

centives. When new elections for Fiat's internal commission took place in 1955, Fiom lost its majority for the first time in the post-war era. Defeat in the country's largest factory had an immediate impact on the position of the union at Olivetti and other major firms, where its support dropped sharply. The setbacks suffered by the Socialists and Communists in the factories had their counterpart in the municipal political arena where the Christian Democrats had already led a coalition of Liberals, Republicans, and Social Democrats to victory in the elections of 1951, ending a six-year run of Communist mayors and opening a new era of center-right leadership in city hall.

Valletta took advantage of the defeat of the militant unions to impose a more authoritarian system of production and labor relations into the automobile factories. Much like his American counterparts, the Ceo of Fiat adopted a strategy of technological modernization that entailed formal hierarchical relations, strict discipline, and accelerated work rhythms in his plants. The management made all decisions on salary and work rules without any negotiations with labor representatives, who now played only a supporting role. The relaxed work schedules of the late-1940s that had allowed employees the opportunity to socialize, organize, or just play cards on company time became an early casualty of these new power arrangements. Other casualties were the forty-hour work week and the two-day weekend, standard demands of the unions after the war. Throughout the '50s, the leadership of Fiat insisted on a forty-four-hour work week, which it could increase to fifty-four hours during periods of peak demand for its automobiles.

Valletta relied on material incentives and a variety of other perks to sweeten the bitter pill of rigid discipline and long, harder hours on the assembly line. To encourage workers to get with the company's program, he rewarded increased labor productivity and reduced disruptions of work with wage rates that were well above the norm in the engineering industry. By the end of the decade, the most productive workers were receiving bonuses that could raise their incomes by as much as 30% above their base pay. Valletta also took advantage of the company's well-established internal network of health insurance, schools, summer camps, sports clubs, and other leisure-time organizations to nourish in the rank and file a feeling of belonging to a "big family". To reinforce the link between family and company, relatives of current workers received preference in all new hiring. In a similar fashion, the School of Fiat Students (*Scuola allievi Fiat*) favored the children of employees with the promise of preparing them for professional advancement within the factory hierarchy.