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**THE DEBATE ON NATIONALIZATION OF THE
ELECTRICAL INDUSTRY IN ITALY AFTER
THE SECOND WORLD WAR (1945-47)**

by

Renato GIANNETTI



BADIA FIESOLANA, SAN DOMENICO (FI)

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EUROPEAN UNIVERSITY INSTITUTE

Badia Fiesolana

I - 50016 San Domenico (Fi)

THE DEBATE ON NATIONALIZATION OF THE ELECTRICAL INDUSTRY
IN ITALY AFTER THE SECOND WORLD WAR (1945-47)

The theme of nationalization is extremely important to post Second World War history. France and Britain extended the public sector enormously during the reconstruction period.¹ This was part of an organic, political-economic programme which united the more traditional ideological features of the left-wing and labour parties with specific objectives in the field of technical and functional efficiency. Nationalization would have to concern those sectors which were essential to the economic growth of the country, and put into effect an efficacious plan for economic growth as a whole, including controls on money and credit. Among the industrial sectors to be nationalized (transport, iron and steel) there was, in both countries, electrical power generation.²

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1. For reconstruction in both countries see, in general, Milward, A.S., The Reconstruction of Western Europe 1945-51, Berkeley, 1984.
 2. In France the electrical industry was nationalized in 1946 (loi 8 Avril 1946, no. 466628), in England in 1947 (Electricity Act). On nationalization in both countries see: COLOMBI, L., La nazionalizzazione dell'industria elettrica e del gas in Gran Bretagna e in Francia, Milan, 1961. For Britain see also ECCLES, J., La nazionalizzazione dell'industria elettrica in Gran Bretagna, in Rossi, E., et al. Le Baronie elettriche, IX Convegno degli Amici del Mondo, 1959, Bari, 1960, p. 15. Among contemporary sources see: VISENTINI, M., "La nazionalizzazione della energia elettrica in Francia", in Giornale del Genio Civile, March 1951, pp. 232-238 and idem, "L'industria elettrica nella Gran Bretagna dalle sue origini alla nazionalizzazione", ibid, p. 230.

of this power belonged to the Edison group and the remainder was subdivided among the other three. Altogether, with other minor enterprises, privately owned enterprises controlled 78.8% of total power production. There was another group of power producers, the so-called self-producers, almost all in the field of electrometallurgical and electrochemical enterprises (Falck, Montecatini, Cogne, Ilva, Soc. Alluminio Italiano, etc.) who controlled 13.6% of installed power. Public ownership was present in the sector in three ways: with municipal enterprises, with the Ferrovie Statali (State Railways) and with the IRI, who had controlled some firms in this sector since the '30's crisis. Municipal enterprises had 7.2% of the power, the Ferrovie Statali 5.2%, while participation of capital in the SIP (49.5%), SME (18.9%) and Terni (50%) allowed control of 22.5%. To sum up, with the IRI plants, municipal enterprises and the Ferrovie Statali, the State controlled (1942) 35.1% of the power⁴. In any case, the public firms did not work differently from the private electrical utilities: they joined the same association, Anidel, and had the same strategies.

The structure of production

The electrical industry came out of the war with 22.8% of its hydroplants and 42.5% of its thermal plants damaged or destroyed. As a whole, effective power was 26% less

4. UNGARO, M., "L'industria..." op.cit. The Tota productive power of IRI was 1464490 kW.

than in 1942.⁵ Damage and destruction was concentrated particularly in the Central and Southern regions. The plants in the Alps, representing 77.2% of effective power, were only 9.4% damaged.⁶

Production, which in 1942 was 19860 GWH, ran down to 12365 GWH in 1945. But by 1946 it had already increased to 16923 GWH, only 14.7% less than in 1942.

The reconstruction of damaged plants was fairly rapid, especially in Northern Italy where, at the end of 1945, 84.7% of damaged plants were rebuilt. The rebuilding was slower in Central and Southern Italy: in the same period, 46.3% of hydropower and 37.4% of thermal power plants were still to be rebuilt. Things worsened during 1946, for the pace of reconstruction slowed down because bottlenecks emerged in the supply of machinery and construction goods. It was only in 1947 that effective power returned to pre-war levels.

The plants

In Italy hydrogeneration made up 95.1% of total production, while thermal plants were limited to peak hours or

6. For a complete picture of the structure and performance of the electrical industry from 1945 to 1953 see: GIANNETTI, R., "Un'occasione mancata ? L'industria elettrica italiana nel secondo dopoguerra". In Annali della Associazione per gli studi e la Storia dell'impresa, 2, Milan, 1986, forthcoming.

emergencies. For this reason, any plan projected in these years was aimed exclusively at exploiting the remaining hydraulic resources. A study of 1947⁷ estimated potential hydropower at 56 million kWh, in comparison with the 18 million kWh actually produced in 1942. This was considered a good margin and there was no reference to shortage of power for the following 12-15 years.⁸ Moreover, there was no extensive reference to new sources of energy such as coal, oil, natural gas or nuclear power. For example, the first plan for new constructions in 1946 did not include even one thermal kilowatt. The same strategy was common to French supporters of nationalization.⁹

The main criticism of private electrical enterprises

If there was no dissent on the strategic lines of construction, the main criticism of private electrical utilities concerned the regional system of production and distribution, which did not allow efficient use of available resources.

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7. FERRERIO, P., "Il problema delle fonti di energia in Italia e lo sviluppo della industria elettrica italiana", in *Rivista di politica economica*, 7, 1947, pp. 780-799.
 8. The problem of hydraulic resources available for electrical energy production was raised much earlier than this date. A United Nations study showed the growing difficulties extensively in a comparative study on hydroelectric potential in Europe. See UNITED NATIONS, Hydroelectric potential in Europe and its gross technical and economic limits, Geneva, 1953.
 9. On the chief industrial aspects of the French plan see COLOMBI, L., La nazionalizzazione... op. cit. pp. 296-304.

According to this view, private firms built generating plants of less than optimum scale; failed to build the lowest-cost mix of generating plants to meet expected increases in demand, and to retire obsolete plants; and failed to build appropriate transmission capacity to link generating equipment together so that low-cost plant dispatch opportunities and pooling economies might be fully exploited. Finally, the absence of a national grid and the differences existing in frequency of primary distribution were quoted as proof of the need for greater coordination and control.¹⁰

Alongside these technical problems, there was the problem of monopoly power. The critics accused the private utilities sector of discriminating among consumers, penalizing domestic consumers, and of having a mere financial strategy of diversification, to the detriment of power supply growth.¹¹ Only nationalization could overcome these difficulties, thanks to its wider perspective on general economic growth. It could, for example, exploit the economies of scale of this "natural monopoly"¹²,

10. See, e.g., Ungaro's questions to the Assemblea Costituente, in Rapporto... op. cit., vol. Interrogatori, pp. 41-50 and 76-78.

11. For a brief, very polemical pamphlet summarizing these points see: COPPOLA, A., I monopoli elettrici contro la produzione, Rome, 1949.

12. An industrial sector is characterized by natural monopoly when a single firm can provide all the output at lower total cost than could be achieved by more than one firm. For an accurate discussion of this in electrical power, see: JOSKOW, P.L., SCHMALENSEE, R., Markets for Power, Cambridge, 1983, pp. 29-34.

as the economists called the production of electrical power.

In fact, between 1945 and 1950, a heavy shortfall of electric power was recorded. In 1942 more than 20 million kWh were produced, and only in 1947 was this level attained again. But the growth of consumption, especially by industrial consumers, was more rapid and the situation became more and more serious. Between 1946 and 1950, Northern Italy was under the constant threat of shortage of electrical power and firms were very often compelled to cut their work hours in the winter of 1946, and May 1947, when the interruption of electrical power lasted a whole week.¹³ Estimated of this deficit differed, varying from 5 to 10 million kWh.

Private enterprise's answer to these critics was that the deficit was due to a distortion of consumption caused by the freeze on tariffs, which had lasted since 1935 (D.L. October 5 1935, no. 1746), and to the difficulty of financing new constructions with the price of electrical power rising much more slowly than the general price index.¹⁴

13. On the shortage of electrical power between 1946 and 1950, see ISENBURG, T., Acque e stato, Milan, 1981, pp. 35-59.

14. See, for example, Silva's questions to the Ministero della Costituente on March 6 1946, in Rapporto... op. cit. II Industria, II. Appendice p. 35.

Political parties and the problem of nationalization

The parties represented in the CLN (Comitato di Liberazione Nazionale) agreed not to take advantage of their legislative powers until the Constituent Assembly had deliberated, so any intervention in industrial policy was deferred until that date (2 June 1946.)¹⁵ The main cause of this caution was that most economists and entrepreneurs identified any form of State intervention with a residue of Fascism. The official ideology of anti-fascism was "laissez faire", and the dismantlement of fascist institutions of economic control was the main aim of economists such as: Corbino, Ricci, Soleri and, above all, Einaudi, who held important public office in post-war Italy. This attitude conditioned even those left-wing parties that did not clearly uphold the need for the State to act as guide and control of the economy. There is strong debate on this matter in historiography¹⁶ on this period, and a detailed reconstruction is not the purpose of this paper. To summarize, we can say that on one hand, the left-wing parties overestimated the difficulties

15. See Parri's announcements to the Consulta Nazionale on 26 June 1946.

16. See, Barucci, P., Ricostruzione, pianificazione, Mezzogiorno. La politica economica in Italia dal 1943 al 1955, Bologna, 1978; Daneo, C., La politica economica della Ricostruzione 1945-1949, Turin, 1975; Mori, G. (ed.), La cultura economica nel periodo della Ricostruzione, Bologna, 1980; Gualerni, G., Ricostruzione e industria. Per una interpretazione della politica industriale nel II dopoguerra 1943-51, Milan, 1978; Woolf, S.J. (ed.), Italia 1943-50. La Ricostruzione, Bari, 1974.

of reconstruction, especially the political ones, and accepted the conditions set by private entrepreneurs in exchange for rapid economic recovery and, especially, the new political Constitution; while, on the other hand, these left-wing parties did not adequately oppose the "laissez faire" idea that any form of State intervention would be totalitarian planning. There were some people, like the socialist Rodolfo Morandi, the communist Dami and the catholic Saraceno, who asserted a modern view of State intervention, but their ideas were not accepted by the leaders of mass parties - neither catholic nor communist - and were confined to pure and abstract references in the official documents of all parties.

All the programmes of the parties in the first De Gasperi cabinet agreed to strengthen State intervention in strategic industrial sectors, especially those with monopolistic features (e.g. Montecatini), public utilities and those called "key" sectors (i.e. iron and steel). The difficulty was how to realize these general programmes. The first difficulty was to define "monopoly" and what the most appropriate form of State intervention would be. Let us give a few examples to clarify the situation. The D.C., at its congress in April 1946, proposed a "technically defined" control over monopolistic enterprises without bureaucratic nationalization, and was opposed to comprehensive socialization. In the meantime they did not deny the appropriateness of nationalizing or

municipalizing.¹⁷ This text does not distinguish between sector and enterprise, does not refer to any particular sector, and uses, indifferently, a range of terms such as: nationalization (statizzazione), socialization, etc.

This is a perennial feature of Italian political language, but the problem was then so acute that the Constituent Assembly was obliged to publish a short dictionary of terms, including socialization, nationalization, public intervention etc., to clarify the sense of the different proposals.

The PCI was firmer but equally unclear. It required the new government to nationalize the electrical power industry, the other private utilities, the insurance companies, Montecatini - the main chemical enterprise - and the Bank of Italy, and to reorganize the IRI as a tool for controlling and managing the reconstruction.¹⁸ But if we exclude this last point, which the PCI attempted to realize with Piccardi in 1945¹⁹, the remaining part of the intervention programme never became a concrete project.

17. Programma per la nuova Costituzione, Primo Congresso Nazionale della Democrazia Cristiana, 24-27 April 1946. In, Atti e documenti della Democrazia Cristiana, 1943-1959., Rome, 1960, pp. 203-204.

18. Direzione del PCI del 26 giugno 1946, in I comunisti e l'economia italiana, 1944-1974, Bari, 1975, p. 84.

19. See, for example, Piccardi's questions on 6 March 1946 in Rapporto... op. cit., vol. Interrogatori, pp. 25-33.

This was on the whole due to the prevalence of more strictly political problems, which imposed continuous and contingent compromises instead of the discussion and organization of a modernization programme.²⁰ So, none of the economic plans on the agenda of this cabinet were concluded. Among them was the nationalization of electrical utilities.

The debate on nationalization of the electrical industry

It was the socialists who first raised the problem of electrical utilities, while De Gasperi and Togliatti were disputing on macro-policies, in this case wage policy. The PSIUP, on 7 July 1946, made a range of proposals, and among them they proposed the establishment of a publicly owned agency for primary distribution of energy, as a step towards nationalization of the entire system of production.²¹ A week later De Gasperi set out this plan to the Constituent Assembly,²² raising the opposition of the PLI and causing an immediate fall in electrical stock on the Stock Exchange. Despite this strong reaction, the proposals of the De Gasperi cabinet were very vague. De Gasperi spoke of a "new regime", and the socialists proposed control over primary distribution; only the communist party proposed nationalization.

20. On the role of these political contingencies and on the contrast between them and any modernization programme, e.g. the question of ERP, see, Ellwood, D.W., *Il Piano Marshall e il processo di modernizzazione in Italia*, in Aga Rossi, E. (ed.), Il Piano Marshall in Europa, Roma, 1983, pp. 149-61.

21. "Direzione PSIUP", *L'Avanti* of 8 July 1946.

22. De Gasperi's speech reported in *L'Avanti* on 14 July 1946.

The Socialist plan

The socialist plan was due to Giuseppe Romita, who was then Minister of Public Works and responsible for the electrical sector. Romita was an electrotechnical engineer with a long history of work in electrical enterprises. In 1944 he presented a bill proposing to constitute a National Agency for electricity, with powers of control and coordination over electrical firms. We know Romita's plan only indirectly;²³ it seems to reproduce the features of the 1944 plan²⁴ as to the rules for hydro-concessions and as to the constitution of a Public Agency for long-distance transmission. The construction of a longitudinal line to connect North and South Italy had been first proposed in the second half of the twenties, but it had been rejected by a Ministero dei Lavori Pubblici committee in 1927.²⁵ The regional structure of the Italian electrical industry was already consolidated, and most private enterprises had no interest in building so expensive a transmission line, and one that could limit their independence.

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23. The plan has been reconstructed on the following articles: "Impianti elettrici e carbone", in *L'Unità*, 6 November 1946; "Notizie e rilievi", in *Il Sole*, on 29 November 1946; "28 miliardi per la nazionalizzazione del collegamento elettrico fra Nord e Sud", in *24 Ore*, on 5 November 1946.
 24. Archivio Centrale dello Stato (A.C.S.), presidenza del Consiglio dei Ministri, Commissario nazionale dell'elettricità. Lettera dell'on. ing. Romita a Ivanoe Bonomi, 19 October 1944, Fasc. 13 10 no. 29802.
 25. "Trasmissione e scambio di energia elettrica. Parere emesso dall'Assemblea generale del Consiglio Superiore dei Lavori Pubblici nell'adunanza del 28 dicembre 1927". In, *Annali dei Lavori Pubblici*, 1928, p. 97.

The public ownership of this "backbone", proposed by Romita, was of still older form. It had been adopted in Norway and Sweden immediately after the First World War.

Coming back to Romita's plan, we can summarize it as follows:

1. The hydraulic concessions still not exploited had to be returned to the State by 1949, on the basis of a plan for new constructions.
2. The Coniel (Compagnia nazionale industrie elettriche) enterprise had to be transferred to the IRI, with the plants of Medio Adige, Larderello and Vomano, in Northern, Central and Southern Italy respectively.
3. The plan provided for the constitution of a National Electrical Agency (in the IRI group) to bring together old and new IRI electrical enterprises and expiring concessions.
4. This agency had to realize the national network, including the crossing of the Straits of Messina and control over primary distributions.
5. The State could finance private enterprises only in exchange for participation in their capital. This proposal was particularly important because it changed an old practice of subventions to new plants which had often been the cause of a waste of resources²⁶ and is to be ascribed to Rodolfo Morandi, Minister of Industry in this same cabinet.

26. See, for example, the observations in, Ministero dei Lavori Pubblici, Consiglio Superiore delle Acque Pubbliche: Relazione statistica sulle applicazioni del decreto legge 23 november 1916, no. 1664 e modifiche, Rome, 1921-1923, 2 voll.

Romita supported his plan by saying that primary distribution, and the construction of plants in Southern Italy, would be neglected by private electrical firms because of the great expense involved and the long-term return. Only direct intervention by the State (through the IRI) could build them. The plan appropriated 28 billion lire as the estimated cost of all interventions.

Reactions to the plan

Despite the limited and original character of this plan, private electrical enterprises intensified their protest against any form of public intervention, although without directly citing Romita's plan. For example, in an article published by *L'Energia Elettrica*, the ANIDEL review, in August 1946²⁷, they rejected all criticism of them and immediately afterwards published a pamphlet which confuted it point by point.²⁸ Finally, in November, the private enterprises challenged the State to realize the plan for new constructions, presented by ANIDEL in April 1946, which provided for 2 million kWh every year up to 1953.²⁹

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27. Attico, "Illusioni e responsabilità circa la cosiddetta nazionalizzazione", in *L'Energia Elettrica*, 8, 1946, pp. 320-322; N.N. "Considerazioni generali sul problema della nazionalizzazione", in *L'Energia Elettrica*, 6, 1946, p. 240.
 28. Anidel, Aspetti e problemi della nazionalizzazione, Milan 1946.
 29. Merzagora, C., "Problema economico e politico. La crisi della energia elettrica", in *Il Corriere della Sera*, November 16, 1946.

Of the government parties, only the official newspaper of the PCI, *Unità*, made some observations on the electrical industry, without quoting Romita, and criticizing only the continuing rationing.³⁰

Difficulties arising inside the cabinet exploded at the CIR meeting (Comitato Interministeriale per la Ricostruzione) on November 27. We were unable to consult the minutes of this meeting but, according to contemporary newspaper accounts,³¹ only the socialist group defended the plan, while all other parties only underlined the general need to increase the construction of plants, independently of the form of the enterprise. The meeting referred the plan to a committee that included Morandi (PSIUP), Romita (PSIUP, Segni (DC), and Casini, of the Società Sarda di Elettricità, as an expert. Their job was to limit the role of the State to a role of mere control, rejecting the chance to set up an important public electrical group with a central role in primary distribution.

30. "Per la luce si vive alla giornata", in *L'Unità*, 2 November 1946.

31. See, for example, "Sigaretta per tutti", in *Risorgimento liberale*, "Riunione Cir", in *L'Unità*, "Riunione Cir", in *Il Sole*, "Riunione serale del CIR", in *24 Ore*, all on 28 November 1946.

What were the causes of this failure ?

Our explanation is limited to specific and contingent political factors. The three major parties, PCI, DC and PSIUP, encountered contingent difficulties, while the DC had lost the local elections in favour of the conservative parties. So the movement for a policy of reforms weakened, as is testified to by the secession of Dossetti's group, on the left, and praise of "free enterprise", on the other side. This is shown, for example, in an article by Umberto Merlin in *Il Popolo* of 19 December.³² The Socialist Party also lost votes in the same elections, in favour of the PCI, and underwent a severe crisis. This fact is particularly clear in the case of Morandi who, as early as October,³³ wrote that the government had to give space to private enterprise. He described a firm as a locus of the collective efforts of managers, engineers and workers, shifting attention away from the enterprise's form to the nature of entrepreneurs and managers. Only the PCI confirmed the preceding programmes. The Central committee of

32. There are many works on this theme; we will limit ourselves here to quoting: Barucci, P., Ricostruzione, pianificazione, Mezzogiorno, La politica economica in Italia dal 1943 al 1955, Bologna, 1978. For a bibliography, see Rossini, G. (ed.) Democrazia Cristiana e Costituente nella società del dopoguerra. Bilancio storiografico e prospettive di ricerca, Rome, 1980. More recently, see Rossi, M.C., "Le radici del potere democristiano", in *Passato e Presente*, 6, 1984, pp. 63-101. Merlin's article, "Libertà economica", was published in *Il Popolo* on 19 December 1946.

33. Morandi, R., "Iniziativa d'impresa", in *L'Avanti*, 29 October 1946.

20 November 1946 again proposed the nationalization of electrical utilities, the Montecatini group and the Bank of Italy. Nevertheless, Scoccimarro, who was Minister of Finance, criticized Romita's plan, and he was perhaps its strongest opponent, as is evident from many contemporary newspaper accounts.³⁴ He stressed that the only aim to pursue was the growth of electrical supply, which meant, as Morandi had said, a joint effort of the State and private enterprise. The State would have to intervene only when private enterprise failed to satisfy collective requirements and, moreover, strictly according to a financial balance of the public budget.

The revised Romita plan

The decision of the Cir of 27 November caused a rapid rise in electrical stock (Edison, for example, rose from the 2790 lire of 26 November, to 3610 lire on 28 November), but it did not decrease the disputes in newspapers against State intervention in the economy which had accompanied the revision.³⁵

Anyway, the committee concerned with the revision of Romita's plan produced a revised version that was unanimously approved on 11 December. The main points were:

34. See, for example, *Risorgimento liberale* and *Il Sole* of 28 November, quoted.

35. Critics quoted, as proof of the failure of nationalization, the recent experiences in Great Britain and France; see, for example, "Nazionalizzazione dell'industria elettrica in Gran Bretagna", in *Il Sole* of 6 November, and "Consuntivo della nazionalizzazione in Francia", in *L'Organizzazione industriale*, of 14 November 1946.

1. A national plan for new constructions (to be defined) entrusted to private enterprise, with the only condition being the completion of the plants as outlined in the plan.
2. State participation in the capital of Coniel, through the IRI, to build the interconnection line, but together with private enterprise.
3. The setting up of a National Committee to supervise the realization of the plan.

Technically, the programme was substantially the same, but the role of the State was strongly retrenched.

The Communist Party disagreed with this compromise, attributing the new formulation to the influence of Casini, considered a representative of private electrical interests.

Why did the Communist Party oppose this solution after approving it in committee? The most probable explanation is that the mixed form of the Agency of primary distribution was not satisfying. It implied centralization of power, and was politically dangerous for the PCI at that moment. The second De Gasperi cabinet was in great difficulty and the Communists found it would be more convenient to support decentralization. This would be a good reserve line of retreat if the party were to be removed from central government. It was for these reasons, for example, that, in December,

the PCI supported the creation of a public Agency for electrical power in Sicily,³⁶ in agreement with De Gasperi, and against Morandi and Romita (PSIUP), and Campilli and Segni (DC), and then, moreover, criticized, at the end of the same month, the construction of a national grid. Barca, the writer, wrote that a centralization of power supplies could damage the development of an integrated exploitation of hydraulic resources for electrical power generation and irrigation.³⁷ An argument used by private electrical utility owners in 1927 against State intervention in the building of a national grid!

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36. The name of the public Agency was ESE (Ente Siciliano Eletticità) and was established on January 2, 1947. Its first president was Riccardo Lombardi, later a protagonist of the debate on nationalization in the early '60s.
37. See Barca, L., "Da Romita a Casini il progetto è capovolto. Come un'attesa riforma si riduce ad una sovvenzione ai soliti grandi industriali dell'elettricità", in *l'Unità*, December 1946. The opponents of building a "national backbone" in 1927 used quite the same arguments. They advocated, for example, the construction of dams in the Appennines to irrigate the countryside of Central and Southern Italy. They did not explain how this would come about. They proposed to regulate the flow in the wet season (autumn and spring) to offset the dry season in the Alps (winter). This implied the closing of sluiceways in spring and autumn, when agricultural work is in progress, and the opening of them in winter.

In the next cabinet meeting on December 30-31, the electrical matter was discussed twice. The first time, the rise of tariffs was discussed, with the PSIUP and DC in favour, and the PCI and PRI against. In any case, the discussion was adjourned. The same thing happened on 31 December, when the new system for construction of plants was discussed. The only working resolution adopted was the extension of terms to build new plants for the concessions granted in 1933.³⁸

The last version

The last version of Romita's plan was presented to the cabinet on 8 January 1947. Unfortunately, the minutes of the meeting are not accurate and we do not have the details of all interventions.³⁹ Nenni, with Scocci-marro's support, pointed out that the modifications introduced by the committee were too far from any hypothesis of nationalization. On the other side, Morandi attempted to let the plan pass, saying that it was in the right direction because it set a limit on private enterprise and solved the problem of unification of a national network. Despite these observations, the cabinet adjourned any decision on the bill unanimously.

38. Archivio Centrale dello Stato (A.C.S.). Verbali del Consiglio dei Ministri, December 1946.

39. Archivio Centrale dello Stato (A.C.S.). Verbali del Consiglio dei Ministri, January 1947.

Further proposals for nationalization

Romita's plan followed the fate of the second De Gasperi cabinet, and was not discussed again. Romita remained in the PSI (ex PSIUP) and became Minister of Labour. His place was taken by Sereni (PCI). The Communist Party again asked for nationalization but encountered the intransigent opposition of De Gasperi, who recalled the CIR's earlier decision.⁴⁰ The position of Sereni became very difficult because both De Gasperi and Morandi excluded the possibility of nationalizing the electrical power industry when posed a precise question by private enterprises in March 1947.⁴¹ So, reassured, the private enterprises made some notable increases in capital, while electrical stock continued to rise.

Thereafter, two more projects for nationalization were presented by Sereni (PCI) and, later, in 1949, by Tupini (DC).⁴² This plan was drawn up in connection

40. "I programmi delle sinistre e di De Gasperi", in 24 Ore, on January 24, 1947.

41. "Attesi dal governo piani concreti per l'industria elettrica", in 24 Ore, on March 12, 1947, for the question, and March 18 for the answer. For the position in the cabinet, see Archivio Centrale dello Stato (A.C.S.), Verballi del Consiglio dei Ministri, seduta del 14 marzo 1947.

42. Archivio Centrale dello Stato (A.C.S.), Presidenza del Consiglio dei Ministri, Schema di decreto legislativo recante norme per l'ordinamento elettrico. Contains only the Minister of Transport's (Corbellini) letter in answer to the Minister of Public Works on the plan for the D.L. 103 12 no. 131087.

with the emergence of contrasts between the ERP plan in the sector and Italian private enterprises.⁴³ The forecast of consumption growth made by the experts of the ERP required a rate of much more intensive investment than that proposed, and made, by Italian private utilities. So, some politicians in the PSDI (the right wing of the ex PSIUP) and the DC proposed to nationalize to sustain the growth of electrical power, but they failed, as the ERP project failed as a whole in Europe.⁴⁴ Later, but not until 1953 when the limits of hydroproduction became evident, the polemic against the "Baroni dell'elettricità" began again. However, it took until 1962, when oil plants became cheaper than traditional hydroplants, for nationalization to be effected.

43. See Valerio, G., "L'ERP e gli investimenti in Italia", in Rivista di politica economica, 1, 1950; Ungaro, M., "I programmi elettrici nel piano ERP", in L'Energia Elettrica, 3, 1949, p. 206.

44. On the causes, see Milward, A.S., The Reconstruction in Europe... op. cit.

CONCLUSIONS

In Italy, in the immediate post-World War period, conditions existed for a wider State presence in the electrical industry. In 1945, the State controlled, in different forms, about 35% of total power. What it lacked was a defined programme of modernization as existed, meanwhile, in France. This was due to the original disposition of the Italian major political parties, which had not, for different reasons, any concrete programmes for public intervention in economic life. The DC was still consolidating its political presence in the country, and did not directly represent any industrial group. Moreover, its leaders (Sturzo, for example) had little to do with industrial life. Furthermore, the left wing of the catholic party was still rather ideologically tied up, as can be seen, for example, in the "Codice di Camaldoli group". The Communist Party, on the other hand, was troubled, with some reason, by fear of being removed from the government, and it rejected any long-term programme for this purely political reason. Only the Socialist Party attempted to formulate a detailed programme in this field, one that assured the participation of the State and its control over the strategic field of primary transmission. But, in the face of private electrical enterprises and their influence in government, its strength was small and fragmented, and the programme failed.



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