

Within this increasingly diverse metropolis, the local captains of industry clearly fared the best in the wartime economy, garnering huge profits from their companies' military contracts in these years. Corporate earnings and profit margins in the key sectors climbed to unprecedented levels after 1915. It is estimated that Agnelli's personal income in the last two years of war exceeded 1.8 million lire, an enormous sum for the time. Industrial entrepreneurs and the rest of Turin's wealthy upper-classes continued to reside in the historic center of the city in neighborhoods that, for many contemporary observers, seemed largely untouched by the bloody conflict. The popular image of the historical center as an exclusive area, where the rich and the powerful spent their unearned profits on extravagant luxuries while the common folks suffered and sacrificed, fueled discontent and resentment in the city's working-class communities.

The historic center, in reality, also provided more modest housing for Turin's lower middle-classes, who, unlike their entrepreneurial neighbors, found themselves in difficult material and psychological straits as the war progressed. Between 1914 and 1918, the cost of living in the city tripled. Soaring inflation hit white-collar employees, small shopkeepers, and skilled artisans especially hard, since they lacked the means to protect themselves from the rapidly rising prices for basic necessities. The resulting resentments of the lower-middle classes were exploited by nationalist propagandists who attributed their difficulties to the supposedly excessive salary hikes, wasteful spending habits, and draft-dodging tendencies of the industrial workers.

In fact, huge profit margins in the war industries did make it relatively easy for some employers to grant generous monetary concessions to their workers and to adopt a more conciliatory approach toward the unions. The automobile manufacturers, for example, agreed to increases of 50 to 75%, a minimum wage, and higher rates for overtime, night, and holiday work, in addition to a weekly contribution to the Fiom for the families of workers drafted into the army. Such concessions, however, did not lead to the enrichment of Turin's working class during the war years. On the contrary, wage hikes failed to keep pace with the rising cost of living, so that the real incomes of most industrial workers actually fell between 1914 and 1918. To make matters worse, larger pay packets came at the price of greatly accelerated work rhythms and intensified exploitation in the war industries. The military status of many factories also meant eighty to one-hundred-hour workweeks and rigid discipline with fines and other penalties for absenteeism or insubordination in the workplace.