale della riunione della commissione centrale dell'industria del 24 novembre 1948', ACS, MIC, CCI-SIAI/4, fo. 1.

³⁷ B. Manzocchi, 'Un esperimento di controllo dell'industria nell'immediato dopoguerra', in B. Manzocchi, *Lineamenti di politica economica in Italia 1945-1959* (Rome, 1960), p. 179.

According to the ministry's official magazine, only the Italian Confederation of Labour (CGIL) was opposed to the suppression of the CCI-SIAI complex, whilst both the *Confindustria* and the Ministry favoured its abolition³⁸. Given the interference of corporatist bodies with IRI's pre-war planning initiatives, it is also likely that neither the Institute's managers wished to maintain this body. This was particularly true of the technocrats such as Sinigaglia, who were aware of the difficulties encountered by Rocca during the execution of the 1937-40 autarchic plan. Rather than facing the prospect of having their plans distorted by private entrepreneurs and ministerial bureaucrats, some of IRI's leading managerial cadres thus preferred to abandon their ambition to coordinate their projects with those of the private sector.

Between 1947 and 1948 the officials of the CCI and the SIAI also failed to provide a long-term industrial strategy that could potentially justify the preservation of these planning bodies. As Saraceno remarked, "the proponents of planning did not argue their theses by relying on an inventory of our problems and their possible solutions, and by integrating all of this into a coherent system, essentially into a programme"³⁹. In the autumn of 1947 the SIAI's last Commissioner, the statistician Albino Uggé (1899-1971), went as far as rejecting the first draft of the Four-Year industrial reconstruction programme elaborated by IRI's planning office, arguing that it exclusively constituted "a personal expression of the author" (Saraceno)⁴⁰.

Following the elimination of the CCI and the SIAI, the MIC still played a role in the implementation of the industrial programmes reliant on ERP aid. A set

³⁸'Commissione Centrale Industria', p. 64.

³⁹ Saraceno, *Intervista sulla ricostruzione*, p. 123.

⁴⁰ Persico, *Pasquale Saraceno*, p. 266.

of guidelines established in June 1948 ensured that its functions were however reduced to those of a passive allocator of US machinery. The Ministry and the *Istituto Mobiliare Italiano* (IMI) – the state’s main financial agency in the field of industrial credit – were “given the task of managing the acquisition of imported machinery and equipment within the framework of the ERP financed by loans provided by the Economic Cooperation Administration (ECA)”⁴¹. Industrial leaders had to submit their requests to Santoro’s Directorate, which “in entente with the relevant administrations and trade organisations” – organised into an *ad hoc* commission – would “determine whether the requested machinery and equipment [could] be produced in Italy”, and whether “their introduction [constituted] a real contribution to the country’s industrial renewal”⁴². Once approved by the MIC, the request would be sent to the “IMI-ERP Committee”, which would include ministerial representatives and IMI’s General Manager⁴³. The Committee’s opinion would then be “communicated to the Ministry of the Treasury”, which would make “the final decision” and allow IMI “to broker the definitive contract with the concerned firms”⁴⁴.

The MIC’s machinery commission was therefore not meant to formulate and monitor the execution of sectorial plans akin to those drafted by the French Modernisation Commissions (CMs). Its role was to simply validate the feasibility of initiatives submitted by each industrialist. This passive understanding of industrial administration reflected Santoro’s background as a jurist rather than an engineer. Differently from his counter-parts at the Iron and Steel Directorate of the French Ministry of Industry, Santoro lacked the technical knowledge

⁴¹ ‘Importazione Macchine con finanziamento ERP’, *Industria e Commercio*, (15 Sept. 1948), p. 16.

⁴² *Ibid.*, pp. 16-17.

⁴³ *Ibid.*, p. 18.

⁴⁴ *Ibid.*, p. 18.

necessary to contribute to the elaboration of a sectorial plan. According to administrative historian Guido Melis, the marginalisation of technical expertise was a trait common to both the Fascist and Post-Fascist ministerial bureaucracy⁴⁵. The RSI had attempted to resolve this problem by appointing engineers such as Rocca as the directors of its Industrial Committees. The CIAI had also followed this practice, and Rodolfo Morandi had also recruited IRI personnel to staff the Ministry's Technical Secretariat. Yet, with the absorption of the Secretariat by IRI's planning office in February 1947, and the suppression of the CCI-SIAI complex in 1947-48, the Ministry was deprived of its chance to re-organise itself as a technocratic institution. This favoured the rather passive legalistic attitude advocated by Santoro and prevented the MIC from playing a pro-active role in the planning process.

The new procedure refrained from making distinctions about the programmes undertaken by IRI and those of private enterprises. Hence, the centrist government did not formally treat the IRI as an executive branch, but as a competitor of the private sector. Furthermore, the presence of trade representatives within the machinery commission also potentially exposed the IRI managers' plans to the scrutiny of its rivals. Increasing the likelihood of this prospect was the entrustment of the chairmanship of the vital IMI-ERP Committee to the Treasury Undersecretary Piero Malvestiti (1899-1964) from 1948 to 1951. Malvestiti took a moderate stance on industrial policy, insisting, "the planning of incentives should be excluded, given the character of the [Italian] people"⁴⁶. One of Malvestiti's closest friends and political allies was the

⁴⁵ Melis, *Storia dell'amministrazione italiana*, p. 369.

⁴⁶ 'La relazione di Malvestiti sulla politica industriale italiana', HAEU, Piero Malvestiti, PM/95, fo. 1.

DC senator and Catholic business leader Enrico Falck, the son of Giorgio Enrico and the brother of Giovanni: the chief opponents of IRI's plan for the iron and steel industry since the late 1930s⁴⁷. The new administrative framework was therefore designed to balance IRI's modernising ambitions with the projects of DC-affiliated private industrialists.

One of the harshest critics of this new intricate procedure was the US manager Paul Hoffman (1891-1974), chief administrator of the ECA in 1948-50. The ECA's February 1949 'country study' on Italy harshly criticised the execution of the Italian industrial modernisation programme and the means adopted to enforce it. According to Guido Carli – executive director of the International Monetary Fund (IMF) in 1947-53 – Hoffman was irritated at Italy's incapacity to follow the example of the French Monnet Plan⁴⁸. The ECA's chairman was particularly critical of IRI, arguing "the government participated passively in managerial decisions" to accelerate the Institute's industrial programmes, which were proceeding "at snail's pace"⁴⁹. Furthermore, Hoffman lamented that "semi-nationalised enterprises [were] not used to orient private industrial plants in the same sector"⁵⁰. "Overcoming these institutional constraints", required "vigorous governmental action, coordinated through an adequate state planning mechanism"⁵¹. The latter had to be "independent from the main executive organs"; it needed "a professional and technical general staff of the highest quality" as well as "effective authority in relation to executive organs in order to

⁴⁷ 'Commemorazione di Enrico Falck', HAEU, Piero Malvestiti, PM/95, fos. 11-12.

⁴⁸ Carli, *Cinquant'anni*, p. 127.

⁴⁹ Economic Cooperation Administration [henceforth ECA] 'Il "Country Study" sull'Italia', in *Il Capitalismo italiano*, p. 626.

⁵⁰ *Ibid.*, p. 626.

⁵¹ *Ibid.*, p. 626.

effectively coordinate their activities”⁵². The document especially called for “the control of private investments” and highlighted “the lack of a government organ responsible for a long-term economic programme” as a “structural weakness” of Italian economic administration⁵³.

The report hence criticised the lack of a central planning organ capable of coordinating IRI and the other industrial policy instruments available to the Italian state; the absence of coordination between private and public industrial investments, and the government’s attitude of ‘benign neglect’ towards IRI. Hoffman’s solution was however not IRI’s subordination to the ministries, but the creation of an equally technocratic national planning commission akin to the French General Planning Commissariat (CGP), which could coordinate the execution of the industrial programmes drafted by IRI and private enterprises.

IRI’s planning office may have been a suitable candidate for this function. De Gasperi’s government however decided to undertake an alternative route. According to Carli, in October 1950 Italian negotiators responded to the ECA by creating the *Cassa del Mezzogiorno* (CASMEZ), or “Fund for the South”, an agency designed to implement public works and agricultural modernisation initiatives in Italy’s Southern regions with funding from the International Bank for Reconstruction and Development (IBRD)⁵⁴. On 10 February 1953 the government also instituted the National Hydrocarbons Board (ENI), which resulted from the effort of the Catholic technocrat Enrico Mattei to salvage the

⁵² ECA, ‘Il “Country Study” sull’Italia’, p. 627.

⁵³ Ibid., p. 628.

⁵⁴ Carli, *Cinquant’anni*, pp. 128-30.

Fascist General Italian Oil Company (AGIP) in order to maintain vital national petrol and natural gas resources under public control⁵⁵.

As of early 1953, organised capitalism remained the defining feature of the Italian economy. Technocratic agencies such as IRI and ENI were planning strategic industries such as iron, steel, machine tools, and hydrocarbons. Their joint holdings still amounted to the largest nationalised sector in the West. The state was however deprived of the reformed corporatist instruments it had inherited from Fascism to orientate private industry. State Corporatism had thus ceased to be a feature of Italy's industrial order, thus preventing the government from directly orientating the development of private industry.

⁵⁵ G. Fausto, 'L'intervento pubblico in Italia', in F. Cotula (ed.), *Stabilità e sviluppo negli anni cinquanta 2. Problemi strutturali e politiche economiche* (Bari, 1998), pp. 604-5.

The ‘Sinigaglia Plan’: A Case Study of Centrist Industrial Policy

It was in the context of the reconsolidated and yet chaotic institutional framework of Italian organised capitalism that IRI and FINSIDER’s technocrats attempted once again to alter the structure of Italy’s iron and steel sector. As of 1947, IRI still owned four major Italian iron and steel companies through FINSIDER: 100% of SIAC, 76% of ILVA, 58% of Terni and 52% of Dalmine⁵⁶. Oscar Sinigaglia led this ambitious planning effort, which reprised the agenda and the objectives of the autarchic programme drafted by Rocca and his fellow IRI planners in June 1937.

The plan’s details were already illustrated in a FINSIDER report drafted on 10 April 1947, which outlined the war damages suffered by the group’s enterprises and the reconstruction efforts undertaken in 1945-47. Due to Allied bombings as well as German requisitions and sabotages, FINSIDER had been deprived of two of its three large-scale integrated steelworks: the upgraded ILVA plants of Naples-Bagnoli and Piombino, and the new SIAC plant built in Genoa-Cornigliano⁵⁷. As of April 1947, FINSIDER had only been able to implement a “first aid plan”, which allowed the group to re-activate 5 blast furnaces, 43 Martin-Siemens open-earth furnaces and 22 electrical furnaces. FINSIDER however intended to inaugurate a second phase of reconstruction, which was intended to address the structural problems already highlighted in the 1930s: “the excessive fragmentation of production in small-scale and antiquated plants”;

⁵⁶ ‘Società controllate e partecipazione azionaria’, ACS, IRI-Nera, STO/508, fos. 1-2.

⁵⁷ ‘Situazione attuale e piani di sistemazione delle aziende siderurgiche del gruppo FINSIDER’, ACS, IRI-Nera, STU/39/2, fos. 5-6.

and the higher costs of production resulting from the “marked disproportion between solid [scrap] and liquid [iron ore] charge steel”⁵⁸. Sinigaglia’s solution was the “concentration and rationalisation of mass production in a smaller number of modern and economically viable productive centres”⁵⁹. The renewal of this vital sector was necessary because the lack of an adequate iron and steel industry would not only exacerbate Italy’s balance of payments deficit, but also force it “to abandon its machine tool industry, which [fed] a conspicuous number of Italian families”⁶⁰.

The plan would amount to the concentration of cast iron and steel production in the rebuilt SIAC and ILVA integrated plants of Genoa-Cornigliano, Naples-Bagnoli and Piombino. This required a radical change in the group’s productive capacity, which in 1942 consisted of 52 Martin-Siemens furnaces, 23 electrical furnaces and 7 Thomas converters⁶¹. Following the implementation of the plan, the group’s apparatus would consist of 29 Martin-Siemens furnaces, 21 electrical furnaces, and the 7 Thomas converters⁶². As a result of the concentration and modernisation programme, FINSIDER would produce 1 million annual tons of cast iron, 880,000 of which would come from the three integrated plants⁶³. The entire group’s raw steel output would amount to roughly 1.3 million tons – 58% of which would be produced in the three integrated plants – corresponding to 1.1 million tons of finished steel products⁶⁴. According to an

⁵⁸ ACS, IRI-Nera, STU/39/2, fo. 10.

⁵⁹ *Ibid.*, fos. 10-11.

⁶⁰ *Ibid.*, fo. 11.

⁶¹ *Ibid.*, fo. 15.

⁶² *Ibid.*, fo. 15.

⁶³ *Ibid.*, fo. 21.

⁶⁴ *Ibid.*, fo. 21.

additional report, national steel production would increase from 2.5 to 3 million tons, 2 million of which would be produced by FINSIDER⁶⁵.

Sinigaglia's plan replicated the objectives of the 1937 autarchic plan, but significantly differentiated itself from the programme drafted by Rocca in early 1945, which had deemed the nationalisation of the entire Italian iron and steel sector as a necessary condition for its rationalisation. Sinigaglia was optimistic that the rationalisation of FINSIDER's steelworks – accounting for 75% of national cast iron and 45% raw steel production in 1939 – would induce private producers to adapt their reconstruction programmes to the country's new productive structure⁶⁶. Philippe Mioche has compared FINSIDER's programme to the sectorial plan drafted by the French Modernisation Commission for Steel (CMSID)⁶⁷. Yet, multiple public agencies and private trade organisations contributed to the elaboration of the French plan, which targeted the entire sector. The Italian programme was instead the exclusive brainchild of FINSIDER and limited itself to state-owned enterprises.

Business historian Paride Rugafiori has misleadingly interpreted Sinigaglia's relatively more moderate ambitions as indicative of his hostility to planning and nationalisations⁶⁸. Sinigaglia was definitely a pragmatist rather than an ideological *planiste*. His close collaborator Gian Lupo Osti (1920-2012) compared Sinigaglia's attitude towards the state-led rationalisation of the iron and steel industry to the US space programme⁶⁹. FINSIDER had to step in, as

⁶⁵ ACS, IRI-Nera, STU/39/2, fo. 14.

⁶⁶ Commissione Economica del Ministero per la Costituente, *Rapporto della commissione economica: Industria II*, p. 6.

⁶⁷ P. Mioche, 'La Reconstruction de la Sidérurgie européenne', *Histoire, Économie et Société*, 18 (1999), p. 398.

⁶⁸ Rugafiori, 'I gruppi dirigenti', pp. 358-9.

⁶⁹ Osti, *L'industria di stato*, p. 140.

“there were no private entrepreneurs capable of consolidating an iron and steel industry worthy of the other industries that operated on the world market”⁷⁰. Nevertheless, Sinigaglia’s project still remained an ambitious sectorial plan, which sought to adapt Italy’s iron and steel sector to post-war competition and pave the way for a resurgent machine tool industry.

In September 1947 IRI’s planning office included FINSIDER’s modernisation programme in the first draft of the Four-Year Plan for 1949-52. In line with Sinigaglia’s reasoning, Pasquale Saraceno’s plan argued for a “modern iron and steel industry, capable of providing raw and finished products at prices as close as possible to international ones”⁷¹. Saraceno deemed the modernisation of this vital sector as a necessary condition for the development of the national machine-tool industry and the implementation of the plan’s public works programme⁷². The planners argued that both integrated and scrap-reliant plants corresponded to “specific necessities”⁷³. Yet, they specified that the activity of the latter plants would be reduced, given the limited availability of scrap on international markets, whilst “no difficulty” was foreseen in the future importation of iron ores, thereby indicating their preference for the reconstruction and development of FINSIDER’s steelworks⁷⁴. As a result, by 1951-52, national steel output would reach 3 million tons per year and the workforce of the entire metallurgic industry would increase from 104,000 (1937-40 levels) to 125,000 units⁷⁵. The planners also stressed the necessity to

⁷⁰ Osti, *L’industria di stato*, p. 140.

⁷¹ Ufficio Studi e Piani Tecnico-Economici, *Elementi per un piano quadriennale di sviluppo dell’economia italiana* (Rome, 1947), p. 103.

⁷² *Ibid.*, p. 103.

⁷³ *Ibid.*, p. 104.

⁷⁴ *Ibid.*, p. 104.

⁷⁵ *Ibid.*, p. 105.

“expand the centres of the South”, which would supply the 100-150,000 tons of steel required by the Four-Year Plan’s public-works programme for the South⁷⁶.

IRI’s planning office hence endorsed Sinigaglia’s modernisation programme as it intended to repurpose it for developmental goals that went beyond industrial rationalisation: boosting employment and favouring the industrialisation of the South. Furthermore, the plan’s reference to the need to restructure scrap-reliant plants is a further proof that some IRI planners intended to integrate FINSIDER’s programme into a broader sectorial plan that would target both public and the private enterprises. The hostile response by the Northern Italian Sub-Commission (SIAI) to Saraceno’s plan however likely contributed to limit the iron and steel programme to the public sector.

Nevertheless, Sinigaglia continued to lobby in favour of FINSIDER’s rationalisation programme. On 7 January 1948 FINSIDER’s President was able to present the programme to the Inter-Ministerial Committee for Reconstruction (CIR), highlighting the centrality of the iron and steel sector in the post-war development of Italy’s economy. Sinigaglia’s report received the endorsement of the Minister of Foreign Trade, Cesare Merzagora, who argued that FINSIDER’s initiative could be sustained as long as Italy could import coking coal from the Ruhr⁷⁷. The CIR’s General Secretary, the former IRI cadre Mario Ferrari-Aggradi, was equally supportive, pointing out that FINSIDER had been the only major iron and steel group that had submitted a programme, whilst other iron and steel producers (notably Falck and FIAT) “had no interest in the matter”⁷⁸. The most sceptical member of the CIR was the then Minister of Industry, the Social-

⁷⁶ Ufficio Studi e Piani Tecnico-Economici, *Elementi per un piano*, pp. 104-5.

⁷⁷ ‘Riunione presso il comitato interministeriale per la ricostruzione per l’esame del problema siderurgico’, ACS, IRI-Nera, STO/508, fos. 13-15.

⁷⁸ ACS, IRI-Nera, STO/508, fo. 12.

Democrat Roberto Tremelloni who expressed doubts over the legitimacy of preserving a national iron and steel sector and stressed that the government could not formulate its industrial policy without a parliamentary consultation⁷⁹. Sinigaglia however replied that it was “indispensable to intervene quickly” before the end of post-war inflation caused a major drop in international iron and steel prices ⁸⁰ . Furthermore, FINSIDER’s President also highlighted that the Communist opposition may benefit from current governmental inaction at the April 1948 elections. The centrist government thus “had to say: enough” and “courageously fix the country”, with special attention to the problem of organised labour’s interference with industrial restructuring projects that were meant to increase productivity, close inefficient plants and lay-off “excessive workforce”⁸¹.

This meeting is quite illustrative of the approach to Italian industrial policy in the aftermath of the 1947 split, and the political-economic philosophy of its chief protagonists. First of all, it illustrates that in the absence of a comprehensive planning apparatus, industrial leaders – including the managers of major state-owned enterprises – had to approach the economic ministries and lobby in favour of their own projects rather than integrating them into a broader reconstruction programme. IRI’s managers thus had to rely on the good will of sympathetic ministers such as Merzagora. The document is also illustrative of Sinigaglia’s authoritarian and technocratic approach to industrial and national economic management, characterised by an open hostility towards parliamentary interference, and calls for a firm stance against organised labour.

⁷⁹ ACS, IRI-Nera, STO/508, fos. 8; 10-11.

⁸⁰ Ibid., fo. 8.

⁸¹ Ibid., fo. 10.

The authoritarian and technocratic beliefs that had led the younger Sinigaglia to endorse Fascism once again came to the fore in the deeply anti-Communist atmosphere of the late 1940s. In line with his technocratic understanding of economic management, was his stress on the need to leave the execution of the sectorial plan exclusively to FINSIDER, limiting the ministries' role to the provision of the necessary conditions for the implementation of the project: public order and favourable interest rates.

Quite surprisingly, Budget Minister Luigi Einaudi endorsed FINSIDER's initiative, as long as the project would ensure the consolidation of an internationally competitive iron and steel sector and it would not require any additional funding from the state budget⁸². Sinigaglia indeed reassured Einaudi that the plan would exclusively rely on sources of funding that were external to the state budget such as loans from the US Export-Import Bank and the International Bank for Reconstruction and Development (IBRD), and thus by the ERP⁸³. As Osti remarked, Einaudi was persuaded when he realised that Sinigaglia was not advocating protectionist policies⁸⁴. Einaudi's endorsement did not necessarily mean that he had been converted into a supporter of *dirigisme*. Yet, his support for Sinigaglia's initiative hints that the Budget Minister's economic liberalism could be reconciled with state-led *planiste* projects as long as they did not threaten budgetary stability and imply further trade protectionism.

Following Sinigaglia's meeting with the CIR, FINSIDER redrafted the programme in the spring of 1948. According to a report sent to Saraceno on 20 May 1948, the revised version of the plan would still centre upon the

⁸²ACS, IRI-Nera, STO/508, fos. 13, 16.

⁸³ Ibid., fo. 13.

⁸⁴ Osti, *L'industria di stato*, p. 129.

reconstruction and upgrade of the group's integrated plants in Genoa, Naples and Piombino as well as on the repurposing of minor productive centres. The overall cost of the restructuring of the group's industrial shareholdings would amount to 120-130 billion lire, whilst the specific reconstruction of the three integrated plants would require an investment of 80 billion lire⁸⁵. This specific aspect of the plan was to "be entirely financed by direct and indirect ERP aid", whereas "the rest of the iron and steel programme" would rely on loans from Italian financial institutions or the issuing of special bonds⁸⁶. Between 7 and 11 September 1948 the CIR eventually approved Sinigaglia's project⁸⁷. By 15 September, FINSIDER's programme had been integrated in the revised version of Saraceno's Four-Year Plan. The revised plan once again stressed that the rationalisation of the iron and steel industry constituted a necessary condition for the development of the mechanical sector, and reiterated the centrality of the ILVA steelworks in Naples in relation to the industrialisation of the South; but it refrained from forecasting significant increases in sectorial employment⁸⁸. This hints that IRI's planning office had accepted the need to maximise FINSIDER's productive potential over fighting unemployment.

In September 1948 Ernesto Santoro's Directorate for Industry formulated its own shortened version of the Four-Year Plan's "programme for the re-equipment of some industrial sectors"⁸⁹. This particular document marked the ultimate endorsement of Sinigaglia's plan by the Ministry of Industry and

⁸⁵ 'Appunto aggiuntivo alla nota "criteri di impostazione del piano di ricostruzione e di rimodernamento delle aziende FINSIDER"' ACS, IRI-Nera, STU/39/2, fo. 1.

⁸⁶ *Ibid.*, fo. 1.

⁸⁷ IRI, *Esercizio 1952*, (Rome, 1953), p. 14.

⁸⁸ Ufficio Studi e Piani Tecnico-Economici, *Elementi per un piano economico 1949-1952*, pp. 110-14.

⁸⁹ 'Programma quadriennale di riattrezzatura di alcuni settori fondamentali' ACS, IRI-Nera, STU/19/5, fo. 1.

Commerce (MIC). Most importantly, the ministerial document exclusively focused on FINSIDER's initiatives, thus excluding the private sector from its targets.⁹⁰ This suggests that only state-owned enterprises actively contributed to the drafting of the Four-Year industrial re-equipment programme and would thus likely be its chief beneficiaries of the allocations decreed by the Directorate's Sub-Committee for Machinery.

The committee held its first meeting on 30 September 1948 and its members included Santoro, five other officials of the MIC, one representative of the Ministry of Foreign Trade, one delegate of the *Istituto Mobiliare Italiano* (IMI), three "experts" – one economist and two engineers – one delegate of the *Confindustria* and one representative of the Italian Trade Confederation⁹¹. No representatives of the CGIL participated at this first meeting, an indication of the further exclusion of organised labour. The committee also comprised two managers from FINMECCANICA and one from FIAT⁹². The role of these three managerial cadres was to help establish whether national machine-tool industries could produce the machinery demanded by Italian industrialists rather than resorting to ERP-funded imports. During the 30 September meeting Santoro communicated that the machinery imports requested by Italian industrial enterprises would be analysed by six sectorial "working groups" comprising industrial leaders and ministerial representatives⁹³. The working

⁹⁰ ACS, IRI-Nera, STU/19/5, fos. 6-8.

⁹¹ 'Verbale della riunione tenuta dal sottocomitato CERPI –Macchine il giorno 30 settembre 1948', ACS, IRI-Nera, STU/25/13, fo. 1.

⁹² *Ibid.*, fo .1.

⁹³ *Ibid.*, fo .7.

group for the iron and steel industry included FINSIDER managers such as Guido Vignuzzi and private competitors such as Giovanni Falck ⁹⁴.

By 30 August 1948, FINSIDER had submitted a request for the import of US industrial equipment, which needed the sub-committee's approval⁹⁵. The working group in charge of the iron and steel industry held its meeting at the Ministry on 3 November⁹⁶. Yet on 6 November Minister of Industry Lombardo, requested to "suspend" the procedure concerning the acquisition of US machinery by Italian iron and steel producers until his next journey to the United States, which would allow him to determine "all the elements necessary for the definition of this problem"⁹⁷. The MIC only approved the funding of the first tranche of FINSIDER's programme on 17 February 1949⁹⁸. On 30 March the Minister informed the IMI that the ECA authorised the importation of the equipment necessary for the modernisation of the ILVA plants in Naples and Piombino ⁹⁹. IRI's annual report, published on 30 April announced that Sinigaglia's plan could "finally enter its implementation phase" ¹⁰⁰. Yet, constructions and renovations had only begun at the ILVA plants, whilst the Genoa-Cornigliano SIAC steelworks was still on standby for lack of funding¹⁰¹.

The delays encountered by IRI and FINSIDER during the implementation of Sinigaglia's programme can be explained by the rather tortuous administrative procedure devised by the Italian government to execute the ERP.

⁹⁴ 'Ministero Industria e Commercio-Direzione Generale Industria e Minerie-Divisione I-pratica 118', ACS, MIC, Direzione Generale Produzione Industriale [henceforth DGPI]/64 fo. 1.

⁹⁵ 'FINSIDER-IMI: Finanziamenti ERP-ECA: fabbisogno \$ per macchinario da ordinarsi negli USA entro il 1948', MIC, DGPI/64, fo. 2.

⁹⁶ 'Verbale della riunione tenuta dal sottocomitato CERPI-Macchine il giorno 6 novembre 1948' ACS, IRI-Nera, STU/25/13, fo. 3.

⁹⁷ Ibid., fo. 6.

⁹⁸ 'Direzione Generale Industria -pratica 118' ACS, MIC, DGPI/64, fo. 1.

⁹⁹ 'Direzione Generale Industria e Minerie-IMI', MIC, DGPI/64, fo. 1.

¹⁰⁰ IRI, *Esercizio 1948*, p. 19.

¹⁰¹ Ibid., pp. 19-20.

Even though FINSIDER's plan was already included in the document submitted by the MIC, its officials still treated it as an external initiative that required their formal approval. These bureaucratic delays were exacerbated by the presence of FINSIDER's private competitors in the Ministry's working group. Their inclusion indeed meant that the very same forces that had once distorted the objectives of the IRI planners during the implementation of the autarchic plan in the late 1930s, could once again delay the implementation of Sinigaglia's modernisation programme. What probably favoured the Ministry's ultimate positive verdict was the fact that the ministerial sub-committee also approved the importation of ERP-funded foreign machinery by the Falck group on 7 November 1949¹⁰².

Falck's initiative was approved even though the private sector was not meant to be part of the revised version of the Four-Year industrial re-equipment programme drafted by Ministry's General Directorate for Industry in September 1948. Giovanni Falck's presence in the Machinery Sub-Commission, and Enrico Falck's personal relationship with Piero Malvestiti, then still chair of the IMI-ERP Committee, probably contributed to this outcome. Osti confirmed this interpretation, stressing the Falcks' influence over the DC¹⁰³. On 7 May 1949 Giovanni even publicly argued that Sinigaglia's plan would result in the "suffocation of private initiative and responsibility, the best foundations of economic organisation"¹⁰⁴. The government was thus subjected to considerable pressure to grant ERP aid to FINSIDER's private rivals.

Furthermore, the Falcks could also rely on the support of the Catholic industrialist and *Confindustria* chairman Angelo Costa, a champion of private

¹⁰² 'Ministero industria e Commercio-Direzione Generale Industria e Miniere, pratica n°121', ACS, MIC, DGPI/64, fo. 2.

¹⁰³ Osti, *L'industria di stato*, p. 133.

¹⁰⁴ 'Polemica siderurgica- Una lettera di Falck' *Il Mondo* [Rome], no.12 (7 May 1949), p. 5

enterprise and De Gasperi's chief business ally. On 11 June 1949 Costa openly defended the Falcks' preference for scrap-reliant electrical steelworks, regardless of their significantly higher costs of production compared to those of FINSIDER. Costa argued that the "coexistence of state-owned enterprises with private firms [was] possible only by placing nationalised industries in the same conditions (in terms of subsidies, guarantees and funding) as the private sector"¹⁰⁵. The allocation of ERP aid to the Falcks was coherent with this principle. This further shows the weakness of the polycentric administrative framework that continued to characterise Italian industrial policy even after 1947. The absence of autarchic trade barriers and the elimination of corporatist industrial control instruments prevented the MIC from imposing production quotas capable of limiting FINSIDER's productive potential. However, the system still allowed private steel producers to develop their plants alongside FINSIDER and hence challenge IRI's market share. As Giovanni Federico pointed out, only FIAT was able to compromise with FINSIDER by accepting an annual supply of 300,000 of cheap steel sheets produced in the new wide-strip rolling mill attached to the upgraded integrated steelworks of Cornigliano¹⁰⁶.

Despite bureaucratic delays, Sinigaglia's programme went ahead throughout the early 1950s. IRI's annual report of April 1950 announced that the ECA had agreed to fund the programme through the allocation of 80 billion lire¹⁰⁷. The April 1951 report stated that the remainder of the year would be dedicated to the "implementation of the second phase of the reconstruction of the Genoa-Cornigliano plant" and the "continuation of the modernisation and

¹⁰⁵ 'La polemica siderurgica-Una lettera di Angelo Costa', *Il Mondo* [Rome], no.17 (11 June 1949), p. 6.

¹⁰⁶ G. Federico, 'La domanda siderurgica Italiana', in *Acciaio per l'industrializzazione*, p. 373.

¹⁰⁷ IRI, *Esercizio 1949*, p. 23.

development works of the ILVA plants in Naples-Bagnoli and Piombino”¹⁰⁸. The Institute’s April 1952 report stated that the Genoa-Cornigliano steelworks were at an “advanced stage of construction” and that the Naples-Bagnoli works had also begun to produce raw steel¹⁰⁹. The same report positively described the European Coal and Steel Community (ECSC) as a further incentive for the implementation of the sectorial plan¹¹⁰. In April 1953 IRI announced that ILVA, Dalmine and Terni had “expanded their equipment”, whilst the construction of the Genoa-Cornigliano steelworks had reached a “stage of advancement capable of ensuring the activation of its essential plants by the end of 1953”¹¹¹. Shortly before Oscar Sinigaglia’s death on 30 June 1953, his sectorial plan could therefore be considered complete. By the end of 1953, FINSIDER’s share of raw steel output had reached its 1939 levels – 45% (1.5 million tons) of national production – and 48% (2.02 million tons) at the end of 1954¹¹². Sinigaglia and his colleagues had thus managed to achieve the structural objectives that the original group of IRI planners gathered around Agostino Rocca had attempted to achieve in 1937-40. The absence of corporatist industrial control devices definitely favoured the success of IRI-FINSIDER’s industrial strategy. Yet, the interference of the MIC in the allocation of ERP funds and the implementation of the rival reconstruction programmes pursued by the prevented FINSIDER from exploiting its full productive capacity of 3 million tons by the mid-1950s.

The experience of the ‘Sinigaglia plan’ thus highlights the permanence of two significant continuities with the years of late Fascism (1937-43). The first

¹⁰⁸ IRI, *Esercizio 1950* (Rome, 1951), pp. 28-9.

¹⁰⁹ IRI, *Esercizio 1951* (Rome, 1952), p. 42.

¹¹⁰ *Ibid.*, pp. 43-4.

¹¹¹ IRI, *Esercizio 1952*, p. 49.

¹¹² IRI, *Esercizio 1953*, (Rome, 1954), p. 50; IRI, *Esercizio 1954* (Rome, 1955), p. 44.

was the permanence of an ambitious technocratic state agency – IRI – led by a group of technical experts bent on re-structuring Italian industries to favour national grandeur, and reinforce their own personal power within the state and the industrial system. Like Rocca, Sinigaglia and his fellow managers incarnated the technocratic spearhead of Italy's 'autonomous' developmental state.

The second continuity was the permanence of a rather polycentric institutional framework. Despite the dismantlement of Fascist corporatist bodies, the MIC continued to interfere with IRI's operations and even favour the initiatives of the Institute's rivals from the private sector. This was also due to IRI's ultimate refusal to turn its planning office into an instrument capable of issuing directives to the entirety of Italian industry, and to Sinigaglia's reluctance to consider nationalising the rest of the iron and steel sector. The end of autarchy and the loosening of trade barriers created a more favourable economic context than had prevailed before the war, thus enabling IRI to achieve real successes. The cooperation of former rivals such as FIAT also contributed to the greater post-war success of IRI's modernising ambitions. Yet, the lack of a relatively centralised planning framework capable of coordinating the entire industrial system resulted in the coexistence of state managers and family capitalists with irreconcilable agendas.

ADAPTING ORGANISED CAPITALISM (1952-58)

By the early 1950s both French and Italian policy-makers could claim that the first phase of the 'long reconstruction' had come to an end. By 1953, the Institute for industrial Reconstruction (IRI) and the General Planning Commissariat (CGP) had succeeded in modernising key 'basic sectors' such as iron and steel, thus recasting Italy and France as major industrial powers. Yet, the planners' neglect of the development of consumer industries, structural unemployment and regional inequalities required a broadening of the agenda of French and Italian industrial planning. In response, IRI's managers shifted their attention towards the industrialisation of the *Mezzogiorno*, while the CGP focused on the development of those manufacturing industries vital to consolidate a modern consumer economy.

Yet, in the years prior to France and Italy's entrance into the European Economic Community (EEC), the two countries' industrial planning organs underwent new reforms, which set their respective models of organised capitalism further apart from each other. Between 1952 and 1954 France's elite of industrial planners was criticised for its lack of democratic accountability, and its determination to dialogue exclusively with large-scale industry. Demands for greater economic democracy had however limited consequences. During the execution of the second Modernisation and Equipment Plan (PME) French planning definitely became increasingly more indicative and corrective rather than coercive and prescriptive. Nevertheless, the ambition to coordinate both public and private enterprises through organs such as the Modernisation

Commissions (CMs) and the sectorial Directorates of the Ministry of Industry remained a distinctive trait of French organised capitalism. The permanence of this techno-corporatist framework allowed for the implementation of significant industrial policy initiatives such as the restructuring of the Loire's steelworks, which had been left unfinished during the first PME.

In the summer of 1954 the CGP was placed under the control of the Ministry of Finance. Yet, this development did not result in a conflict between technocracy and economic democracy, but in a tension between similarly technocratic understandings of the role of planning in a modern capitalist economy. Indeed, this reform was accompanied by the passing of special powers, which allowed French planners to fund their investment programmes independently from parliamentary scrutiny. While subjected to frequent shifts in governmental coalitions and pressing emergencies such as the Indochina war and the subsequent Algerian crisis, France's political elite – along with the non-Communist trade unions – accepted the desirability to delegate the management of long-term economic strategy to the civil service's technocrats.

Italian reformers were significantly more successful in challenging the primacy of technical expertise in industrial policy. Between 1953 and 1956, IRI's technocratic elite was the target of significant criticism. Christian Democratic critics of technocracy argued that the system of Italian state shareholdings had to be brought under greater political control in order to fulfil its new tasks, notably the elimination of regional imbalances. Therefore, in late 1956, these pressures resulted in the institution of the Ministry of State Shareholdings and the appointment of a new generation of managers, chosen on the grounds of their loyalty to the Christian Democracy (DC). One of the chief protagonists of this

development, the DC leader Amintore Fanfani, was fundamentally convinced of the primacy of politics over technical expertise. After 1956, the older generation of IRI technocrats was not entirely dismissed, but the Institute was subjected to ministerial directives. Following this political take-over of the Italian developmental state, the choices of nationalised enterprises became even further distinguished from those of their private counterparts. The decision to entrust the construction of a new integrated steelworks in the Southern city of Taranto to FINSIDER was indicative of IRI's new mission. The industrialisation of the *Mezzogiorno* did not however conflict with attempts to reconcile the strategies of nationalised and private enterprises. The 1954 "Vanoni Plan" had provided the groundwork for this potential coordination. Yet, the hostility of business organisations, the lack of enthusiasm of the labour movement, and the DC's prioritisation of the reform of public enterprise, contributed to the abandonment of the project. By the late 1950s, the maintenance of the largest nationalised sector in Western Europe and the lack of a common long-term strategy with private industry remained the distinctive traits of Italian organised capitalism.

IX. TECHNO-CORPORATISM AND ‘THE LONG RECONSTRUCTION’: FRENCH INDUSTRIAL POLICY DURING THE “HIRSCH PLAN”

(1952-58)

Techno-Corporatist Planning under Hirsch

Following the completion of the first Modernisation and Equipment Plan (PME), in late 1952 the technocrats of the General Planning Commissariat (CGP) began working on a second plan to further coordinate the modernisation of vital industries and infrastructures, to be executed between 1954 and 1957. As Frances Lynch observes, the maintenance of national planning in the changed political, economic and social environment of the 1950s was a remarkable achievement of French post-war economic administrators¹. The second PME was carried out in a context of trade liberalisation, inflationary pressures, political instability, social tensions, and demands for greater political control over the CGP, which rendered expert-led long-term industrial strategy increasingly more difficult to implement. Yet, the gradual abandonment of the model developed by Monnet and his colleagues only occurred after the Gaullist turn of 1958.

The protagonist of the second French PME was the *Mines* engineer Etienne Hirsch, who succeeded Jean Monnet as General Planning Commissioner in September 1952, holding this post until January 1959. This former industrial manager was much closer to the archetype of the French technocrat than his

¹ Lynch, *The French Economy*, p. 30.

predecessor. An article published by *Paris Match* magazine on 1 March 1954 described the new head of the “Ministry of the Future” as both Monnet’s “spiritual son” and “antithesis”². Whilst “Mr. Europe” – Monnet – was a “visionary and a specialist of general ideas”, “Mr. Production” – Hirsch – was a “realist who only believes in what he touches (...) capable of confidently talking about any technical matter”³. Monnet had not even completed his baccalaureate, whilst his successor was a “brilliant *Mines* engineer”⁴. According to the magazine *Entreprise* – “the bi-monthly of the men of action” – Hirsch “loved keeping directly in contact with people, visiting the factories and taking an interest in industrial problems (...), the best way to preserve confidence in the objectives being pursued and control the results obtained”⁵. Claude Gruson, who during the second PME still led the Ministry of Finance’s Office for Economic and Financial Studies (SEEF), acknowledged that Hirsch “rendered great services” to the state, as he was “the only figure in the French civil service, who had a real industrial experience”⁶. Yet, he also stressed, that Hirsch was “a pragmatist” who “did not love grand reflections and economic utopias”⁷.

It was on these grounds that in January 1946 Hirsch had been chosen to select the personnel of the Modernisation Commissions (CMs), and guide the Technical Division of the CGP during the practical implementation of the first PME’s industrial restructuring programmes. Though he had been an enthusiastic *résistant*, Hirsch’s educational and professional background was closer to that of

² ‘Le Ministère de l’avenir promet à la France 17% de Bonheur en plus pour 1957’, HAEU, Etienne Hirsch, EH/14, fo. 1.

³ Ibid., fo. 1.

⁴ Ibid., fo. 1.

⁵ ‘Ce qui comptent en France’, *Entreprise, le bi-mensuel des hommes d’action*, [Paris], no.2 (15 Apr. 1953), p. 30.

⁶ Gruson, *Programmer l’espérance*, p. 79.

⁷ Ibid., p. 79.

Vichy's most eminent technocrat: Jean Bichelonne. Even in the early 1950s the Fourth Republic's political leadership was thus determined to continue the 'managerial revolution' in French economic administration initiated in 1940. Significantly, the appointment of the new CGP Commissioner occurred under the government of Antoine Pinay, widely regarded as one of the chief liberal opponents of French technocratic *dirigisme*⁸. Thus, even during the second phase of its 'long reconstruction', pragmatic imperatives and 'technical' decisions still trumped ideological considerations. Thanks to his managerial background and his reputation as a pragmatist rather than a utopian economic reformer, Hirsch was the appropriate candidate to lead the modernisation of French industry, while centrists and conservatives dominated French politics.

Drafted in 1953-54 – a “year of transition” characterised by the completion of the Monnet Plan's sectorial programmes and the recession that followed the end of the Korean War – the second PME differed significantly from its predecessor⁹. Whereas the 1947-52 plan had prioritised the reconstruction and technical upgrade of the “basic” sectors, the new PME's industrial programme focused on the “modernisation of the manufacturing industries” and the “implantation of light industries”, essential for the consolidation of a modern consumer economy¹⁰. As the political economist Stephen S. Cohen put it, “the entire productive plant of the French economy now needed the rationalising, modernising and developing that the Monnet plan had begun in the basic sectors”¹¹.

⁸ 'Etienne Hirsch est nommé Commissaire au Plan', HAEU, Etienne Hirsch, EH/14, fo. 1.

⁹ CGP, *Rapport annuel sur l'exécution du plan -1954*, p. 3.

¹⁰ *Ibid.*, p. 6.

¹¹ Cohen, *Modern Capitalist Planning*, p. 119.

According to the CGP planners, the second PME rested upon the “essential observation” that French production had “improved little” in relation to its 1929 levels, and its costs were still too high in comparison to foreign competitors¹². The solution resided in a “general and continuous expansion” involving the “development of scientific and technical research”, the “specialisation and adaptation of industrial enterprises”, and the “adaptation of the workforce”¹³. According to Hirsch, the planners’ top priority in the field of industrial policy was to “encourage the most dynamic enterprises through all the available means – notably that of credit – and stimulate the creation of new ones”¹⁴. “Industrial expansion”, Hirsch argued, was the key to bringing about a durable “increase in the standard of living and the improvement of the balance of payments”¹⁵. To achieve this, it was therefore necessary to “address the absence of certain industries and improve the productivity of the export-oriented ones”¹⁶. Hirsch particularly stressed that “the dispersion of plants” and the “multiplicity of activities” constituted the chief causes of the lack of competitiveness of French industry. Despite its greater focus on the development of the light industry, the new PME thus reprised the same ‘Saint-Simonian’ and ‘anti-Malthusian’ modernising objectives that had characterised the Monnet Plan: the upgrade of industrial equipment and the concentration of production into large-scale units.

Indicative of Hirsch’s economic vision was his contribution to a propagandistic illustrated publication titled *Présence de la France*, published in 1955 and meant to celebrate the nation’s recent industrial and infrastructural

¹² CGP, *Rapport annuel sur l’exécution du plan -1954*, p. 5.

¹³ *Ibid.*, p. 7.

¹⁴ Hirsch, *Ainsi va la vie*, p. 124.

¹⁵ *Ibid.*, p. 125.

¹⁶ *Ibid.*, p. 125.

modernisation. In his preface to the album, Hirsch lamented “France excessively [appeared] as a country with a rich past, concerned with literary and artistic problems, but little aptitude for great economic achievements”¹⁷. This was due to the fact that “the modernisation and equipment pursued in France after 1946 [was] still largely unknown” by the “general public”, who were unaware of “all the decisive technical progress undertaken by numerous public and private enterprises”¹⁸. The album was thus meant to inform the public about France’s “new dynamism” by illustrating “a very indicative choice of technical monuments”¹⁹. These included industrial plants built during the first PME such as the two wide-strip rolling mills of Union of Northern Iron and Steel Producers (USINOR) and the *Société Lorraine de Laminage Continu* (SOLLAC), and the new integrated steelworks of Séremange²⁰.

The celebratory tone of *Présence de la France* casts this initiative aside from the much more technical pamphlet on the iron and steel industry published by the *Documentation Française* in 1953. The objective of the 1955 publication was no more to explain the first PME’s technical and structural achievements, but to emphatically celebrate France’s newfound industrial grandeur. Planning was therefore the means that ensured the consolidation of this new triumphant industrial modernity. Hirsch’s remarks are typical of the “neither liberal nor Socialist”, but “essentially technical” mid-20th century optimism identified by Raymond Aron²¹. *Présence de la France* was thus a demonstration of the anti-ideological enthusiasm of the 1950s. Moreover, the reiteration of the CGP’s Saint-

¹⁷ Art et Style, *Présence de la France*, (Paris, 1955), p. iii.

¹⁸ *Ibid.*, p. iii.

¹⁹ *Ibid.*, p. iv.

²⁰ *Ibid.*, pp. 36, 46, 51.

²¹ R. Aron, *18 Lectures on Industrial Society* (London, 1968), p. 118.

Simonian mission unsurprisingly corresponded to a reconfirmation of its internal organisation. Throughout the execution of the second PME, Hirsch still relied on the cooperation of experts previously recruited by Monnet such as the economists Jean Vergeot – Deputy Planning Commissioner since 1952 – and Jean Fourastié. Aron identified the latter as a convinced apostle of the strict correlation between technical and social progress²². In accordance with this vision, Fourastié was also the inventor of the phrase “*trente glorieuses*” to describe the growth, social change and stability of the post-war era and identified the CGP’s staff of technocratic planners as one of the “institutional factors of progress” capable of “correcting the mistakes and limits of the market”²³.

Another key collaborator of Hirsch’s staff was the *Polytechnicien* Pierre Grimanelli (1905-66), the head of the Directorate for Economic Programmes at the Secretariat for Economic Affairs since 1947. This office – the most direct descendant of Vichy’s General Delegation for National Equipment (DGEN) – remained subordinated to the CGP’s authority even during the second PME²⁴. As of January 1953, Grimanelli also chaired the National Committee for Productivity, which had coordinated the technical exchanges between French and US businessmen and labour leaders during the final phase of the Monnet Plan. In May 1953 the Directorate and the Centre were merged into the General Commissariat for Productivity, which was entrusted to the *Inspecteur des Finances* and scientific management enthusiast Gabriel Ardant (1906-77)²⁵. Through the new National Productivity Fund, the Commissariat still distributed

²² Aron, *18 Lectures*, p. 118.

²³ J. Fourastié, *Les Trente Glorieuses* (Paris, 1979), pp. 27, 276.

²⁴ ‘Hirsch à Monsieur Tony-Revillon 3 Janvier 1953’, AN, CGP, 80AJ/274/2, fo. 1.

²⁵ Société Didot-Bottin, *Annuaire de l’Administration Française-1954*, (Paris, 1954), p. 344.

US financial aid provided within the framework of the 1953 Mutual Security Act “to private firms desirous to increase their productivity” on the basis of “a general productivity plan [developed] by the enterprise”²⁶. The permanent link between the CGP and this new office was ensured through an *ad hoc* office, led by the *Ponts* engineer Emile Bizot, another veteran of the DGEN²⁷.

This much more explicit connection between planning and productivity was in line with Hirsch’s understanding of the CGP’s role as a promoter of French industrial efficiency and competitiveness. Reliance on US aid definitely signalled France’s adherence to the American political-economic sphere of influence and its determination to emulate US technological and organisational innovations. Nevertheless, the governmental institutions and personnel tasked with spreading the adoption of these innovations were distinctively French and still bore the legacy of the Vichy experience.

The elaboration of the second PME’s sectorial programmes was still entrusted to the tripartite and techno-corporatist Modernisation Commissions (CMs). In April 1953 the CGP also charged the pro-business review *Entreprise* with collecting the statistical information concerning “the real needs of the French” as part of the broader poll organised by the French Institute of Public Opinion (IFOP) in preparation for the second plan²⁸. According to Hirsch’s memoirs, the members of the Modernisation Commission for the Manufacturing Industry enthusiastically funded the poll²⁹. This initiative is quite indicative of the planners’ determination to maintain a cooperative relationship with France’s

²⁶ W.C. Baum, *The French Economy and the State* (Princeton NJ, 1958), pp. 240-1.

²⁷ Société Didot-Bottin, *Annuaire-1954*, p. 344.

²⁸ ‘Entreprise lance une grande enquête: Quels sont les besoins des Français?’, *Entreprise: le bi-mensuel des hommes d’action*, [Paris], no. 2 (15 Apr. 1953), p. 1.

²⁹ Hirsch, *Ainsi va la vie*, p. 117.

business leaders, despite the increasingly widespread anti-*dirigiste* sentiments that had begun to characterise the National Council of French Employers (CNPF) since the final phase of the first PME.

The planners could also still count on sympathetic business associations, which endorsed their Saint-Simonian mission such as the Association of Industrial Managerial Cadres (ACADI). By the early 1950s, the ACADI had embraced the technocratic managerial ideology of organisation theorists such as Peter F. Drucker – published in the association’s bulletin in June 1953 – who rejected both *laisser-faire* liberalism and the Soviet command economy in favour of a “realist and at the same time humane philosophy of the modern enterprise”, based on the harmonious cooperation managers and ‘responsible’ labour organisers³⁰. At the same time, the ACADI also flirted with post-war *planiste* economists such as Alfred Sauvy (1898-1990), who identified the planning techniques developed by the Russian-American economist Vasily Leontieff as the key to “renovating capitalism and providing it with a new vigour”³¹.

According to the German-American political scientist Maurice H. Ehrmann, the ACADI’s 1953 yearbook still included the managers of leading private enterprises among its members and sympathisers. Since 1950, the ACADI’s President was the *Polytechnicien*, *Mines* engineer and former Pétain advisor René Perrin (1893-1986), whose pioneering technical innovation in the field of blast furnaces – the so-called “Ugiperval process” – was widely applied during the first PME³². Also still an ACADI member was the *Polytechnicien* and *Mines* engineer Pierre Ricard, President of the Syndical Chamber of the French

³⁰ ‘Philosophie réaliste de la société industrielle moderne’, *Bullettin de l’ACADI*, 66 (Feb. 1953), pp. 37-8; 40-1.

³¹ ‘La belle époque est devant nous’, *Bulletin de l’ACADI*, 85 (Nov. 1954), p. 375.

³² H.W. Ehrmann, *Organised Business in France*, (Princeton NJ, 1957), p. 197.

Iron and Steel Industry (CSSF) from 1952 to 1956³³. At a CSSF's press conference of 4 July 1952 Ricard praised the 1947-52 plan's effort to modernise the French iron and steel industry, and welcomed the launching of a new investment effort "studied jointly with the state-planning group" to encourage French performance in the great experiment of the Schuman plan"³⁴.

The Modernisation Commission for Steel (CMSID) was re-appointed on 9 March 1953. Its composition reflected the planners' desire to renew their ties with the 'managers-engineers' – notably from the *Corps des Mines* – who had already contributed to the first PME. These included Perrin, Ricard, Henri Malcor, General Manager of the Marine and St-Etienne Steelworks since 1952, and Chairman of the Iron and Steel Institute (IRSID) since 1946; Roger Martin, one of the top managers of the Lorraine Iron and Steel Union (SIDELOR); and Maurice Borgeaud, General Manager of USINOR since 1948³⁵. The CMSID also comprised some managerial newcomers such as its President Henri Vicaire (1899-1980), a *Polytechnicien* and the General Manager of the Creusot Steelworks on behalf of the Schneider family, and the former *Inspecteur des Finances* and ACADI member Marcel Macaux (1907-66), a close friend of Malcor and the Chairman of the Firminy Steelworks³⁶. The choice to appoint Vicaire as the CMSID's new President probably reflected the need to shift the focus of the PME to the modernisation of plants of the Centre and Midi, which had been predominantly left incomplete during the previous plan.

³³ Ehrmann, *Organized Business*, p. 197.

³⁴ 'Speech of Mr. Ricard, Vice-President of the Chambre Syndical de la sidérurgie Française', AN, CSSF, 1900482/21, fos. 3, 6.

³⁵ 'Création au Commissariat general au Plan d'une commission de la Sidérurgie, 9 mars 1953', AN, CGP, 80AJ/26, fo. 1.

³⁶ *Ibid.*, fo. 1.

The choice of a manager-engineer rather than a *patron* as the CMSID's president also reflected the planners' bias in favour of salaried technical experts, less likely to be influenced by the potentially 'Malthusian' attitudes of traditional family capitalists such as the Schneiders. Once again, the planners excluded any member of the de Wendel family, and preferred to rely on their chief engineer, Pierard. Also representing the Lorraine producers was the *Polytechnicien* and *Ponts* engineer Louis Dherse (1906-94), SOLLAC's General Manager³⁷. This managerial bias reflected the consolidation of the balance of power within the CSSF's leadership in favour of technical cadres. According to Malcor's testimony, Ricard was able to evict the *patron* Charles Schneider from the board of the CSSF after the latter had questioned his authority and addressed him as a "simple employee"³⁸.

The CMSID's Vice-President was the *Polytechnicien* and *Mines* engineer Albert Denis, the head of the Iron and Steel Office of the Ministry of Industry since 1949³⁹. The commission's "rapporteurs" to the CGP were three *Mines* engineers employed by the Ministry of Industry⁴⁰. Other civil servants included the Directors of the Treasury and the Budget of the Ministry of Finance – Paul Pierre Schweitzer and Roger Goetze – the Director of Economic Programmes (Grimanelli), and the head Finance Office of the Ministry of Industry, Pierre Dreyfus⁴¹. Representing organised labour were Alfred Willame (1912-68), and René Schwob (1904-94), Secretaries of respectively the Metallurgy Federations

³⁷ AN, CGP, 80AJ/26, fo. 1.

³⁸ Malcor, 'Un sidérurgiste', pp. 199-200.

³⁹ AN, CGP, 80AJ/26, fo. 1.

⁴⁰ *Ibid.*, fo. 2.

⁴¹ CGP, *Rapport annuel sur l'exécution du plan -1954*, p. 418.

of the French Confederation of Christian Workers (CFTC) and the Socialist Workers Force (FO)⁴².

The involvement of Denis and other civil servants confirmed the planners' determination to avoid a form of excessively corporatist planning, which could exclusively benefit business at the expense of the 'general interest'. The presence of the directors of the Ministry of Finance also further indicates the *Rue de Rivoli's* enduring commitment to industrial policy. The under-representation of labour reflected the exclusion of the Communist-dominated General Confederation of Labour (CGT) from the planning process, as well as the enduring technocratic elitism of the planners and their managerial partners.

Malcor posthumously reported that the CMSID's first plan "was a truly serious collective effort (...) the others were significantly less so", as "the preparation of the report was directly carried out by the planning agency [the CGP] and the commission intervened way less"⁴³. The available archival documentation however suggests that between March 1953 and June 1954 the CMSID was deeply involved in the drafting of the plan. The differences between the two plans thus lay elsewhere, and most particularly in their strategic prescriptions. Despite having meticulously analysed the intentions of each firm, in June 1954 the planners did not provide any specific instructions to each enterprise. The document synthesised the private producers' investment proposals into a "large programme" for 1954-57 – worth 284 billion francs and aimed at increasing national production to 15.4 million tons of raw steel – and contrasted it with to a "reduced programme", which required an investment of

⁴² AN, CGP, 80AJ/26, fo. 2.

⁴³ Malcor, 'Un Sidérurgiste', p. 188.

220 billion francs and sought to increase production to 14.3 million tons⁴⁴. The planners particularly focused on scaling down the private sector's ambition to expand the productive capacity of rolling mills (from 111 to 70 billion francs) and blast furnaces (from 48 to 34 billion francs), which they deemed unnecessary, given the significantly unexploited productive capacity achieved by the first PME⁴⁵. In 1952 France had indeed produced 10.7 million tons of raw steel, while relying on a productive capacity of 12.5 million⁴⁶.

Under Hirsch, French planning therefore became a corrective exercise aimed at calibrating the ambitions of the private sector in relation to the results achieved within the framework of Monnet's far more coercive plan. Whilst the first PME was aimed at eliminating the private producers' 'Malthusian' reluctance to invest, the 'Hirsch Plan' was designed to contain their newfound optimism. This shift in the role of planning was thus not only characteristic of the more indicative traits of French planning in the 1950s, but also of the French entrepreneurs' revived faith in industrial expansion. The transition from coercive to indicative planning was therefore also a consequence of the structural changes that the first PME had contributed to engender.

The shift towards a more 'corrective' form of planning in the mid-1950s did not however prevent the CGP and other agencies from encouraging major industrial restructuring initiatives such as the re-organisation of the Centre-Midi iron and steel industry. The protagonist of the re-launching of this strategy was the Company of the Ateliers and Forges of the Loire (CAFL) – led by Malcor and Macaux – which, at the CGP's encouragement, in December 1953 regrouped the

⁴⁴ 'Rapport général de la Commission de Modernisation de la Sidérurgie, June 1954', AN, CGP, 80AJ/59, fo. 27.

⁴⁵ *Ibid.*, fo. 54.

⁴⁶ *Ibid.*, fo. 24.

shareholdings of the Marine and St-Etienne Steelworks, and the Firminy plant of the Firminy Company⁴⁷. Through Firminy, the CAFL also indirectly controlled the St Chély Les Dunes and Croix plants, which would be formally acquired in 1959.

In line with the reflections that Malcor had developed during the first PME, from 1954 the CAFL sought to restructure the Loire's steelworks and their mechanical workshops. In May 1955 Macaux illustrated the chief guidelines of the CAFL's programme at an ACADI meeting in Lyon. The plan required the closing of two Martin-Siemens steelworks – St Chamond and Firminy – and the renovation of a plant of the same kind at St Etienne⁴⁸. The plan also required the closing of three electrical steelworks across the five plants owned by the group. By early 1956, the St-Chamond Martin-Siemens steelworks were closed, whilst the Firminy and Unieux plants were instead the CAFL's only active electrical steelworks. In its effort to renovate the St Etienne, Firminy and Unieux plants, as well as upgrading the group's mechanical workshops, the CAFL sought and obtained the support of the CGP and the Directorates of the Ministry of Industry, which ensured the allocation of a first loan of 1 billion francs in June 1955 by the Economic and Social Development Fund (FDES), the successor of the Modernisation and Equipement Fund (FME)⁴⁹. The CAFL experience therefore shows that in the mid-1950s France's the key components of the French developmental state – the CGP, the ministerial Directorates of the Ministry of Industry and the FDES – still played a pivotal role in ensuring public support for the further modernisation of French private industry. The centrality of these agencies in facilitating the exchange of information concerning the long-term

⁴⁷ 'Les aspects sociaux d'une concentration industrielle' *Bulletin de l'ACADI*, [Paris], no. 93, (August 1955), p. 268.

⁴⁸ *Ibid.*, p. 269.

⁴⁹ 'Macaux à Monsieur Terrell, 27 Juin 1955', AN, Industrie et Commerce, F12/11086, fo. 1.

investment strategies of private industries allowed them to even facilitate the execution of unfinished projects conceived during the first PME.

Regardless of direct public financial support for some specific projects, private finance capital played a more significant role in funding the second PME's iron and steel programme. In the eventuality of a shortage of public funds, the CMSID indeed suggested to resort to the Iron and Steel Industrial Group (GIS), a financial institution created by the CSSF to finance productive investments. On the basis of the GIS' annual reports, Michel Margairaz estimated that the GIS covered 25% of the investments undertaken by French steelmakers during the second PME, against only 3% during the first plan⁵⁰. The share of the FDES and other public financial institutions dropped from 36% to 29%⁵¹.

Still, between 1954 and 1957 there was not a single year in which the iron and steel industry did not receive funding from the FDES⁵². The monitoring of these publicly funded operations was again entrusted to Ministry of Industry's Iron and Steel Directorate/Office, charged with "preparing and monitoring the execution of all the contractual agreements approved by the state to favour the development of the industrial and commercial branches under its control"⁵³. Yet, as Malcor remarked, "the allocation of GIS bonds was monitored by the state", prompting Mioche and Roux to talk about a *de facto* "nationalisation of private debt"⁵⁴. The French developmental state thus still found ways to turn private

⁵⁰ Margairaz, 'Le Plans et la Sidérurgie', p. 141.

⁵¹ Ibid., p. 141.

⁵² CGP, *Rapport annuel sur l'exécution du Plan de Modernisation et d'Équipement de l'Union Française -1957* (Paris, 1958), pp. 18-19.

⁵³ Société Didot-Bottin, *Annuaire de l'administration française-1958*, (Paris, 1958), p. 393.

⁵⁴ P. Mioche and J. Roux, 'Fiches Thématiques', in *Henri Malcor*, p. 279.

financial institutions such as the GIS into public policy instruments. Bloch-Lainé appropriately described this as a shift to “*faire-faire*” rather than *laisser-faire*⁵⁵.

⁵⁵ Bloch-Lainé and Bouvier, *La France Restaurée*, pp. 173-4.

Technical Expertise, Politics and Planning in the Late

Fourth Republic

The early to mid-1950s were not exempt from fierce attacks on the technocratic traits of the French developmental state. Actors of various political persuasions denounced the elitist arrogance of state experts, their unwillingness to engage in a dialogue with all the representatives of the productive forces, and their determination to escape political accountability. According to Richard Vinen, French civil servants, especially the members of the *grands corps* in charge of key economic agencies, were “overwhelmingly bourgeois and Parisian”⁵⁶. The institution of the National School of Administration (ENA) in 1945 hardly reversed this tendency. According to Vinen, “of those recruited by the ENA between 1945 and 1952”, 39.2% came from the Parisian region, and 41.5% were the children of people who had worked in the administration”⁵⁷. The *Inspecteur des Finances* Simon Nora (1921-2006), a first generation ENA graduate, incarnated this trend: though an associate of Claude Gruson and a sincere partisan of planning, he was also as quintessentially bourgeois and Parisian as the *Inspection’s* pre-war partisans of *laissez-faire*.

Unsurprisingly, the permanence of this administrative elite – which had become the chief agent of a more pervasive, coercive, and markedly ‘industrialist’ developmental state – stirred the resentment of the social *milieus* that felt excluded from the benefits of modernisation. Pierre Poujade (1920-2003), a shopkeeper from the southern town of St-Céré, epitomised this anti-

⁵⁶ Vinen, *Bourgeois Politics*, p. 85.

⁵⁷ *Ibid.* p. 85.

technocratic trend by resisting tax inspections in July 1953 and subsequently founding the populist Defence Union of Shopkeepers and Craftsmen (UDCA) in November 1954⁵⁸. A former sympathiser of Jacques Doriot's French Popular Party (PPF) and a *pétainiste* until 1942, Poujade championed the small businessmen's resentment against fiscal reforms devised by *Inspecteurs des Finances* such as Paul Delouvrier and Maurice Lauré to favour large-scale industrial investments⁵⁹. Because of their strict association with the indirect promotion of large-scale industrial modernisation, provisions such as the Added Value Tax (TVA) symbolised the civil service's lack of interest in the protection of the small businessman.

The CGP was a favoured target for the anti-technocratic critics of the 1950s. In February 1952 the pro-business newspaper *La volonté du Commerce* characterised the CGP as "an occult director of the country's economic policy", denounced its control over pivotal ministerial offices such as the Directorate for Economic Programmes, and lamented that the CM members were chosen "according to the sympathies of the Planning Commissioner"⁶⁰. These pro-business critics hence contested the CGP planners for their lack of democratic unaccountability, their effort to subordinate ministerial officials to their directives and their determination to interact exclusively with selected trade organisers.

Also quite noteworthy is a provocative 1953 article from late 1953 – titled "The Failure of the Synarchy" – by Manuel Bridier (1925-2003), a journalist with

⁵⁸ Chapman, *France's Long Reconstruction*, pp. 93-5.

⁵⁹ *Ibid.*, pp. 91-92, 101.

⁶⁰ 'Au dessus des pouvoirs', AN, CGP, 80AJ/21, fo. 1.

a Communist past, who later joined the Rally of the French People (RPF)⁶¹. Bridier argued that in 1947-52 the planners had failed to modernise branches such as the machine-tool and automotive sectors. This failure was due to the “economic and social theories of irresponsible technocrats”⁶². Much like their Soviet counterparts, “the technocrats of state capitalism” had overdeveloped heavy industry, to the detriment of the light industry⁶³. Furthermore, as in “the times of the synarchy and Mr. Bichelonne”, due to their faith in “pure economics”, Hirsch and his colleagues had failed to notice that the rest of France’s industrial system had degenerated into a harmful “corporatism, aimed at preserving the status quo”⁶⁴. The technocrats’ “strictly economic and technical conception of planning”, as well as the “professional corporatism” of the employers had to be abandoned in favour of a “true economic democracy, capable of ensuring the participation of all the active elements of the nation in the elaboration of the plan”⁶⁵.

By provocatively re-mobilising derogatory terms developed by the collaborationist detractors of Vichy’s technocratic elite, Bridier accused the CGP of being democratically unaccountable, unreceptive to other views and naïve. In his view, like the Soviet planners, Hirsch and his colleagues had prioritised heavy industry over the rest of the industrial system. Like the Vichy ‘synarchs’, the CGP planners were blinded by their own expertise, and failed to realise that underneath their unrealistic pretence to control overall economic development through the modernisation of heavy industry, organised interests exploited

⁶¹ ‘Faillite de la Synarchie’, AN, CGP, 80AJ/21, fo. 1.

⁶² *Ibid.*, fo. 1.

⁶³ *Ibid.*, fo. 1.

⁶⁴ *Ibid.*, fo. 1.

⁶⁵ *Ibid.*, fo. 1.

corporatism to maintain the rest of the industrial system qualitatively unchanged. According to Bridier, only a truly democratised planning framework, immune from technocratic illusions would ensure the modernisation of French industries.

Though diverse in their nature, these attacks on technocratic institutions such as the CGP all shared a demand for greater political control over French economic administration. Partially in response to these demands, and in the effort to re-launch national economic development after the Korean shock of 1950-53, the mid-1950s saw a revival of ministerial initiative in the field of economic policy-making. As Kuisel pointed out, between 1953 and 1955 various governments obtained “decree powers” and “vigorously pursued counter-cyclical programmes”⁶⁶. These powers were especially granted to the governments led by Joseph Laniel, Pierre Mendès-France and Edgar Faure in July 1953, June-August 1954 and April 1955. Consequently, as Jean Bouvier observed, the year 1954 was characterised by a “proliferation of plans” independently conceived by the Ministry of Finance and the Ministry of Industry, while Hirsch’s PME was under elaboration⁶⁷. The most important of these plans was the so-called “18-month plan for economic expansion”, developed by the then Minister of Finance, the Radical politician Edgar Faure (1908-88)⁶⁸. By lowering interest rates and easing fiscal pressures on investments, Faure sought to obtain a 10% increase in industrial production, boasting retrospectively that he had paid “little attention to the initiatives pursued by Monnet’s successor”⁶⁹. Faure also made no

⁶⁶ Kuisel, *Capitalism and the State*, p. 268.

⁶⁷ Bloch-Lainé and Bouvier, *La France Restaurée*, p. 191.

⁶⁸ *Ibid.*, p. 191.

⁶⁹ E. Faure, *Memoires I: Avoir raison tout le temps c’est un grand tort*, (Paris, 1982), p. 538.

secret of his disapproval of the “modernist and technocratic excuse to keep the Planning Commissariat attached to the Premiership”⁷⁰.

In the context of these seemingly independent ministerial initiatives, Prime Ministers sought to subject the CGP to greater political control. In July 1954 when Mendès-France’s cabinet placed the CGP under the authority of the Finance Ministry, still led by Faure and renamed “Ministry of Finance, Economic Affairs, and Planning”⁷¹. According to the journalist François Duchene, a close associate of Monnet, this reform constituted a fatal blow to the organisational blueprint conceived in 1946: political interference, had seemingly reasserted itself over technical expertise⁷².

Despite Duchene’s claims, Faure’s plan and Mendès-France’s administrative reforms did not fundamentally alter the technocratic character of the administrative framework in charge of French long-term industrial planning. Hirsch himself did not consider Faure’s plan as a challenge to his PME, as the Finance Minister had “*pro rata temporis* borrowed the numbers of the second Plan”⁷³. Even the CGT trade unionist and former planner Pierre Le Brun wrote on *Le Monde* that Faure’s programme did not constitute a plan, but “an ensemble of measures aimed at the partial achievement of some of the objectives of the second four-year Modernisation and Equipment Plan”⁷⁴. The initiatives of the Mendès-France government in the field of industrial modernisation were also in line with the objectives of the second PME. In the fall of 1954 his cabinet introduced institutions and instruments meant to facilitate its implementation

⁷⁰ Faure, *Memoires I*, p. 538.

⁷¹ *Journal Officiel de la République Française, Lois et Décrets*, 10 July 1954, p. 6781.

⁷² F. Duchene, *Jean Monnet: The First Statesman of Interdependence* (New York, 1994), p. 175.

⁷³ Hirsch, *Ainsi va la vie*, p. 117.

⁷⁴ ‘Lumières sur le plan de 18 mois’, *Le Monde* [Paris], no.2347 (16 June 1954), p. 7.

such included a special Industrial Conversion Fund for the concentration and specialisation of enterprises⁷⁵. Therefore, according to François Bloch-Lainé, then Director of the *Caisse des Dépôts*, one of the chief public financial institutions involved in the planning process, the Planning Commissioner “was not annoyed” when the CGP was subordinated to Faure’s Ministry⁷⁶. Hirsch himself remarked that the reform “was not illogical”⁷⁷.

Cooperation among CGP experts and those of the *Rue de Rivoli* intensified after 1954. As commented by Pierre Massé, then General Manager of *Électricité de France* (EDF) and Hirsch’s successor after 1959, the chief result of the re-attachment of the CGP to the Ministry of Finance was “a very close symbiosis between the financial office of the Commissariat and the operative Directorates of the Ministry of Finance”⁷⁸. Rather than a turn in favour of democratic planning, the 1954 reform strengthened the technocratic nature of the planning process. Vinen indeed argued that the 1954 reform marked an “increase in the power of the *corps d’état*” over the CGP, as the “inspectorate of finance controlled the purse strings”⁷⁹. The integration of the CGP into the Ministry of Finance hence constituted the completion of the *Rue de Rivoli*’s transformation into the chief agent of French planning, which had begun when the Ministry seized control over the Modernisation and Equipment Fund (FME) in June 1948. Consequently, the tensions that followed the 1954 reform did not arise between experts and politicians, but among the experts themselves.

⁷⁵ Baum, *The French Economy and the State*, p. 242.

⁷⁶ Bloch-Lainé and Bouvier, *La France Restaurée*, p. 225.

⁷⁷ Hirsch, *Ainsi va la vie*, p. 119.

⁷⁸ P. Massé, ‘Le Métier du Commissaire au Plan’, in *De Monnet à Massé*, p. 199.

⁷⁹ Vinen, *Bourgeois Politics*, p. 91.

The main source of friction was the closer coexistence between the CGP and the Ministry of Finance Office of Economic and Financial Studies (SEEF), led by Gruson and Nora. According to Gruson, “Hirsch did not believe in his craft” and “failed to support the institution he was in charge of”⁸⁰. Gruson’s suggestion that the Commissioner did not believe in planning is however misleading. Hirsch had indeed been one of the key architects of the post-war French planning apparatus and, by the mid-1950s, he became increasingly concerned about how the Fourth Republic’s political instability interfered with the execution of the PMS. In March 1956 Hirsch even embraced the slogan “one government, one plan, one budget per legislature”, and argued “durable economic progress can only result from a continuous policy”⁸¹.

This hostility towards Hirsch thus lay elsewhere, and more precisely in Gruson’s institutional criticism of the CGP itself, which he regarded as a “small staff of brilliant men, certainly capable of elaborating some sectorial programmes”, but “not the large and well-informed administrative agency that could have provided the basis for a managed credit policy”⁸². This alternative organisation was meant to rely “on sufficiently detailed economic statistics to explain to the government, the civil service, the banks and public opinion the nature and the scope of the controls necessary for the elimination of disorder”⁸³. Hirsch however had little time for the SEEF’s ambition to predict and control the behaviour of all economic actors. Much to Gruson’s dismay, Hirsch often undertook bold decisions, “without having all the information on a given

⁸⁰ Gruson, *Programmer l’espérance*, p. 79.

⁸¹ ‘Un gouvernement, un plan, un budget, par législature’, HAEU, Etienne Hirsch, EH/14, fo. 1.

⁸² Gruson, *origines et espoirs*, p. 57.

⁸³ *Ibid.*, p. 57.

problem”, responding to his colleague and critic that if he waited for all the data to be at hand, “then this information would turn out to be out-dated”⁸⁴.

The chief tension among French planners in 1954-58 therefore arose from the conflict between two equally technocratic understandings of planning. For the ‘engineer-economist’ and theoretician Gruson, planning was a means to coordinate all aspects of economic policy and discipline a wide range of economic actors into following the directives and behavioural patterns necessary to simultaneously ensure expansion, growth, competitiveness and monetary stability. The ‘engineer-manger’ Hirsch in contrast regarded planning as a pragmatic instrument, which forged a permanent link between public administration and the industrial world in a modern capitalist economy characterised by renewed international competition and rapid technological change. The conflict between Hirsch and Gruson thus amounted to the tension between a form of planning exclusively concerned with developing the nation’s industrial core and a much broader and more ambitious “resource allocation plan” meant to coordinate all economic policy instruments to shape the distribution of national income⁸⁵. These were two emphatically different understandings of the role of planning in modern capitalist society, but neither questioned the primacy of expertise over politics and organised interests.

It was therefore not accidental that on the eve of the Fifth Republic the French planning apparatus retained its technocratic connotations. According to a study undertaken by the French Confederation of Christian Workers (CFTC) in June 1958, the CGP’s personnel still comprised eleven engineers, three

⁸⁴ Hirsch, *Ainsi va la vie*, p. 127.

⁸⁵ Cohen, *Modern Capitalist Planning*, p. 175.

economists, one geographer, three jurists, two *Inspecteurs des Finances*, two representatives of the Secretariat of Economic Affairs, three “university graduates”, and one member of the State Council: the *Ponts* engineer and former DGEN official Emile Bizot⁸⁶. The report also lamented that no labour representatives sat on the boards of the Economic and Social Development Fund (FDES). As the CGP official Pierre Bauchet indicated, since 30 June 1955 The Planning Commissioner also chaired the two FDES sections in charge of financing industrial investments undertaken by nationalised and private enterprises⁸⁷.

By the spring of 1958, the CGP was thus criticised on similar grounds as in the early 1950s. The Catholic newspaper *La Croix* described the CGP as a “brain trust” that relied on a “particular type of state agent: the militant functionary”⁸⁸. The latter believed “in the grandeur of his task, in the general interest and in the future of the country” and exhibited qualities such as “a particularly precious critical zeal and an attitude significantly accustomed to sustain financial sacrifices”⁸⁹. Yet, they also exhibited “contempt for private enterprise and its representatives, delirious technocracy, blind faith in the smallest statistics, and inhibition of a spirit of finesse through a spirit of geometry”⁹⁰. The CGP planners were thus admired for their militant devotion to the cause of French economic grandeur, but they also incarnated a self-referential administrative elite, prone to technocratic aspirations, mechanistic thinking and incapacity to acknowledge particular interests. The idea of a CGP hostile to private industry and dominated

⁸⁶ ‘Notes sur la planification française, Juin 1958’, AN, CGP, 80AJ/275, fo. 65.

⁸⁷ P. Bauchet, *La planification française: Quinze ans d’expérience* (Paris, 1961), pp. 289, 294.

⁸⁸ ‘Dans l’ancien *hotel* du comte de Montaignu trente “fonctionnaires militants” préparent autour d’un ingénieur des Mines Le troisième Plan de Modernisation et Équipement’, HAEU, Etienne Hirsch, EH/14, fo. 1.

⁸⁹ *Ibid.*, fo. 4.

⁹⁰ *Ibid.*, fo. 4.

by a 'geometric' mentality was perhaps exaggerated, especially given Hirsch's business-oriented understanding of planning. Yet, the article captures how French political commentators perceived no fundamental change in the technocratic nature of French planning.

Several factors explain the resilience of the distinctively technocratic traits of French planning until 1958. First of all, as Hirsch pointed out, constant changes in governmental coalitions – 26 between 1946 and 1958 – ensured that the CGP was “the element of stability”, which rendered the ministers only “ephemeral masters”⁹¹. Thanks to this arrangement, the planners ensured that the ministers “did not disturb the unfolding of investment operations” and “[discarded] the implementation of unsettling projects”⁹². Though a sincere supporter of the ‘one legislature, one plan’ slogan, the former Planning Commissioner eventually admitted that “governmental instability had its own advantages”⁹³. The so-called ‘tyranny of the bureaus’ thus allowed French technocrats to remain the key figures in charge of long-term economic strategy for the remainder of the Fourth Republic, especially when it came to the development of France's industrial core. As Bloch-Lainé commented in his memoirs, only the greater governmental stability of the Fifth Republic allowed for a revival of ministerial initiative⁹⁴. Paradoxically, the Fourth Republic was much worthier of the title of ‘Republic of the technocrats’ than its Gaullist successor.

Convergent with the experts' determination to remain in charge of planning, was the French political elite's reluctance to challenge their authority

⁹¹ Hirsch, *Ainsi va la vie*, p. 118.

⁹² *Ibid.*, p. 118.

⁹³ *Ibid.*, p. 118.

⁹⁴ Bloch-Lainé, *Profession: Fonctionnaire*, p. 106.

and offer alternative economic strategies to the second PME. The case of Pierre Mendès-France's brief governmental experience of 1954-55 is emblematic of this trend. As Prime Minister, Mendès-France relied on technocratic advisors such as Gruson, Nora, Bloch-Lainé, Ardant and Hirsch⁹⁵. According to Hirsch, Mendès-France considered appointing Ardant as Planning Commissioner, but this reflected the Prime Minister's sympathy for Ardant rather than an attempt to challenge expertise⁹⁶. Furthermore, in August 1954 the government's provisions for the launching of a "plan for financial equilibrium, economic expansion and social progress" allowed for the implementation of special "programmes over multiple years" in the field of productive investments "implying the opening of credits, other than the transfer of resources cleared from administrative and unproductive expenses"⁹⁷. As the political economist Andrew Shonfield remarked, the "political implications" of this device – also known as *loi programme* – were that parliament "voluntarily handed over to the permanent administration the authority to get on with certain things and denied itself the right to interfere with them"⁹⁸. It was for example under one of these *loi programmes* that in May 1955 the Faure government launched the PME's 619 billion francs investment programme the electrical industry (1954-57)⁹⁹.

Mendès-France's attitude towards the primacy of expertise in the planning process is not entirely surprising, especially given his widely discussed technocratic sympathies. Nevertheless, as a young Radical minister he had distinguished himself as a partisan of ministerial activism and an advocate of the

⁹⁵ Gruson, *Programmer l'espérance*, p. 79.

⁹⁶ Hirsch, *Ainsi va la vie*, p. 119.

⁹⁷ *Journal Officiel de la République Française, Lois et Décrets*, 14 Aug. 1954, p. 7859.

⁹⁸ Shonfield, *Modern Capitalism*, p. 130.

⁹⁹ *Journal Officiel de la République Française, Lois et Décrets*, 20 May 1955, pp. 5022-3.

need to reconcile expertise with political prerogatives. As late as 1952, he had even criticised the second PME for its excessive focus on the light industry at the expense of “basic sectors” such as iron and steel¹⁰⁰. During his premiership Mendès-France however hardly offered an alternative industrial strategy.

Historians such as Michel Margairaz and Olivier Feiertag associated Mendès-France’s change of attitudes with his decreasing enthusiasm for planning¹⁰¹. It is undeniable that by the mid-1950s, Mendès-France had abandoned his earlier support for coercive *dirigisme*, in favour of a form of “*a posteriori* state intervention”, aimed at “accompanying growth”¹⁰². This was however hardly a rejection of planning, but an acceptance of what planning had become. Furthermore, in his response to Margairaz and Feiertag, Nora insisted that Mendès-France was “fully occupied with the negotiations over Indochina” and “his positions notably concerning his economic policy were not only conditioned by the fact that his priority preoccupations were elsewhere, but also by the fact that he did not want to complicate the already complicated game”¹⁰³. Nora’s testimony thus suggests that Mendès-France endorsed and favoured the execution of the second PME because he had little time to revise the CGP’s strategy, as the Geneva negotiations took the centre-stage of his premiership. The management of de-colonisation hence prompted France’s political elite to delegate long-term economic planning to the civil service’s technical experts.

¹⁰⁰ P. Mendès-France, ‘Que sera le second plan de modernisation et équipement?’, in *Oeuvres Complètes 2*, pp. 357-8.

¹⁰¹ O. Feiertag, ‘Pierre Mendès-France acteur et témoin de la planification Française’, in *Pierre Mendès-France et l’économie*, pp. 385-6; M. Margairaz, ‘Pierre Mendès-France, la gauche et les impératives de l’efficacité économique’, in *Pierre Mendès-France et l’économie*, pp. 352-3.

¹⁰² Margairaz, ‘Pierre Mendès-France, la gauche’, p. 353.

¹⁰³ S. Nora, ‘Intervention de Simon Nora’, in *Pierre Mendès-France et l’économie*, p. 395.

Moreover, technical expertise also faced little challenge from the French Section of the Workers' International (SFIO) and the non-Communist trade unions. In 1955-56 the Socialist Finance Minister Paul Ramadier asked Bloch-Lainé to study "a feasible re-organisation of the plan-Economy-Finance complex", but eventually "took no further action", even while he served as Finance Minister in 1956-57¹⁰⁴. With the CGT self-exclusion from the planning process, even the so-called 'free and democratic' trade unions – the CFTC and Workers Force (FO) – hardly criticised the primacy of technical expertise. In its 1958 critique of the CGP-CM complex in June 1958, the CFTC lamented the under-representation of labour, but indicated the solution to lie in the use of "technical advisors"¹⁰⁵. These Catholic trade unionists thus still argued that the key to boost their influence over the formulation of French long-term industrial strategy would be to hire experts, who shared the same technical knowledge as the representatives of the state and private enterprise. These labour-sponsored experts would be intended to challenge civil servants and managers alike, but their capacity to modify the trajectory of French planning would derive from their profile as experts of economic and industrial problems. The CFTC thus favoured a solution that would reinforce the centrality of technical expertise in the French planning process.

¹⁰⁴ Bloch-Lainé and Bouvier, *La France Restaurée*, p. 100.

¹⁰⁵ AN, CGP, 80AJ/275, fos. 33-4.

X. INDUSTRIAL POLICY, REGIONAL DEVELOPMENT AND 'POLITICAL' CONTROL IN CHRISTIAN-DEMOCRATIC ITALY

(1953-58)

The "Vanoni Plan": a Techno-Corporatist Framework for Italian Industrial Policy?

The year 1953 has been broadly considered to be another turning point in Italy's political-economic history. Though victorious, the Christian Democracy (DC) was disappointed by the electoral result of June 1953. Its attempt to defeat the left opposition by winning more than 50% of the popular vote failed. De Gasperi and the party leadership were thus forced to reconsider the principles that had characterized the centrist government's economic policy since June 1947. The limitation of planning to the public sector, the government's policy of 'benign neglect' towards technocratic industrial policy agencies, and the *de-facto* decision not to control the development of private industry had indeed left two vital socio-economic problems effectively unresolved: structural unemployment and regional imbalances.

According to an official parliamentary enquiry concluded in June 1953, as of late 1952 1.3 million people were unemployed, whilst 1.7 million were seeking employment¹. In the industrial sectors 41% of the unemployed had been without a job for more than six months, whilst in agriculture this proportion rose

¹ Ministero del Bilancio, *Relazione generale sulla situazione economica del paese, 20 Marzo 1954* (Rome, 1954), p. 122.

to 67.7%². The vast majority of agricultural unemployment was located in the mainland Southern regions (28.5%) as well as in Sicily and Sardinia (41.1%)³. Structural unemployment was hence strictly intertwined with the underdevelopment of the *Mezzogiorno* and the government's limited regional planning efforts. Most of the industrial restructuring initiatives funded by the European Recovery Programme (ERP) – whether spontaneously undertaken by private producers or planned by state agencies such as the Institute for Industrial Reconstruction (IRI) – had predominantly taken place within the North's 'industrial triangle'. The IRI-led reconstruction of the steelworks and mechanical workshops in Naples remained an exception in the context of an industrial policy that was predominantly based on the 'technical' imperatives of rationalisation and productivity. Regardless of their endorsement of planning, IRI managers such as Oscar Sinigaglia had no intention to subordinate industrial policy to the achievement of full employment and the promotion of regional development. As the IRI planner Pasquale Saraceno himself observed in 1977, the chief result of these priorities was the effective exclusion of the South from the process of industrial reconstruction⁴.

Only the Fund for the South (CASMEZ), introduced in August 1950, specifically promoted infrastructural and agricultural modernisation projects in the *Mezzogiorno*. The CASMEZ's operations and other public-works programmes, only managed to provide work to a daily average of 327,148 workers in 1952⁵.

² Ministero del Bilancio, *Relazione 20 marzo 1954*, p. 122.

³ *Ibid.*, p. 122.

⁴ Saraceno, *Intervista sulla ricostruzione*, pp. 152-3, 164-5.

⁵ Ministero del Bilancio, *Relazione sulla situazione economica del paese, 20 marzo 1953* (Rome 1953), p. 87.

No vigorous industrialisation programme was however undertaken, thereby leaving both structural unemployment and regional imbalance unresolved.

Prior to 1953, members of the DC's 'leftist' faction had already criticised the limits of centrist industrial policy. In February 1952 Giovanni Gronchi, President of the Chamber of Deputies from 1948 to 1955 and subsequently President of the Italian Republic until 1962, denounced unemployment as a "chronic Italian evil", and invited the DC to embark on a new reformist programme directed at tackling this challenge⁶. Gronchi praised the initiatives of the CASMEZ, but also explicitly invoked the need to articulate state intervention into a "plan, or – in case the word frightens the vestals of free enterprise – a programme"⁷. According to Gronchi, the plan should "determine the means, the schedule and the priorities (...) at least in the key sectors of our productive organism"⁸. Gronchi hence called for a programme "conceived and implemented by collegial organs" charged with carrying out "a synchronised action", capable of "manoeuvring all the levers of the productive apparatus"⁹. Gronchi hence called for a radical upgrade of the government's policies, by abandoning fragmented and partial initiatives in favour of a national plan that would coordinate existing agencies to achieve a precise set of new developmental goals within the entire industrial system.

According to the DC-affiliated economist Siro Lombardini (1924-2013), one of the first policy-makers who attempted to fulfil these demands and operate "the first systematic rethinking of [Italian] economic policy" after 1953, was the

⁶ G. Gronchi, 'Torniamo alle origini', in G. Gronchi, *Per una politica sociale: Scritti e discorsi scelti 1948-1954* (Bologna, 1962), p. 56.

⁷ Ibid., p. 61.

⁸ Ibid., p. 61.

⁹ Ibid., p. 62.

Catholic economist Ezio Vanoni (1903-56), Minister of the Budget from 1954 to 1956¹⁰. Born in Morbegno in northern Lombardy, Vanoni had studied law and economics at the University of Pavia, and had pursued a fruitful scholarly career in the 1930s, blurring the boundaries between academia and public administration. Vanoni was a childhood friend and brother in law of the fellow Catholic economist and future IRI official Pasquale Saraceno. Through his friendship with Saraceno, Vanoni had met the Catholic IRI cadre Sergio Paronetto, also born in Morbegno. Though not officially employed by the Institute, Vanoni had joined Saraceno, Paronetto, Alberto Beneduce and Donato Menichella in the drafting of the 1936 banking reform, which formalised the *de-facto* nationalisation of credit by the Fascist regime¹¹. A member of the National Fascist Party (PNF) since 1938 and a close friend of the then Finance Minister Paolo Thaon di Revel, Vanoni had also contributed to the creation of the Institute of Corporative Finance (INFC), the ministerial organ in charge of drafting Italy's new fiscal reforms in the context of autarchy and re-armament¹². Through his collaboration with IRI and the INFC Vanoni thus became one of the minor architects of the reforms that shaped Fascist organised capitalism.

Having become acquainted with De Gasperi through Paronetto, Vanoni eventually left the INFC and the PNF, and joined the future DC in December 1942. In the summer of 1943, together with Saraceno and Paronetto, Vanoni contributed to the elaboration of the 'Camaldoli code', the DC's political-economic manifesto. During the early stages of the reconstruction, Vanoni served as Minister of Foreign Trade (1947) and Minister of Finance (1948-54). As

¹⁰ S. Lombardini, *La Programmazione: Idee, esperienze, problemi* (Turin, 1967), p. 29.

¹¹ S. Baietti, 'Il momento d'oro di Ezio Vanoni', *Storia Economica*, 15 (2012), p. 113.

¹² *Ibid.*, pp. 113-14.

Minister of Finance, Vanoni collaborated in the salvaging of IRI and the Italian General Petrol Company (AGIP), and ensured the latter's integration the National Hydrocarbons Board (ENI), led by his protégé Enrico Mattei since 1953¹³. These efforts undoubtedly rendered Vanoni one of the post-war agents of the rescue and reform of the Fascist developmental state.

Vanoni's friendship with Saraceno also likely made him receptive to the need to tackle the structural problems unaddressed in 1947-53, and provide the administrative machinery inherited from Fascism with that unity of action demanded by the critics of centrist economic policy. His answer to these demands was the so-called Ten-year Scheme for the Development of Employment and Income, also known as the 'Vanoni plan' or 'Scheme'. The Scheme was aimed at fulfilling three main objectives: the maximisation of national employment, the industrialisation of the South, and the improvement of the balance of payments¹⁴. Vanoni's ministry officially began discussing the idea of an "Italian development programme" in March 1954 in the context of the need to achieve "a better coordination of economic policy and adopt measures intended to accelerate the employment of the country's available labour force", especially in the South¹⁵. Between March and December 1954 the Ministry of the Budget elaborated the Scheme with the assistance of a special "scientific committee" of economic experts led by Saraceno¹⁶. The committee included the statisticians Marcello Boldrini (1890-1969), and Albino Uggé, as well as the economists Ferdinando Di Fenizio (1906-74), Giuseppe Di Nardi (1911-92), and

¹³ M. Ferrari-Aggradi, *Ezio Vanoni: Vita, pensiero, azione* (Milan, 1958), pp. 252-3.

¹⁴ Lombardini, *La programmazione*, p. 30.

¹⁵ Ministero del Bilancio, *Schema di sviluppo dell'occupazione e del reddito in Italia nel decennio 1955-1964*, (Rome, 1955), p. ii.

¹⁶ *Ibid.*, p.ii

Libero Lenti¹⁷. The committee also relied on the external consultancy of Robert Marjolin, Jean Monnet's former Deputy at the French General Planning Commissariat (CGP) and then General Secretary of the Organisation for European Economic Cooperation (OEEC)¹⁸.

Marjolin's participation in the elaboration of the plan suggests that the drafting of the scheme could have potentially led to a reform of Italian planning organs that might have brought Italy's organised capitalist economy closer to the French model. This scenario does not seem far-fetched, considering the distinctively *planiste* profile of the experts chosen by Vanoni. In 1954 Saraceno was still the head of IRI's Research and Planning office, whilst Boldrini was not merely a prominent academic statistician, but also the Vice-President of ENI since 1953, and the President of AGIP since 1948. Di Fenizio, Lenti and Uggé had been key officials of the Northern Italian Industrial Council (CIAI), charged with implementing the industrial re-activation programmes in the earliest stage of the post-war reconstruction. As head of the research department of the CASMEZ since 1951, Di Nardi was equally supportive of state-led industrial planning. Only a few weeks before the submission of the scheme Di Nardi had explicitly argued that planning should be achieved through "a central planning organ, in addition to the ordinary institutions of the democratic state"¹⁹. In December 1954, Di Nardi also stressed the need for an industrial policy that would be based neither on the preventive authorisation of industrial initiatives, nor on the selective allocation of credit, but through the "direct participation [of the state] "in industrial activity, through the construction of new plants" aimed at "promoting

¹⁷ Ministero del Bilancio, *Schema di sviluppo*, p. ii.

¹⁸ *Ibid.*, p. ii.

¹⁹ G. Di Nardi, 'Condizioni e forme della pianificazione economica', in G. Di Nardi, *Il controllo sociale dell'economia*, (Milan, 1967), p. 266.

technical innovations, initiating new industries, or simply de-centralising the industrial system”²⁰.

Vanoni’s scientific committee could have potentially constituted the embryo of a new technocratic planning organ within the Ministry of the Budget, charged with setting a new strategy to be followed by existing state agencies such as IRI, ENI and the CASMEZ, as well as private enterprises. This would have not only brought about the pro-active coordination of private and public industrial investments, but also the repurposing of Italian industrial policy away from sectorial rationalisation to regional development. None of this appeared particularly far-fetched, as around 1954-55 even the moderate DC minister Piero Malvestiti invoked a more active role of the Ministry of the Budget in the coordination of public and private industrial investment programmes²¹.

Yet, the draft produced by the scientific committee did not refer to any of these ambitions. Furthermore, the draft did not assign a specific set of industrial or infrastructural projects to the IRI, ENI and the CASMEZ. Instead, the document limited itself to indicating the level of productive investments to be undertaken within the so-called “propulsive sectors” – agricultural machinery, electricity and gas, transports and communications – and the rate of growth to be maintained by the Italian economy to ensure the achievement of the Scheme’s principal objectives²². Only in February 1956, Saraceno stated that some of IRI’s industrial shareholdings would play “ a significant role within the framework of the developments forecast by the Development Scheme” – notably electrical industries, telecommunications, iron and steel, engineering and shipping – but he

²⁰ Di Nardi, ‘Condizioni e forme della pianificazione’, pp. 275-6.

²¹ P. Malvestiti, *Lo Stato e l’economia* (Rome, 1955), p. 256.

²² Ministero del Bilancio, *Schema di sviluppo*, pp. 12, 15-16.

did not provide any indications of the specific industrial expansion projects to be undertaken by the Institute and its subsidiaries²³.

It is thus not surprising that left-wing critics such as the former Socialist Minister of Industry Rodolfo Morandi – previously a political ally of Saraceno in the period 1945-47 – praised the planners’ effort, but denounced the Scheme’s lack of instruments as well as its deluded faith in the capacity of its “indexes, equations, diagrams” to “impact a reality that [was] hard to break”²⁴. The plan’s chief weakness was thus its indicative rather than coercive nature. Given its vagueness and the lack of industrial and public works policy projects assigned to specific public and private actors, the Vanoni Plan could not be compared with the French Modernisation and Equipment Plans (PMEs) of the 1940s and 1950s. What also distinguished this Italian project from the French model was the scientific committee’s decision not to set-up sectorial working groups charged with aiding the central planners in the formulation of their directives. Instead, the Scheme’s preface made a vague reference to the involvement of “experts, technicians and managers from both public and private administrations”²⁵. However, the draft did not indicate that the experts intended to create a techno-corporatist institutional framework designed to place the representatives of the productive forces at the service of the plan.

In his account of his collaboration with Vanoni, Di Fenizio pointed out that “the instrumentation” of the plan “could not be entrusted to the small group of scholars required to draft the Scheme”²⁶. “Their mandate”, Di Fenizio wrote,

²³ MIC, *L’Istituto per la Ricostruzione Industriale*, pp. 297-9.

²⁴ R. Morandi, ‘Dall’immobilismo alla pianificazione’, in R. Morandi, *Il partito e la classe 1948-1955* (Turin, 1961), pp. 482-4.

²⁵ Ministero del Bilancio, *Schema di sviluppo*, p. ii.

²⁶ F. Di Fenizio, *La programmazione in Italia, 1946-1965* (Turin, 1965), p. 266.

was “to carry out a theoretical and thus abstract and politically non-binding study”²⁷. On 29 December 1954 the Council of Ministers decided the executive aspects of the plan would be elaborated by a “Ministerial Committee”, which would “rely on the cooperation of experts and scholars, the representatives of the relevant administrations, and those who held high economic responsibilities in the public and private sectors”²⁸. Yet, it took almost two years before the government appointed the committee mentioned in the December 1954 draft. According to Di Fenizio, the delay was due to the recession encountered by the Italian economy in 1955, as well as to Vanoni’s premature death in February 1956²⁹. According to Marxist critics such as the PCI-affiliated economist Bruzio Manzocchi, Vanoni’s plan could not be launched as long as conservative DC politicians such as Mario Scelba held the premiership³⁰.

It was indeed only in October 1956 that Prime Minister Antonio Segni – another DC conservative – was persuaded to appoint the Committee for the Development of Employment and Income. The presidency of the Committee was once again entrusted to Saraceno, and now comprised a total of 26 members, including both technical experts and the representatives of leading trade organisations³¹. The new Committee featured some of the veterans of the original pool of experts assembled by Vanoni (e.g. Di Fenizio, Di Nardi) and newcomers such as the Guido Carli, then chairman of the *Mediocredito Centrale*, a public financial institution charged with favouring the development of small and

²⁷ Di Fenizio, *La programmazione*, p. 266.

²⁸ *Ibid.*, p. 266.

²⁹ *Ibid.*, pp. 266-7.

³⁰ B. Manzocchi, *Lineamenti*, pp. 135-6.

³¹ Di Fenizio, *La programmazione*, p. 268.

medium-sized industrial enterprises³². Other newcomers included the eminent economist Celestino Arena (1890-1967), Vanoni's former superior at the Ministry of Finance between 1939 and 1942, as well as the managers Giovanni Enriques (1905-90) Pierpaolo Fegiz Luzzato (1900-89), and Gino Levi- Martinoli (1901-96), three close collaborators of the visionary Saint-Simonian and Utopian Socialist entrepreneur Adriano Olivetti (1900-60)³³. Since 1957, Levi-Martinoli also served as the head of ENI's nuclear division. A notable representative of private industry was Armando Frumento, General Manager of the Falck steelworks, whilst the Communist trade unionist Bruno Trentin (1926-2007) represented the Italian General Confederation of Labour (CGIL)³⁴.

In formal terms, the creation of the Committee constituted an historic event: the first time since the fracture of 1947-48 that technical experts, public industrial managers, and the representatives of private business and labour sat on the same planning commission. It also seemed that private industrial leaders were willing to contribute to the further elaboration of an industrial strategy, as indicated by the presence of the three Olivetti cadres within the Committee. In November 1955 Olivetti himself had called for an "organic industrial plan" for the South, the elaboration of which would be entrusted to "a small number of people with significant industrial experience, assisted by a staff of technicians, economists and statisticians"³⁵. According to Olivetti, the planners should "implement a major industrial concentration plan (...) identify a definite number of geographically and demographically depressed communities in the

³² Comitato per lo Schema di Sviluppo dell'Occupazione e del Reddito, *Riconsiderazione dello "schema Vanoni"*, (Rome, 1959) p.i.

³³ *Ibid.*, p. i.

³⁴ *Ibid.*, p. i.

³⁵ A. Olivetti, 'Un piano organico' in A. Olivetti, *Città dell'uomo*, 2015 p. 229.

Mezzogiorno” and “transfer a high quota of the northern industries’ productive potential into the South”³⁶. From an executive point of view, Olivetti also stressed the need to promote “the coordinated action of public administrations such as IRI and private industrial enterprises”³⁷.

The new Committee however suffered a similar fate as its predecessor. As Di Fenizio reported, both business and labour leaders “declared they had no possibility to commit their respective organisations to a firm economic programme”, especially in relation to the incomes policy necessary for the implementation of the plan’s investment effort³⁸. They therefore agreed to “participate in the Committee’s meetings”, but exclusively “as private experts”³⁹. According to Di Fenizio, this meant that Saraceno’s new pool of experts was not a “mediating organ in the field of concrete economic action”, but “an economic research committee”⁴⁰. Between late 1956 and its dissolution in mid-1959 the Committee’s further studies merely acted as a “filter aimed at separating the economic policies favourable to the plan’s objectives from unfavourable ones”, as well as a “stimulus for the use of existing institutional norms in order to pursue these objectives”, especially in the field of sectorial restructuring⁴¹. Italian economic administrators hence failed to create an extra-ministerial planning commission, capable of prescribing a precise course of action to the concerned agencies, in agreement with organised interests. This time, however, the failure was not due to the planners’ reluctance, but to the explicit refusal of both the

³⁶ Olivetti, ‘Un piano organico’, pp. 229-30.

³⁷ Ibid., p. 233.

³⁸ Di Fenizio, *La programmazione.*, p. 268.

³⁹ Ibid., p. 268.

⁴⁰ Ibid., p. 268.

⁴¹ Ibid., pp. 268-9.

trade unions and the *Confindustria* to commit to the plan's objectives and to the model of planning the Committee stood for.

Indicative of the purely consultative nature of Saraceno's Committee, was its study on the future development of the Italian iron and steel industry, published in November 1958. In an attempt to reconcile IRI's industrial restructuring initiatives with the new imperatives of regional development, the document recommended the installation of a fourth modern large-scale integrated iron and steel plant in the *Mezzogiorno*, which would "shift the centre of gravity of the Italian market for finished products towards the South"⁴². The document however stated that the Committee had "no authority" to decide neither whether the new centre should be built, nor "the limits for the expansion of existing centres" and that "the IRI [was] the sole competent organ capable of determining the convenience of a fourth iron and steel centre"⁴³. Saraceno's recommendation was also grounded on the acknowledgement that new private initiatives would only take place in the North⁴⁴. The document thus confirmed that the Committee lacked the power to issue industrial policy directives. To fully grasp why IRI would shift the scope of its planning activities to the industrial development of the South, it is however necessary to understand the institutional changes undergone by the Institute in the mid-1950s.

⁴² Comitato per lo Schema, *Sviluppo del settore siderurgico* (Rome, 1958), p. 11.

⁴³ *Ibid.*, p. 13.

⁴⁴ *Ibid.*, p. 12.

Christian Democracy tames Technocracy: IRI and the Ministry of State Shareholdings

While Vanoni and his planners were unsuccessfully attempting to consolidate a new institutional framework for the implementation of the “Scheme”, the Italian government succeeded in subjecting the Institute for Industrial Reconstruction (IRI) and the National Hydrocarbons Board (ENI) to stricter ministerial scrutiny. The re-organisation of IRI and the other *ad hoc* technocratic state agencies in charge of coordinating Italian public industrial enterprises had indeed become one of the chief issues debated within and outside the DC since the 1953 elections.

Calls for a comprehensive reorganisation and repurposing of the public industrial shareholdings inherited from the Fascist regime can be traced back to the early 1950s. In April 1951, the economist and Minister of Foreign Trade Ugo La Malfa (1903-79), leader of the Italian Republican Party (PRI) and one of the DC’s chief ‘secular’ allies, had denounced the fragmentation of Italy’s state-owned industrial apparatus and had called for its entire subordination to IRI’s authority⁴⁵. Furthermore, La Malfa also stressed the need to create a “Ministry for State Shareholdings” capable of ensuring the initiatives of industrial administrators were in accordance with governmental directives⁴⁶. In February 1952 Giovanni Gronchi endorsed La Malfa’s proposal, arguing that the new organisation would allow the institute to “remedy the deficiencies of private initiative”, especially in activities deemed “scarcely profitable, but collectively

⁴⁵ ‘Le partecipazioni economiche dello stato’, HAEU, Piero Malvestiti, PM/290, fos. XIV-17-20.

⁴⁶ *Ibid.*, fo. XIV-20.

indispensable” such as the industrialisation of the South⁴⁷. In December 1953, even the Italian Communist Party (PCI), drafted its own (largely inconsequential) solution to the problem of state shareholdings. The Communists argued in favour of the dissolution of IRI’s iron, steel and engineering subsidiaries – FINSIDER and FINMECCANICA – and the institution of a new fully nationalised conglomerate: the National Company for the Iron, Steel and Engineering Industry (ANISM)⁴⁸. The latter would not only incorporate the enterprises formerly controlled by FINSIDER and FINMECCANICA, but also the Cogne iron works, which had been directly controlled by the Ministry of Finance since 1930⁴⁹. The ANISM would be subordinated to the Ministry of Industry and Commerce (MIC), and its functions would be to “increase iron, steel and machine tool production and reduce their costs through the modernisation of the plants and the construction of new ones”, thereby “significantly contributing to the industrialisation of the *Mezzogiorno*”⁵⁰.

All the major proposals for the reform of Italian industrial policy in the early 1950s thus shared three fundamental demands: greater coordination within what was still a fragmented administrative framework; the adjustment of long-term industrial investment programmes to precise ‘political’ directives; and the extension of the scope of planning beyond sectorial modernisation to address the pressing problem of regional development. The Communist proposal stood out by its call for the participation of a significant number of labour delegates in the management of the new nationalised conglomerate⁵¹. Its real novelty was however the call for greater political control over IRI, which contrasted with the

⁴⁷ Gronchi, ‘Torniamo alle origini’, pp. 64-5.

⁴⁸ *Atti Parlamentari – Disegni di legge e relazioni – Documenti N.238*, 8 Dec. 1953, p. 5.

⁴⁹ *Ibid.*, pp. 5-7.

⁵⁰ *Ibid.*, pp. 2, 20.

⁵¹ *Ibid.*, p. 19.

technocratic sympathies expressed in the mid-1940s by Communist intellectuals such as Franco Rodano.

Yet, until the summer of 1953 the government's policy of 'benign neglect' towards IRI, ENI and the FIM remained in place, not least because of the managers' own opposition to political interference with their decisions. Even IRI technocrats close to La Malfa such as the Institute's Vice-President, Bruno Visentini, firmly opposed the institution of a Ministry of State Shareholdings, arguing that it would only amount to the "politicisation of the IRI"⁵². Also sharing this position was the 'secular' economist Ernesto Rossi (1897-1967), a firm defender of Oscar Sinigaglia's iron and steel programme. According to Rossi, IRI should be concerned with "training a managerial class fit to administer its industries (...) with the same care with which the armed forces provide for the training of their officers"⁵³. Technocratic autonomy, combined with firm adherence to the interests of the state, was still widely considered to be the necessary condition for an efficient industrial policy.

Nevertheless, following the electoral disappointment of June 1953, the increasingly more influential 'left-wing' currents of the DC, especially those led by Vanoni, Amintore Fanfani (1908-99) and the leader of the Catholic Confederation of Italian Trade Unions (CISL), Giulio Pastore (1902-69), began to demand a fundamental reform of the state's industrial shareholdings, modelled on La Malfa's blueprint⁵⁴. Even the, Minister of Industry and Commerce in 1953-54, the centrist DC politician Piero Malvestiti, lamented that "IRI was accountable

⁵² 'Il problema dell'IRI: economia senza politica', ACS, IRI-Nera, STO/522/33 fo. 17.

⁵³ E. Rossi, *Lo Stato Industriale* (Bari, 1953), pp. 143-4.

⁵⁴ F. Lavista, 'Dallo statuto del 1948 alla programmazione economica nazionale', in *Storia dell'IRI* 2., p. 537.

to no one”⁵⁵. According to Malvestiti, neither he nor the ministerial officials within IRI’s board of directors were for example informed about the appointment of Sinigaglia’s successor as President of FINSIDER, the chemist Antonio Ernesto Rossi⁵⁶. IRI’s management was thus not only elaborating its industrial strategy independently from ministerial policies, but the ministers themselves were unaware of who made the key decisions within the Institute. IRI was therefore becoming a state within the state, an autonomous managerial enclave within Italian economic administration. Encouraged by the pressures from within and outside the DC, in September 1953 Malvestiti thus appointed a commission of experts charged with reforming IRI’s statute and reframing its relationship with the ministries⁵⁷.

The ruling party’s official position on the matter was officially formalised in a resolution passed by the DC National Council in June 1954. This stated that “IRI should definitely become an industrial policy instrument”, and that it should “be subjected to the sphere of single ministry” in accordance with “the objectives of political control”⁵⁸. This took place in the context of Fanfani’s succession to De Gasperi as DC Secretary in the summer of 1954. According to Paul Ginsborg, Fanfani was determined to increase ministerial controls over IRI in order to bend its programmes to the satisfaction of the DC’s clientele⁵⁹. Fanfani indeed believed that to effectively compete with the PCI, the DC needed to abandon ‘benign neglect’ and progressively take-over pivotal state agencies such as IRI

⁵⁵ P. Malvestiti, *Lo stato e l’economia*, p. 254.

⁵⁶ *Ibid.*, p. 253.

⁵⁷ Lavista, ‘Dallo statuto del 1948’, p. 537.

⁵⁸ Democrazia Cristiana [henceforth DC], ‘Quinto Congresso- Mozione sul riordinamento dell’IRI’, in *Una politica sociale*, p. 186.

⁵⁹ P. Ginsborg, *A History of Contemporary Italy: Society and Politics, 1943-1988* (London, 1990), p. 164.

and ENI⁶⁰. Their managers should not only be members of the DC such as Sinigaglia, but should also execute the strictly 'political' directives of the ruling party.

Ginsborg's interpretation has its merits, especially in the light of the degenerative trends of corruption, inefficiency, mismanagement and gigantism that eventually characterised Italian public enterprise under Giuseppe Petrilli (1913-99), Fanfani's nominee as IRI's President between 1960 and 1979⁶¹. Nevertheless, the advantages of strengthening the DC's clientelistic network do not fully explain the new Secretary's support for the reform of Italian state shareholdings. Fanfani's call for an industrial strategy pursued by public enterprises can also be traced back to his long-standing political-economic beliefs. An economist and economic historian from the Catholic University of Milan as well as a former Professor of Fascist Mysticism, Fanfani had been an ardent young supporter of Fascist corporatism in the 1930s. Disillusioned with Fascism, in 1943, Fanfani had joined the DC and contributed to the drafting of the Camaldoli manifesto. As De Gasperi's Minister of Labour between 1947 and 1950 he had launched an ambitious public housing programme, widely considered to be one of the few expansionist and 'Keynesian' measures implemented during the overwhelmingly austere public spending policy pursued by the Budget and Treasury Minister Giuseppe Pella in the late 1940s⁶².

As early as 1934, the young Fanfani had hailed the decline of capitalism during the Great Depression, arguing that Fascist corporatism was "overcoming

⁶⁰ Ginsborg, *A History of Contemporary Italy*, p. 156.

⁶¹ Felisini, 'Biografie di un gruppo dirigente', pp. 187-94; F. Barca and S. Trento, 'La parabola delle partecipazioni statali: una missione tradita', in F. Barca (ed.), *Storia del Capitalismo Italiano* (Rome, 1997), pp. 217-18.

⁶² Daneo, *La politica economica*, pp. 266-8.

capitalism”, as it was “orienting the social system towards the attainment of new objectives”⁶³. According to Fanfani, the pursuit of “social” rather than individualistic imperatives laid at the root of other political-economic experiments of the 1930s such as the American New Deal, and the “demands of Flemish workers”, a clear reference to Hendrik De Man’s neo-socialist *planisme*⁶⁴. This shift to a system that prioritised ‘social’ rather than ‘economic’ needs would still allow for technical progress, but the latter would be embedded within the political imperative to serve the national community⁶⁵. Like other ‘moral economists’ of the 1930s such as Karl Polanyi, Fanfani was part of an ideologically heterogeneous group of intellectuals, who saw the Depression not only as a transition from liberal to organised capitalism, but also as an opportunity to overcome the capitalist order by creating institutions designed to satisfy new ‘non-economic aims’.

This faith in the primacy of the political over the economic however distinguished Fanfani from IRI cadres such as the Catholic Sergio Paronetto and the Fascist Agostino Rocca. IRI technocrats supported nationalisations and planning as the most rational solution to strictly economic and technical problems such industrial sectorial modernisation. In contrast, for Fanfani and other corporatists such as Giuseppe Bottai and Ugo Spirito, planning was the instrument that would allow the Fascist state to sacrifice the pursuit of rationalism in favour of political and social objectives, notably the maximisation of national employment and the relief of depressed areas. By the mid-1950s, the corporatist instruments hailed by Fanfani twenty years earlier had been

⁶³ A. Fanfani, ‘Declino del capitalismo e significato del corporativismo’, *Giornale degli Economisti e Rivista di Statistica*, 74 (June 1934), p. 387.

⁶⁴ *Ibid.*, p. 386.

⁶⁵ *Ibid.*, pp. 392-3.

dismantled. Yet, the vast system of state shareholdings controlled by IRI and ENI was a suitable tool for the implementation of the new DC secretary's political and economic vision.

Equally supportive of IRI's reform was the Catholic trade unionist Giulio Pastore. In a parliamentary speech on 3 August 1954, Pastore argued that "in the context of an economic development programme, the government's policy towards state-owned enterprises should be rigidly directed"⁶⁶. To this end, the IRI should be subordinated to the MIC and should rely on the aid of a "consultative committee", composed of "experts charged with representing the point of view of the labour unions"⁶⁷. The committee should thus contribute to "delineate an industrial policy for the groups controlled by the state"⁶⁸. More particularly, the Committee "should be tasked applying productive principles to the dependent firms, and eventually extending consultative activities to individual enterprises"⁶⁹. In this way, IRI should be able to "implement an industrial policy open to technical innovation", but "ready to accept the most progressive forms of labour policy "⁷⁰. IRI's reform would also ensure the achievement of "real democracy", meant as "social justice" and "the independence of the state from certain economic forces"⁷¹.

Pastore's reform proposal, like that of his Communist counter-parts, had a distinctively techno-corporatist character, attributing a pivotal role to the technical experts in charge of representing workers' interests within the new consultative organs. This implied Pastore's understanding of the union not only

⁶⁶ G. Pastore, *La nostra battaglia per la riforma dell'IRI*, (Rome 1954), p. 6.

⁶⁷ *Ibid.*, p. 12.

⁶⁸ *Ibid.*, p. 13.

⁶⁹ *Ibid.*, p. 13.

⁷⁰ *Ibid.*, p. 12.

⁷¹ *Ibid.*, pp. 26-7.

as a defender of sectarian interests, but also as an active participant in the state's industrial strategy. According to the Catholic labour leader, the integration of the unions into the framework of public administration indeed represented the necessary condition to ensure the achievement of the autonomy of the developmental state from capitalist interests. Under this new framework, IRI would thus not only be able to upgrade Italy's productive apparatus, but also pursue a policy of full employment and inaugurate a new model of industrial relations. Pastore's proposal thus signalled that the Catholic unions no longer intended to leave the formulation of Italy's industrial policy to a restricted elite of technocrats at labour's expense. Under Pastore's blueprint, the exclusion of labour from the formulation of sectorial programmes such as the 'Sinigaglia plan' would no longer be possible.

By October-November 1954, the commission of experts tasked by Malvestiti with reforming IRI's charter concluded its activities. The commission's majority, led by the Catholic jurist Orio Giacchi (1909-82), converged on a new version of the charter, which reprised La Malfa's proposal for a Ministry of State Shareholdings. The latter would be charged with "monitoring IRI's management" and devise the "general directives" for the Institute's activities alongside a "committee of ministers", presided by the Ministry of the Budget⁷². According to the new charter, IRI's board would comprise its President and four Vice-Presidents, charged with addressing specific aspects of its activities, appointed by the relevant economic ministries⁷³. The Institute would also rely on a "special section" – the IRI-Sud – based in Naples, "placed directly under the President's

⁷² 'Schema di Statuto di Maggioranza', HAEU, Piero Malvestiti, PM/63, fo. 5.

⁷³ *Ibid.*, fo. 9.

authority” and tasked with “coordinating the Institute’s activities in Southern Italy”⁷⁴. Under this new framework, the reformed IRI would be charged with “promoting general economic development through the adoption of new productive techniques, new labour relations” and “the strengthening of the industrial equipment of the *Mezzogiorno*”⁷⁵. In a February 1955 article, Giacchi defended the new charter on the grounds that since 1948 IRI’s management had been largely based on “empirical criteria” and had demonstrated a “lack of unity”⁷⁶. According to Giacchi, the purpose of the new charter was to “deprive the subsidiaries of their current management functions” and “return to the IRI the coordination function that it was progressively deprived of”⁷⁷.

Giacchi’s charter thus rejected the IRI’s existing administrative organisation in two ways. On the one hand, the 1948 charter had allowed the sectorial subsidiaries to deprive the Institute’s central organs of their planning powers. According to Giacchi, this problem would be solved by transferring these planning powers back to IRI’s core offices by appointing Vice-Presidents specifically tasked with enforcing coordination in the field of funding, technical equipment, labour relations and commercial policy. On the other hand, no ministry had been willing or able to bend IRI’s sectorial programmes to governmental directives. The Ministry of State Shareholdings would address this second problem by integrating the IRI into a coherent chain of command. This organisation would compel the reformed IRI to extend its activities beyond the technical upgrade of existing industrial sectors, and also play a pivotal role in the industrialisation of the depressed areas of the South, one of the chief objectives

⁷⁴ HAEU, Piero Malvestiti, PM/63, fo. 12.

⁷⁵ *Ibid.*, fo. 3.

⁷⁶ O. Giacchi, *La riforma dell’IRI*, (Rome, 1955) p. 9.

⁷⁷ *Ibid.*, p. 41.

of Ezio Vanoni's national plan. It was indeed no accident that the committee of ministers in charge of IRI was to be chaired by the Budget Minister – at that time Vanoni himself – and that the four executive vice-presidents would be ministerial appointees. Their presence would mean the side-lining of the 'independent' industrial experts – the presidents of both FINSIDER and FINMECCANICA – from IRI's executive committee and the strengthening of the government's grip over the Institute. Rather than reinforcing the authority of IRI's core in relation to its sectorial organs, the reform would ensure that the *planisme* of the engineers would give away to the *planisme* of the DC ministers.

By the autumn of 1955 the DC's new 'left-leaning' leadership, strengthened by Giovanni Gronchi's election as President of the Italian Republic in May of that year, eventually endorsed Giacchi's proposal. A DC pamphlet published in November 1955 firmly declared that "nobody [could] deny to the democratic state the right to re-organise the intricate complex of shareholdings in order to contribute with its own criteria, distinct from those of private groups, (...) to a progressive expansion of Italian productive structures"⁷⁸. Other than endorsing Giacchi's proposals the pamphlet expressed the DC's firm commitment to the "detachment of IRI from the *Confindustria*", as the Institute's firms would not be able to "adjust to the policy of a democratic government" if they remained inside a trade organisation that pursued "openly different objectives"⁷⁹. IRI's detachment from the *Confindustria* thus constituted "a consequence of the crisis of Italian capitalism" and "the historical evolution of economic democracy"⁸⁰. Liberated from the *Confindustria*, the reformed IRI would thus finally be able to

⁷⁸ DC, *Lo sganciamento dell'IRI dalla Confindustria* (Milan, 1955), p. 50.

⁷⁹ *Ibid.*, p. 42.

⁸⁰ *Ibid.*, p. 43.

provide “the entrepreneurial impulse that should expand production along the lines of the Vanoni plan” and contribute to “the construction of a democratic state capable of renovating itself, thanks to political freedom and economic prosperity”⁸¹.

The DC leadership thus ultimately endorsed the creation of the Ministry of State Shareholdings for it had concluded that only a coordinated public sector, strictly subordinated to political authority, would be capable of addressing the structural problems of Italian post-war economic development and complete the democratisation of Italian society. According to the DC leaders, Italy’s private entrepreneurial bourgeoisie could not be co-opted into endorsing developmental goals. As a result, public enterprise would become the exclusive instrument of the DC-led Italian developmental state. Private industry’s unwillingness to adjust its agenda to the government’s developmental ambitions had already become evident in 1947-53 when private producers such as Falck had decided to pursue an investment programme opposed to that of IRI and FINSIDER, and would later be confirmed in late 1956 by the *Confindustria*’s refusal to endorse Vanoni’s plan.

The Ministry of State Shareholdings was formally instituted in December 1956 and was charged with monitoring the activities of IRI and ENI, toadied by the “enthusiastic vote of the PCI and the Socialists”⁸². Their support was hence a further confirmation that the political accountability of Italy’s industrial planners was a concern shared by both the DC and left-wing opposition. According to IRI’s 1958 report, as a “management agency”, IRI was meant to “translate the general directives received from the Ministry within the framework of the

⁸¹ DC, *Lo sganciamento*, pp. 45-6.

⁸² Carli, *Cinquant’anni*, p. 138.

government's policy, into practical instructions applicable to the sectors and the individual enterprises under its control"⁸³. More specifically, IRI and the other agencies under the new Ministry were tasked with formulating "investment programmes", which constituted "a coordinated framework of the group's development"⁸⁴. The first of these documents was the "Four-year Programme for 1957-60", whose preparation had begun in April 1956⁸⁵. Another innovation of the late 1950s was the a law passed in July 1957, which "affirmed the necessity of a coordination between the policies of the Fund for the South (CASMEZ), the ministries and the firms controlled by the Ministry of State Shareholdings" and committed IRI to allocate 60% of its new industrial investments to the *Mezzogiorno* ⁸⁶. By April 1958, the cadres from IRI and its sister agencies left the *Confindustria* and formed their own trade organisation of public managers: the *Intersind*⁸⁷. This last reform further formalised the separation of the echelons of the 'industrial state' from the rest of the Italian business leadership.

The new institutional framework thus subordinated IRI and its sister agencies more firmly to the government's political directives and contributed to further formalising cross-sectorial planning, which had however taken place in the earlier stages of the reconstruction. What was also novel about the new structure was the shift in the purpose of planning from industrial rationalisation, to the expansion of Italy's industrial structure into the South. The 1958 document also suggests that the reform still allowed for a separation between ministerial and managerial authority, but its outcome was more complicated. As

⁸³ Carli, *Cinquant'anni*, p. 13.

⁸⁴ *Ibid.*, p. 13.

⁸⁵ A. Fascetti, *La funzione dell'IRI nell'economia del paese* (Rome, 1957), p. 36.

⁸⁶ Lombardini, *La Programmazione*, p. 38.

⁸⁷ Carli, *Cinquant'anni*, p. 135.

of 1959, the reformed IRI neither featured the board of directors of financial, industrial and labour experts imagined by Giacchi, nor the techno-corporatist consultative committee envisioned by Pastore. IRI's board still comprised the ministerial officials and the technical experts indicated in the 1948 charter⁸⁸. The Institute also retained its technocratic Vice-President, Visentini, a fierce opponent of the reform⁸⁹. A major change was the inclusion in the board of the General Director of the Ministry of State Shareholdings, the DC-affiliated economist and career civil servant Gaetano Stammati (1908-2002), who had already served under Morandi at the MIC and under Vanoni at the Ministry of Finance⁹⁰. Thanks to Stammati, the new Ministry had a direct foothold into the Institute and could ensure that the managers would comply with its directives.

Another novelty was the appointment of IRI's new President, the jurist and DC deputy Aldo Fascetti (1901-60), appointed in March 1956 under the patronage of both his personal friend Giovanni Gronchi and Vanoni⁹¹. Fascetti had been the Secretary of Pisa's Catholic Federation of University Students (FUCI) in 1921-23 and the DC's representative within the local Committee of National Liberation (CLN) in 1943-45. Between 1953 and 1956 he had also been the chairman of Larderello, a geothermic electrical company owned by the State Railways. He unsuccessfully ran for parliament in 1953, but had gained Gronchi's seat upon the latter's election as President of the Republic⁹². At a conference held in Rome in May 1957 Fascetti firmly reiterated the Institute's function to

⁸⁸ IRI, *Esercizio 1959* (Rome, 1960), p.10.

⁸⁹ *Ibid.*, p. 10.

⁹⁰ *Ibid.*, p. 10.

⁹¹ Felisini, 'Biografie di un gruppo dirigente', p. 175.

⁹² *Ibid.*, p. 174.

“intensify investments towards either productive sectors or depressed areas”⁹³. The President identified the IRI as the instrument best suited to serve the purposes of Vanoni’s scheme and hence “substitute private initiative where the latter clearly demonstrated its inadequacy”⁹⁴. Fascetti gave particular attention to the Institute’s new Four Year Programme, approved by the board of directors⁹⁵. Fascetti thus incarnated the new type of politically reliable manager, whom the DC intended to charge with the coordination of key state shareholdings. Rather than a Sinigaglia-like technocrat, Fascetti was thus a loyal party member, determined to bend IRI’s programmes to its new developmental purposes and to the directives of the Ministry of State Shareholdings.

Fascetti’s speech emphasised the sectorial programme to be undertaken by FINSIDER, which would include the construction of a new integrated iron and steel plan in the South⁹⁶. This project clearly demonstrated the new chain of command of Italian industrial policy in the late 1950s. Following the study undertaken by Saraceno’s consultative group of experts in November 1958, the Minister of State Shareholdings, the economist, former IRI cadre and DC Deputy Mario Ferrari- Aggradi, identified the port city of Taranto as the best suited location to host FINSIDER’s new integrated steelworks⁹⁷. On 30 June 1959 Ferrari-Aggradi appointed “a special committee”, charged with “studying, resolving and proposing the solution to the problems that [would] emerge from the executive phase” of the project⁹⁸. The committee comprised representatives

⁹³ Fascetti, *La funzione dell’IRI*, p. 29.

⁹⁴ *Ibid.*, p. 29.

⁹⁵ *Ibid.*, p. 36.

⁹⁶ *Ibid.*, pp. 42-3.

⁹⁷ Ministero delle Partecipazioni Statali, ‘Quarto centro siderurgico della FINSIDER’, in M. Ferrari-Aggradi, *Le partecipazioni statali nella politica di sviluppo* (Rome, 1959), p. 143.

⁹⁸ *Ibid.*, p. 144.

of the IRI, FINSIDER, and the Ministry of State Shareholdings, the MIC, the Treasury, the Ministry of Public Works, and the CASMEZ while its chair was Giuseppe Garlato (1896-1988), then Under-Secretary for State Shareholdings⁹⁹. Notable members included Stammati, IRI's new General Manager Salvino Sernesi (1888-1964), Ernesto Manuelli – the new President of FINSIDER – and Carlo Urciuoli, the General Director for Industrial Production at the MIC since 1950¹⁰⁰.

By the late 1950s, ministerial officials and even the Under-Secretaries themselves were therefore involved in the drafting and supervision of IRI's long-term plans, thus constraining the autonomy of IRI's managers. By the time Italy entered the European Economic Community (EEC), its political and administrative elites had fully understood that only the state could be the chief agent and enforcer of Italy's industrial strategy. The private sector, uninterested in pressing problem the industrialisation of the South, was excluded from the planning process. As a result, the DC leadership had to end its previous policy of autonomy for IRI and create a Ministry to compel the Institute's managerial elite into shifting its attention towards the expansion of that same industrial apparatus into the South. As a result, greater coordination was achieved within the public sector than in 1953. But, the ultimate outcome of this decision was the transformation of Italian industrial policy from a technocratic venture into a concerted effort between managers, ministerial civil servants, and DC ministers. Christian Democracy had thus successfully tamed technocracy. Italy was therefore still a state-led democracy, but the spearheads of its developmental state – IRI and ENI – were firmly under the control of its ruling party.

⁹⁹ Ministero delle Partecipazioni Statali, 'Quarto centro siderurgico' p. 144

¹⁰⁰ Ibid., p. 144.

CONCLUSION

Two Varieties of Organised Capitalism

Charles S. Maier once observed that the chief difference between the French and Italian varieties of post-war state-led capitalism consisted in the degree of political independence enjoyed by the technocrats in charge of pivotal industrial planning bodies. The staff of the General Planning Commissariat (CGP) “remained above the policies of the parties of the Fourth Republic”¹. The managers of the Institute for Industrial Reconstruction (IRI) and the National Hydrocarbons Board (ENI) in contrast “had to wrestle through the intricate web of Christian Democratic influences”².

This study rather shows that the difference between the two varieties of organised capitalism was that French industrial planners were able to coordinate both the private and public branches of large-scale industry, while Italian planners could only enforce an industrial strategy on their vast public sector. Political interference also became an important difference, but this was predominantly the case after the institution of the Italian Ministry of State Shareholdings in 1956 and the shifting of IRI’s planning tasks towards regional development in 1957-59. Catholic politicians such as Piero Malvestiti were

¹ C.S. Maier, ‘Conti e racconti: Interpretazioni della performance dell’economia Italiana dal dopoguerra a oggi’, in P. Ciocca (ed.), *Storia economica d’Italia 1. Interpretazioni* (Bari, 1998), p. 265.

² *Ibid.*, p. 265.

already involved in the allocation of industrial subsidies in the late 1940s, but they hardly exercised the strategic role they played after 1956.

This difference in the developmental state's ability to orient the private sector was the consequence of the capacity and will of post-war reformers to place technical experts in charge of the industrial planning bodies inherited from the Fascist and Vichy regimes. Indicative of this difference are the reflections of Claude Gruson on an exchange he had in the mid-1960s with the President of the Italian Central Statistical Institute (ISTAT) while he was the Director of the French Institute for Statistics and Economic Studies (INSEE)³. According to the French technocrat, his transalpine colleague "saw the Italian Ministry of Corporations as the blueprint for the Monnet Plan"⁴. Gruson acknowledged the interwar interest of French economists, civil servants and industrial leaders for the Italian corporatist experiment, but dismissed his counterpart's claim, arguing that the Fascist government lacked "economists capable of framing the problem of the programmes' coherence within the framework of a comprehensive developmental perspective as Jean Monnet did in 1946"⁵. This study partially confirms Gruson's statements, but it also presents a more nuanced account, which further helps grasping the fundamental convergences, continuities and divergences that characterised the institutional development of French and Italian organised capitalism between 1937 and 1958.

It is not entirely misplaced to compare the Ministry of Corporations to the CGP. Both were ambitious industrial planning organs, which marked France and Italy's transition to organised capitalism, and the protagonists of significant

³ Possibly Giuseppe De Meo (1906-96), head of the ISTAT from 1961 until 1980.

⁴ Bloch-Lainé and Gruson, *Hauts fonctionnaires*, p. 210.

⁵ *Ibid.*, p. 210.

developmental projects aimed at re-organising national industrial structures. Both organs also sought to transform trade organisations and private enterprises into instruments of state action. The Fascist Ministry attempted to achieve this through its Technical Corporative Committees in charge of the pivotal sectors targeted by the autarchic plans. For its part, the CGP relied on its Modernisation Commissions (CMs) to rally together the industrial experts, civil servants and trade organisers tasked with drafting the sectorial programmes of the Modernisation and Equipment Plan (PME). Both the CMs and the Ministry's Corporative Committees were meant to coordinate the investment programmes undertaken by both public and private enterprises.

Nevertheless, there were some important differences between the two institutions. Despite its ambition to coordinate Italy's industrial policy, the Ministry of Corporations lacked both the vision and technically trained staff to become the chief industrial planning agency of the Fascist developmental state. Its top officials were either party bureaucrats or lawyers, inadequate to address the challenges of industrial restructuring. The Italian planning body that came closest to the experience of the French CGP was rather the technocratic IRI. Like the CGP, the Institute relied on a staff of technical experts – engineers, chemists economists and statisticians – who shared a modernising agenda, which targeted pivotal sectors such as iron, steel and machine tools. Nevertheless, unlike the CGP, since 1937 the IRI's range of action was limited to the industrial shareholdings under its control, and the Institute lacked the administrative framework necessary to mobilise organised private interests to execute its agenda. This framework was only available to the Ministry of Corporations, whose staff was however more inclined towards interest mediation rather than

imposing a clear industrial modernisation strategy. Whereas the IRI saw the regime's turn towards autarchy in the late 1930s as an opportunity to upgrade Italy's industrial structure, the Ministry of Corporations exploited it to assert itself as the chief mediator between the Institute's modernising ambitions, the conservative agenda of private producers and the social concerns of Fascist labour leaders. The mixed outcomes of the autarchic plan for the iron and steel industry resulted from the clash between the prerogatives of the two agencies.

Following the fall of the Fascist regime in July 1943 and the constitution of the Italian Social Republic (RSI) later in September, the new Fascist state retained control over IRI's northern offices and industrial shareholdings, which were mobilised in favour of the German war effort. Despite the resurgence of Fascist political-economic radicalism that characterised the RSI, in 1944-45, IRI's technocrats were able to expand their influence within Fascist industrial administration by seizing control over the peripheral planning bodies of the Republic's newly created Ministry of the Corporative Economy. Quite indicative of this trend was the appointment of the IRI manager Agostino Rocca as the Chairman of the ministry's Industrial Committee for the iron and steel industry. In this manner, both public and private enterprises increasingly became subjected to the Institute's directives. It was in this context that IRI's planners began to envisage the post-war re-launch of their industrial strategy, which would also include the private sector.

Following the Liberation, regardless of the purges that affected influential IRI officials such as Rocca, the ambition of the Institute's cadres to control industrial policy remained evident in 1945-47. Thanks to the sympathetic attitudes of Resistance-affiliated economic reformers and experts such as

Rodolfo Morandi and Libero Lenti, IRI planners who had broken ties with Fascism during the civil war of 1943-45 were left in charge of key offices inside and outside the Institute's boundaries. Important in this respect was the maintenance of the industrial planning apparatus of the former RSI's Ministry of the Corporative Economy, integrated into the Ministry of Industry and Commerce (MIC) in Rome after 1946. Prior to the coalition split of May-June 1947 some of the Institute's chief officials explicitly argued for the permanent extension of IRI's planning powers to the private sector. As of June 1947, a significant degree of administrative synergy had been achieved between the Ministry and the IRI, but their planners were unable to launch a comprehensive long-term industrial strategy, nor establish a clear chain of command between the two organs.

The centrist turn of 1947-48 fundamentally redefined the relationship between the Institute, the MIC and the private sector. In February 1948 IRI's new charter limited the Institute's planning powers to its industrial shareholdings, thus ending some of its most radical cadres' ambition to condition the investment programmes of the private sector. The fact that some of IRI's more cautious planners – Oscar Sinigaglia in particular – were themselves content with limiting the Institute's range of action to its shareholdings also contributed to this outcome. In the meantime, the same lawyers who had dominated the Ministry of Corporations in 1937-43, regained key positions within the MIC, which also lost the corporatist peripheral bodies inherited from the RSI and its power to prevent new industrial initiatives. During the execution of the Marshall Plan, the Ministry's bureaucrats and moderate Catholic politicians tied to the private sector were however left in charge of the allocation of foreign machinery

and other materials necessary for the reconstruction of Italy's industrial apparatus. Within this revised administrative framework, IRI was able to launch ambitious industrial restructuring initiatives such as the rationalisation of the iron and steel industry, which was however only limited to the plants controlled by the Institute. Thanks to their ministerial and political allies, private producers were exempted from these plans and reconstructed their steelworks independently of the Institute's directives. Though deprived of its corporatist organs, the MIC reasserted the Ministry of Corporations' role as a mediator of conflicting interests rather than an agent of industrial modernisation. The result was the permanent exemption of the private sector from state-led industrial strategy at least until 1958. Not even the shifting of IRI's tasks from industrial rationalisation to regional industrial development and its subordination to an increasingly politicised Ministry of State Shareholdings in 1956 altered this state of affairs.

French post-war reformers succeeded precisely where their Italian counter-parts failed: they salvaged both the technocratic and corporatist institutional legacies of Vichy's industrial planning apparatus, rearranged them accordingly to a defined chain of command dominated by technical experts and mobilised them to serve an industrial strategy that targeted both public and private enterprises: the PME. This was largely due to the fact that already under the wartime Vichy state the country's two leading industrial planning agencies – the Ministry of Industrial Production (MPI) and the General Delegation for National Equipment (DGEN) – were integrated into a well-defined chain of command, dominated by experts who belonged to the same administrative elite and harboured the same industrial restructuring ambitions. Incarnating this

synergy was the figure of François Lehideux, who headed both the Ministry and the DGEN under the Darlan government. Since the formulation of the first Plan for National Equipment in 1941-42, the DGEN and the MPI worked to devise a series of sectorial programmes. To draw these up, the DGEN relied on the Organisation Committees (COs), the peripheral organs of the MPI dominated by pragmatic managers such as Eugène Roy rather than hostile entrepreneurs and legal scholars alien to industrial problems. The exclusion of labour also facilitated this synergy, as it prevented social concerns from interfering with the planners' modernising agenda. René Belin, Minister of Industrial Production in 1940-41, remained a rather isolated figure within an organ dominated by industrial experts such as Jean Bichelonne. Despite the intensification of pro-Nazi collaboration in 1942-44, the DGEN and the MPI continued to cooperate to draft the even more ambitious *Tranche de Démarrage*, which openly challenged Nazi Germany's economic New Order. Indicative of this challenge was the *Tranche's* iron and steel programme drafted by the DGEN in cooperation with the Ministry's Iron and Steel Directorate.

Following the Liberation, French democratic reformers salvaged both the DGEN and the MPI, and endorsed their agenda of industrial modernisation. Pierre Mendès-France and Robert Lacoste immediately worked alongside former Vichy planners such as Frédéric Surleau to readapt the *Tranche's* sectorial programmes to post-war scenarios. Indicative of these efforts was the modernisation programme developed by the Organisation Committee for the Steel (CORSID), drafted in 1944-45 under the direction of the *Mines* engineer Alexis Aron. This policy did, however, encounter difficulties. Administrative infighting between Mendès-France and Lacoste, as well as the excessively

ambitious nationalisation programme developed by the Ministry of the National Economy (MEN) delayed the launching of a national industrial reconstruction and modernisation programme. This was only possible in January 1946 when Jean Monnet, and his fellow technocrats Etienne Hirsch and Robert Marjolin detached the former DGEN from the MEN to merge it into the new CGP, and created a parallel set of sectorial bodies – the CMs – which inherited the long-term industrial planning powers of the COs. Surleau, a long-term advocate of the independence of the central planning commission from the ministries, was a pivotal contributor to the reform. Another key contributor to the consolidation of this techno-corporatist planning apparatus was the then Minister of Industrial Production, Marcel Paul, who also ensured that the COs short-term industrial control tasks were handed over to a set of Consultative Committees subordinated to the Ministry's sectorial Directorates.

This administrative framework effectively developed and launched the PME in 1946-47. The sectorial programme for the rationalisation of the entirely privately owned iron and steel sector, drafted by the tripartite Modernisation Commission for Steel (CMSID) – headed by Roy – was indicative of the planners' determination to impose their agenda on the private sector. The fact that Hirsch, Roy, Aron and the head of the Iron and Steel Directorate at the Ministry- Albert Bureau – were all engineers of the *Corps des Mines*, who shared the same modernising agenda significantly facilitated the synergy between the CGP, the CMSID, the MPI and the newly constituted Syndical Chamber for the Iron and Steel Industry (CSSF). French politics also shifted to the centre in 1947-48. Yet, the breakdown of the French democratic front further consolidated the administrative reforms of 1944-47. Secure in the commitment of both

ministerial officials and industrial managers to the PME's directives, in 1947-52 the CGP was still able to preserve its position as the chief coordinator of France's post-war state-led industrial renewal. Though deprived of its Consultative Committees by December 1948, the MPI continued to monitor the short-term execution of the PME through its sectorial Directorates.

The same collaborative efforts were once again mobilised during the 'Hirsch Plan' (1954-57), the iron and steel programme of which – though less ambitious and coercive than that of the first PME – was once again the product of the synergic actions of the CGP, the CMSID, the MPI's Iron and Steel Directorate, and the CSSF. The modernising ambitions common to the *Mines* engineers active within these planning organs even ensured the achievement of projects left unfinished during the Monnet Plan such as the restructuring of the Loire's steelworks. Private enterprise thus remained open to planning. Even the formal attachment of the CGP to the Ministry of Finance in July 1954 did not question the technocrats' planning powers or their prerogatives.

As Gruson's Italian colleague suggested, the CGP planners achieved some of the ambitions of the Ministry of Corporations. Monnet and his staff created a techno-corporatist industrial planning apparatus that mobilised trade organisations, and public and private enterprises as the instruments of a state-led strategy of national economic renewal. Nevertheless, the French technocrats succeeded in consolidating their planning framework in the post-war era precisely because they avoided the conflicts and contradictions that had characterised Italian economic administration during their Fascist era. Strong of the technocratic synergy and centralisation that had characterised Vichy, French economic reformers entrusted the DGEN and the COs to ideologically

heterogeneous technical experts who had developed a common vision of France's future industrial rebirth, synthesised in the PME. Once the DGEN and the COs' tasks were handed to the equally techno-corporatist CGP-CM apparatus, these same technical experts were able to launch the PME thanks to the efforts of trade organisers and industrial leaders, who shared the same modernising agenda. The result was an organised capitalist industrial economy where the developmental state was able to coordinate the reconstruction, modernisation and expansion of public and private enterprises alike.

Efforts to effectively plan the development of private industry in Italy accordingly to a defined strategy failed because both Fascist and post-Fascist reformers did not bring out a comprehensive managerial revolution in Italian economic administration. In 1937-43 the Fascist regime entrusted the Ministry of Corporations to legal experts, who lacked the technical knowledge and the long-term vision necessary to bend private organised interests to their directives. The Fascist state instead appointed industrial administrators with the appropriate technical skills and developmental vision to the technocratic IRI, whose range of action was however limited to the public sector.

Between the dramatic parenthesis of the RSI and the earliest phase of the post-Fascist reconstruction, IRI's most radical planners attempted to expand their powers by capturing rival bodies such as the Ministry of the Corporative Economy and the MIC. Yet, the constraints imposed by the constitutional debate, the planners' internal disagreements, the resistance of private organised interests, the interference of liberal expertise, and the lack of enthusiasm of the labour movement sank their hope of building a planning framework akin to the French model. As a result, after the centrist turn of 1947-48 IRI's more pragmatic

and moderate planners accepted the limitation of the Institute's range of action to its industrial shareholdings, whilst private producers reconstructed their plants independently from state directives. The result was still an organised capitalist economy, but where the range of action of the developmental state was limited to the public sector.

One Solution to Post-War Western European Stability

The significant differences between the French and Italian models of organised capitalism do not overshadow that they constituted two varieties of the very same condition for post-war stability and recovery: the fundamental re-arrangement of the balance between public and private power in Western European industrial societies. According to Maier, the relative stabilisation of Western European societies and the rescuing of the capitalist order in the post-war era was largely achieved through the US-led implementation of the “politics of productivity” that had stabilised America between the launching of the New Deal and the war years⁶.

Concepts such as “scientific management, business planning, industrial cooperation, or corporatist groupings” were key features of the American effort to save European capitalism and parliamentary democracy from the threats of post-war inflation, excessively ambitious Socialist structural reforms and Communist-led social revolution⁷. This stabilisation process meant the preservation of “the scope for private economic power and hierarchy that defined liberal capitalism”, but also ensured that “ambitious state economic agencies and bureaucratised pressure groups” would be the new key ingredients of the “corporate pluralism” that characterised post-war Europe⁸. Following this interpretation Western European post-war organised capitalism largely resulted from the implementation of American ideals of technocratic planning, modern

⁶ C.S. Maier, ‘The Politics of Productivity: foundations of American international economic policy after World War II’, in *In Search of Stability*, p. 128.

⁷ *Ibid.*, p. 128.

⁸ C.S. Maier, ‘Two post-war eras and the conditions for stability in Western Europe’, in *In Search of Stability*, p. 184.

industrial management and corporatist interest mediation, imported during the European Recovery Programme (ERP).

This study however demonstrates that the post-war rescue of capitalism and the stabilisation of Western European political economies cannot be exclusively considered the result of the implementation of US-inspired economic management instruments. During the post-war reconstruction the French and Italian industrial economies certainly consolidated important features of American capitalism: the large corporation, the Fordist concentration of industrial production in and integrated productive units, the Taylorist 'scientific' organisation of production and the rise of an increasingly 'managerial' business elite over financiers and family capitalists.

Yet, this study illustrates the acquisition of these new traits by the two economies, occurred within distinctively French and Italian industrial planning frameworks, which the two countries had begun to develop during their dictatorial experiments. Rather than dogmatically rejecting the technocratic and corporatist developmental agencies they inherited from Fascism and Vichy, French and Italian economic reformers re-organised these bodies, partially retained their personnel and reframed their strategies to meet the modernising objectives of the reconstruction. Between 1944 and 1947, the planning frameworks that had previously served authoritarian quests for economic autarchy and wartime mobilisation, were re-organised on a tripartite basis and repurposed to ensure the post-war re-activation and reconstruction of both French and Italian industry. In France in particular, the successful democratisation of techno-corporatism prior to 1947 even allowed the launching of a comprehensive long-term industrial restructuring strategy: the PME. The

same did not occur in Italy, but by the spring of 1947 all ruling parties agreed on the fact that Fascist institutions such as the Institute for Industrial Reconstruction (IRI) would remain permanent and necessary features of Italian post-war capitalism.

Italian and French democrats – Christian-Democrats, Socialists and Communists alike – had therefore embraced technocracy, corporatism and industrial policy way before US apologists of productivity, efficiency and class cooperation came to Western Europe. Even trends such as the ‘managerial revolution’ and the endorsement of industrial strategies aimed at concentrating industrial production in mass-producing plants were not a post-war novelty. As Stefan J. Link recently pointed out, “military industrial states” such as Nazi Germany and the Soviet Union had been instrumental in bringing Fordism to Europe⁹. This doctoral study has further illustrated that technocratic institutions such as the IRI and the Ministry of Industrial Production (MPI) had also been promoting similar structural changes in the French and Italian industrial systems under Fascism and Vichy. The consolidation of organised capitalism in post-war France and Italy cannot therefore be attributed to the persuasive efforts of US policy-makers. This political-economic transformation mainly resulted from the initiatives of local economic reformers, who immediately capitalised on authoritarian institutional innovations to entrust the management of capitalism to what Martin Conway referred to as the “social coalition” of civil servants and managers, which constituted “the driving force behind Western Europe’s post-war economic modernisation and recovery”¹⁰.

⁹ S.J. Link, *Forging Global Fordism: Nazi Germany, Soviet Russia and the contest over the Industrial Order* (Princeton NJ, 2020), pp. 216-17.

¹⁰ Conway, *Western Europe’s Democratic Age*, p. 139.

Not even the centrist turn of 1947-48 marked an abandonment of the developmental state in favour of a return of liberal capitalism in France and Italy. As David W. Ellwood remarked, Marshall Aid was complemented with a moderation of the planners' ambitions, marked by the CGP's loss of its monopoly over the PME's financial resources and the limitation of IRI's planning powers¹¹. Nevertheless, this turning point did not result in the return of pre-authoritarian liberal capitalism. The CGP's planning powers were reduced in favour of the Finance Ministry, but the Treasury Director François Bloch-Lainé continued to lobby in favour of the PME and even persuaded vehemently anti-*planiste* ministers such as Antoine Pinay to commit to the completion of the plan's industrial modernisation programmes. The successful state-led re-structuring of France's private iron and steel industry between 1947 and 1953 – supervised by the MPI's sectorial Directorate and the CMSID – was a major example of the endurance of the French developmental state. Quite similarly, in the context of the ERP, IRI was able to launch its own sectorial modernisation programmes, including Oscar Sinigaglia's plan for the iron and steel industry (1948-53), a prime example of pre-war industrial strategy developed by Fascist technocrats and later repurposed to ensure the launching of post-war Italy as a modern industrial nation-state.

This study of France and Italy thus demonstrates that the encounter between authoritarianism and 'state-led democracy' ensured that the developmental state would constitute the institutional foundation of Western European post-war stability and the ultimate solution to the mid-20th century crisis of capitalism. America provided financial resources, industrial technology,

¹¹ Ellwood, *Rebuilding Europe*, pp. 144, 147.

and geopolitical backing, but Europeans created the national administrative frameworks that coordinated the allocation of US financial and technical aid by building upon technocratic and corporatist innovations inherited from previous authoritarian experiments. As Alan Milward remarked, post-war recovery was the result of the European rescuing and re-empowering of the nation state as a critical developmental actor, which extended the traditional duties of public administration to the realms of economic planning and industrial management¹². Yet, the rescue of the developmental state was hardly the exclusive product of democratic reform, but of the synthesis between the authoritarian and democratic contributions to the re-organisation of modern capitalist Europe.

¹² Milward, *The European Rescue*, pp. 32-3.

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