

# The Minister of the Treasury's Survey of the Italian Economic Situation in 1952

by

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Signor Pella in his most recent annual report (1), the fourth in the series, provides us with the latest national income figures for Italy (2). As Signor Pella has continually emphasized in his earlier reports, the figures must be regarded as rough approximations only, and we must exercise caution in basing conclusions on them, particularly on the figures for the absolute income level. These are most probably subject to a large margin of error, although he believes that the figures may be taken as fairly indicative of the order of magnitude of the movements from year to year. With these qualifications in mind we may examine the principal data for 1951 and 1952 given in this report, supplemented by those for 1950 given in the report of the previous year (3).

We commence with the summary of the national income statistics, as shown in Table I.

These figures indicate that the gross national income at current market values rose by about 16 per cent from 1950 to 1951, and

(1) *Relazione generale sulla situazione economica del paese, presentata dal Ministro del Tesoro (Pella) alla Presidenza il 31 marzo 1953 (Atti Parlamentari, Camera dei Deputati, Doc. IX, No. 4).*

(2) In this article we summarise the data relating to national income and expenditure and the balance of payments. For accounts of developments in other sectors, more detailed balance of payments statistics, and a fuller analysis of the factors affecting the recent development of the economy as a whole, we await the more ample report of the Bank of Italy.

(3) We may recall that in his report for 1950, Signor Pella indicated that by 1950 the real national income per head had recovered to a point where it was equal to or above the level of 1938. That is to say, the aggregate real income had risen sufficiently from the extremely low level reached in 1945 (when it was estimated at being only about one half the pre-war level) to provide for the increased population (the latter having risen from 43 million, on the present territory, to 46.5 million, or by about 8 per cent) at the same average real income level as prevailed in 1938. The recovery of the average hides, however, considerable disparities between different groups due to changes in income distribution (see p. 36 below).

by 5 per cent from 1951 to 1952. The prices used in calculating the money value of the national income were, for the part that was consumed (forming about 80 per cent of the total) the average level of retail prices for consumption goods and services in each of the successive years, and, for the part that was invested, the average level of wholesale prices of capital goods. When the effect of the changes in these prices is eliminated, the increment in the gross national income in real terms appears to be much smaller than the increment in money terms from 1950 to 1951 and slightly smaller also from 1951 to 1952. The estimates indicate that real income rose by about 6 per cent from 1950 to 1951, and by between 2 and 3 per cent from 1951 to 1952.

The figures for the *net* national product in 1952 (see Table I) divided by a population of 47 million gives a net income per head amounting to slightly less than 200,000 lire (equivalent to about 300 dollars). This figure has, however, for the reason already given, to be accepted with reserve.

Although we have no statistics concerning income distribution, and its changes since 1938, the figures for the movement of real wage rates in certain sectors of the economy are sufficient to indicate that, since certain groups have obtained increases in real wage rates far exceeding the estimated increase in average real income per head, other groups must have suffered a considerable diminution. These figures show that workers, both in agriculture and industry, have made substantial gains, while clerical employees in industry, and state employees have failed to maintain the pre-war level. A rough mea-

NATIONAL INCOME: SUMMARY (a) TABLE I  
(Milliards of lire)

	1950	1951	1952
1. Net product at factor cost . . . . .	6,370	7,380	7,657
of which:			
(a) private sector . . . . .	(5,903)	(6,934)	(7,191)
(b) public administration . . . . .	( 695)	( 756)	( 885)
(c) less allowance for duplications between public administration and private sector . . . . .	(- 228)	(- 310)	(- 419)
2. Central and local government taxes not included in the valuation of goods and services . . . . .	1,057	1,257	1,366
3. Net product at current market value [(1)+(2)] . . . . .	7,427	8,637	9,023
4. Net income from abroad (b) . . . . .	216	114	166
5. Net national income at current market value [(3)+(4)] . . . . .	7,643	8,751	9,189
6. Depreciation and maintenance . . . . .	680	872	916
7. Gross national income at current market value [(5)+(6)] . . . . .	8,323	9,623	10,105

(a) In the absence of recent data obtained by more direct methods, the « values added » (gross products) and the net products (*i.e.* net of depreciation and maintenance) in the various branches of the industrial sector have been calculated by taking the gross and net products as they were determined in 1938 and multiplying them by the respective indices of production (given in Table VII below) and by the respective sectional indices of wholesale prices, as calculated by the Central Institute of Statistics. A Census of Production covering industry and commerce, and extending to quantities but not to values of output and of raw materials consumed was taken in November, 1951. The results of this census are still in process of elaboration.

The method currently used is recognised as depending on certain assumptions which would be perfectly valid only if the structure of industrial output had not changed. It assumes, that is,

(1) that the ratios between the values added, the net products and the total values of production as ascertained for 1938 are still relevant today,

(2) that the index of industrial production for each sector reflects the changes in the total net product of that sector, and

(3) that the sectional wholesale price index reflects the change in value per unit of that product.

(b) Includes income received less income paid on capital, emigrants' remittances, and grants from abroad. The tables do not account for the effect of the foreign balance, or, that is, of the surplus or deficit in the balance of payments *net of* foreign grants, which in the statistics of the United Kingdom, for example, is taken as signifying, according to whether it is a surplus or a deficit, that domestic consumption plus gross domestic capital formation either falls short of or exceeds total disposable income (or gross national expenditure at current market values). In Italy's case, since the excess of imports of goods and services over exports increased in 1952, the disposable income increased more than did the gross national product. The Bank of Italy, in its Annual Report for 1952 which appeared as this number of the *Quarterly Review* was going to press, indicates (p. 98) that since the increase in the trade deficit was 196 milliard lire and that part of this (namely the increase of 52 milliards in net income from abroad) is already included in the figure for gross national income, the amount still to be added in order to obtain the increase in disposal income in 1952 as compared with 1951 is 144 milliards.

sure (4) of the movement of real wage rates (calculated as money wage rates divided by the official cost of living index) for the classes indicated is given in Table II (5).

TABLE II  
INDICES OF MOVEMENTS IN REAL WAGE RATES  
(1938=100)

Annual average	Industrial workers		Clerical employees in industry		Agricultural workers		State employees	
	Single	Married	Single	Married	Single	Married	Single	Married
1948	108	108	79	82	136	133	64	67
1949	109	111	80	84	140	141	69	72
1950	113	120	82	88	143	144	76	78
1951	113	120	87	93	134	134	73	74
1952	113	128	86	96	135	135	75	77

Note: For married workers these figures include family allowances, and refer to a man with wife and three children.

Table III shows the way in which, over the last three years, the gross private domestic

TABLE III  
GROSS PRIVATE DOMESTIC PRODUCT AT FACTOR COST  
BY BRANCHES OF ACTIVITY  
(Milliards of lire)

	1950	1951	1952
1. Agriculture and forestry . . . . .	2,150	2,308	2,304
2. Fishing . . . . .	17	20	22
3. Mining and quarrying . . . . .	58	98	110
4. Manufacturing . . . . .	2,283	3,014	2,929
5. Building . . . . .	254	299	437
6. Electricity, gas and water . . . . .	208	241	250
7. Transport and communication . . . . .	465	515	582
8. Commerce, banking and insurance . . . . .	978	1,057	1,151
9. Ownership of buildings . . . . .	63	104	132
10. Services . . . . .	390	331	370
11. Less allowance for duplications . . . . .	- 199	- 205	- 206
Total . . . . .	6,577	7,782	8,081

product, calculated at factor cost (item 1a from Table I plus the relevant allowances for

(4) This measure does not, of course, allow for the fact that the different groups spend their incomes on different collections of goods and services of which the prices have not necessarily moved in the same manner.

(5) The figures given in the Pella Report have been supplemented by data obtained from the Monthly Bulletins of the Central Institute of Statistics.

depreciation and maintenance) is accounted for by the various branches of activity. From this it appears that agriculture, forestry and fishing still account for between a quarter and a third of the total, while manufacturing accounts for about 35 per cent.

Table IV gives the distribution of personal expenditure on consumers' goods and services

TABLE IV  
PERSONAL EXPENDITURE ON CONSUMERS' GOODS  
AND SERVICES AT CURRENT MARKET VALUES  
(Milliards of lire)

	1950	1951	1952
1. Food . . . . .	3,903	4,371	4,633
2. Tobacco . . . . .	270	287	308
3. Clothing, textile furnishings, etc. . . . .	996	1,200	1,145(6)
4. Rent . . . . .	63	104	132
5. Fuel, light and water . . . . .	141	155	168
6. Domestic, professional and personal services . . . . .	290	306	326
7. Entertainments . . . . .	83	94	104
8. Travel . . . . .	115	130	140
9. Sundries . . . . .	226	248	276
10. Durable consumers' goods . . . . .	176	232	242
Total . . . . .	6,263	7,127	7,474
Less duplications with respect to consumption by public authorities (b) . . . . .	192	287	330
Total . . . . .	6,071	6,840	7,144

(a) This figure is almost certainly an underestimate, for the reason given below (footnote to Table VII).

(b) Total expenditures of public authorities on consumers' goods and services in the years 1950, 1951, 1952 are shown as 631, 737, and 862 milliards, respectively, giving total expenditures, public and private, on consumers' goods and services of 6,702, 7,577, and 8,006 milliards.

(calculated at current market values). The figures indicate the high proportion of the total spent on food — over 60 per cent. From 1950 to 1951 the expenditures on food rose by about 6 per cent in monetary terms, although this was due to the extent of 4.2 per cent to the increase in average food prices. Figures relating to quantities of individual food items indicate, however, that certain items increased very considerably: the dead weight of livestock slaughtered increased by

some 12 per cent (6), sugar consumption by 6 per cent and coffee imports by 14 per cent.

Table V, which summarises the data on income, consumption and investment, indicates that gross investment over the last three years has on the average been running at about 20 per cent of gross income. The relatively small increase in income from 1951 to 1952 gives a correspondingly small increase in the absolute investment figure. Thus, whereas gross investment is shown as having increased by 26 per cent from 1950 to 1951, it appears to have increased by less than 3 per cent from 1951 to 1952. Since, however, the figures refer to investments including stocks, which rose in quantity and still more in value in 1951 while no such increase took place in 1952, we may conclude that the increase in fixed capital formation in 1952 was much greater than the figure just indicated. Indeed the figures in Table VI, which exclude stock movements, indicate a rate of increase which was in real terms (since in 1952 there was no such heavy increase in prices as occurred in 1951) fully equal to that of 1951.

TABLE V  
NATIONAL INCOME, CONSUMPTION AND INVESTMENT: SUMMARY (a)  
(Milliards of lire)

	1950	1951	1952
1. Gross national income . . . . .	8,323	9,623	10,105
2. Consumption, private and public . . . . .	6,702	7,577	8,006
3. Gross investment . . . . .	1,621	2,046	2,099
(of which depreciation and maintenance) . . . . .	(680)	(872)	(916)
Ratio of gross investment to gross income (per cent) . . . . .	19.5	21.3	20.8

(a) Calculated as the difference between gross national income and consumption.

The data which the Report provides concerning the composition of these capital expenditures are rather scanty, though certain broad categories are shown in Table VI; no data are given concerning the physical movement of stocks. It is pointed out that in

(6) This was partly due to a special factor — the scarcity of fodder due to drought.

agriculture the gross investment in 1952 was due predominantly to land reclamation (made especially by the bodies responsible for carrying out the land reform and by the *Cassa per il Mezzogiorno*), and to investment in agricultural machinery. No increase is supposed to have taken place in the livestock population. Within the industrial sector, the metallurgical and mechanical engineering industries, the extractive industries (under which are included the drilling operations and construction of pipe lines connected with the exploitation of natural gas resources), the industries producing building materials, the chemical industries (including petroleum derivatives), and electric power plants are said to have been responsible for the heaviest increments in investment. Investment in public works and building was particularly high in 1952, as Table VI shows.

GROSS CAPITAL FORMATION (a) TABLE VI  
(EXCLUSIVE OF MOVEMENT IN STOCKS)  
(Milliards of lire)

	1950	1951	1952
Agriculture . . . . .	180	265	270
of which:			
Fixed assets . . . . .	n. a.	(205)	(270)
Livestock . . . . .	n. a.	(60)	—
Industry . . . . .	570	700	780
Transport and communication . . . . .	270	270	310
Public works and building . . . . .	410	485	640
Other . . . . .	90	115	120
<i>Total</i> . . . . .	1,520	1,835	2,120
Ratio of fixed capital formation to gross national product (per cent) . . . . .	18.3	19.1	21.0

(a) Calculated directly: the divergence between the total investment figure obtained by this method and the one obtained above (Table V) is considered as being mainly attributable to the fact that stocks are included in the latter and not in the former. The increment in stocks due to the increase in their quantity and still more to the increase in their value from 1950 to 1951 is estimated at about 200 milliard lire. It is presumed that in 1952 they did not increase and possibly fell owing to the decline in prices.

Certain supplementary information given outside the tables tells us that public investment (exclusive of military expenditures) may be roughly estimated to have accounted for some 550 milliard lire in 1951 and for some 650 milliards in 1952. This would mean that

a larger proportion of total gross investment was attributable to the public sector in 1952 than in 1951: about 30 per cent as compared with 27 per cent. A complete accounting for the items of public investment is not attempted, although from certain fragments of information on this point, we gather that in 1952 public works, exclusive of those undertaken by the *Cassa per il Mezzogiorno* and by local authorities and the bodies concerned with carrying out the agrarian reform, accounted for 130 milliards, while investments in agriculture (again excluding those undertaken by the *Cassa* and by the bodies concerned with

TABLE VII  
INDICES OF INDUSTRIAL PRODUCTION BY BRANCHES  
(1938=100)

	1950	1951	1952
1. Mining and quarrying . . . . .	101	119	143
2. Manufacturing:			
1) Food . . . . .	135	143	146
2) Tobacco . . . . .	128	128	134
3) Textiles . . . . .	102	117	101
4) Footwear and other articles of clothing (a) . . . . .	102	117	101
5) Manufactures of wood and cork . . . . .	59	62	63
6) Paper . . . . .	106	114	112
7) Printing and publishing . . . . .	115	133	136
8) Leather . . . . .	69	81	91
9) Rubber . . . . .	132	152	141
10) Chemicals . . . . .	114	153	147
11) Petroleum derivatives . . . . .	207	356	454
12) Manufactures of non-metallic minerals . . . . .	119	128	136
13) Metallurgical . . . . .	104	135	150
14) Mechanical engineering . . . . .	123	130	141
15) Other . . . . .	115	133	136
3. Building . . . . .	140	148	192
4. Electricity, gas and water:			
1) Production and distribution of electricity . . . . .	162	188	200
2) Production of gas . . . . .	151	159	162
3) Distribution of gas . . . . .	151	159	162
4) Distribution of water . . . . .	151	159	162
5. Industrial services . . . . .	120	138	143
<i>Average</i> . . . . .	122	139	146

(a) In the absence of direct information on these classes, the index of textile production has been used. It is pointed out, however, that for 1952 the diminution in textile output was certainly not reflected in the output of clothing, since the contraction of the former was exclusively due to a contraction of exports. Thus it is to be presumed that the figure given underestimates the output in the clothing industry in 1952.

agrarian reform) accounted for 45 milliards, and those directly due to the activities of the *Cassa* for 67 milliards. These three items together amount to a total of 242 milliards, and we are given to understand that a good part of the remainder of the aggregate of public investment (of some 650 milliards) was constituted by subsidised building and by projects for increasing employment undertaken by the Ministry of Labour.

No statistics are available concerning the contributions of the various sources of finance to the total capital formation.

We turn next to the more detailed information about the expansion of production in industry — the area in which the expansion of the Italian economy since 1938 has mainly been concentrated. The average level for industry, including building, is shown to have risen by 14 per cent from 1950 to 1951 and by 5 per cent from 1951 to 1952 (see Table VII).

If we take the index of industrial production regularly published by the Central Institute of Statistics, which, however, excludes building (which expanded by a particularly large amount — some 30 per cent — from 1951 to 1952) we are enabled to trace the movement over the last five years.

This index (see Table VIII) indicates a considerable slowing down in the rate of industrial expansion in 1952 as compared not only with 1951, a year of especially rapid expansion, but also with the two previous years.

TABLE VIII  
INDEX OF INDUSTRIAL PRODUCTION,  
EXCLUDING BUILDING

Year	Index (1938=100)	Increase over preceding year (Per cent)
1948	99	...
1949	105	6
1950	119	13
1951	138	16
1952	143	4

The figures showing the rates of expansion since 1938 in individual branches of activity (Table VII) indicate that the most marked

advances of all were made in the manufacture of petroleum derivatives and in the output of electric power. The latter reflects the effort made (partly under government and partly under private initiative) to increase the number of hydro-electric power plants, and the figure indicates that the output of electric power is now twice the pre-war level. This together with the exploitation of natural gas resources [which is included under the index for mining and quarrying (7)] represent a very important element in the post-war Italian economy, since they have helped to increase the supplies, from domestic sources, of fuel and power, which for some years threatened to be the bottleneck in the way of the progress of industrial expansion in Italy. The building index is also far above the general average. At about the average level, or somewhat above, are gas and water, the mechanical engineering and metallurgical industries, chemicals, and food products. Considerably below the average are textiles. Two of the smaller industries — wood and cork manufactures, and leather — have actually declined.

The agricultural sector has on the whole remained almost stationary compared with the pre-war position. The contrasting growth of industry indicates that Italy, in spite of the fact that the proportion of agricultural to industrial activity is still high (see p. 36, above) compared with the levels prevailing in the more highly industrialised countries, has gone a considerable way since the war towards increasing the degree of industrialisation and decreasing the degree of «ruralness» (8). The same development is reflected in the results of the Population Census taken in November 1951. These indicate that at that date 41 per cent of the active population was still engaged in agriculture compared with 48 per cent at the Census of 1936, while the proportion in industry, transport and communications was 36 per cent in 1951 as compared with 32 per cent in 1936. Figures for certain crops are given in Table IX. The area

(7) The index for petroleum and natural gas, taken alone, stood in 1952 at 2,165 (on the base 1938=100).

(8) Some brief comments on Italy's present position as compared with that of certain other countries are given elsewhere in this number of the «Quarterly Review». Cf. pp. 70-71 below.

under wheat is shown to be considerably lower than before the war, though the yield per hectare has increased.

Two factors stand out from the Pella Report concerning the developments that took place in the Italian economy in 1952. The first is one on which we have already remarked, *i.e.* the slowing down in the rate of industrial expansion. The second is the marked change in the foreign trade and balance of

dollars (*i.e.* by 25 per cent). The main group of products affected by the fall in total exports was textiles which fell from 484.7 million dollars in 1951 to 235.4 million in 1952 (*i.e.* by over 50 per cent). The increase in imports was due largely to imports of machinery and equipment which rose from 196.1 million dollars in 1951 to 294 million in 1952, although exports of machinery and equipment also increased from 297.4 to 317.5 million.

AGRICULTURAL PRODUCTION: AREA, PRODUCTION, AND YIELD FOR SELECTED ITEMS TABLE IX

	Area (Thousands of hectares)			Production (Thousands of quintals)			Yield per hectare (Quintals)		
	1936-39	1951	1952	1936-39	1951	1952	1936-39	1951	1952
	Wheat	5,116	4,728	4,684	75,508	69,618	77,795	14.8	14.7
Rice	149	156	174	7,761	7,500	8,634	52.2	48.0	49.0
Maize	1,458	1,268	1,272	29,602	27,496	23,882	20.3	21.7	18.8
Tomatoes	57	84	81	9,523	12,428	10,894	167.3	147.7	133.9
Tobacco	33	58	60	425	795	820	12.9	13.8	13.7
Sugar-beet	135	198	221	32,716	59,579	58,700	242.8	300.8	265.9

Note: The 1952 figures are provisional

payments positions (9). As may be seen from Table X, total receipts from merchandise exports decreased by 14 per cent compared with the 1951 figure while total payments for merchandise imports increased by 3 per cent. Thus, the continuous upward trend of exports which had prevailed over the previous five years came to a halt.

The contraction in exports from 1951 to 1952 was concentrated principally in exports to the sterling area and to France (and the related currency area), and may in good part be attributed to the quantitative restrictions introduced in 1952 by the United Kingdom and other parts of the sterling area and by France (10). Receipts from exports to the sterling area fell from 619.9 million dollars to 371.5 million (*i.e.* by 40 per cent) and receipts from exports to France (and the related currency area) from 165.7 to 123.6 million

(9) A much more detailed account of the development over recent years of Italy's foreign trade and balance of payments is given in a separate article. See pp. 44 below.

(10) Cf. pp. 51 below, for a more detailed comment on these restrictions, and on the effects of other factors influencing the recent movement in Italy's foreign trade position.

From the balance of payments on current account, together with part of the financing account, for the last two years, as shown in Table X, it appears that although the deficit with the dollar area was smaller in 1952 (and was slightly more than offset by American aid), the deficit with all areas combined was very much larger, the increase being due to the sharp reversal which took place in 1952 in Italy's position in the European Payments Union. Thus there also came to an end the period of several years during which Italy had maintained almost uninterruptedly a surplus position with the non-dollar area.

The detailed statement month by month of Italy's position in the European Payments Union over the last two years is reproduced in Table XI. From April 1951 to February 1952 inclusive, the monthly position of Italy in the EPU was continually a surplus one. By the end of 1951 Italy had a cumulative surplus position (for the whole period over which the Union had been operating, *i.e.* from July 1st, 1950) of 237.7 million dollars including 42.5 « existing resources » (sterling) trans-

ferred to the accounts of the Union, and 7.5 « amortization of existing resources » (mostly of balances with France). Of this sum 98.3 million was settled through gold and dollar

to December Italy had a deficit with the Union; and the cumulative deficit for the entire year amounted to 90.2 million dollars, after allowing for the « amortization of ex-

BALANCE OF PAYMENTS, 1951 AND 1952, BY CURRENCY AREAS  
(Millions of dollars)

TABLE X

	Convertible currencies		Inconvertible currencies				Total	
	1951	1952	Subject to compensation through EPU		Not subject to compensation through EPU		1951	1952
			1951	1952	1951	1952		
1. Merchandise imports . . . . .	654.9	610.0	1,185.4	1,312.2	177.1	162.3	2,017.4	2,084.5
2. Merchandise exports . . . . .	233.0	267.9	1,203.4	950.0	143.7	139.3	1,580.1	1,357.2
3. Balance on merchandise account (a) . . . . .	-421.9	-342.1	18.0	-362.2	-33.4	-23.0	-437.3	-727.3
4. Balance of invisibles . . . . .	85.1	118.7	182.6	238.7	-16.8	30.7	284.5	388.1
5. Items in course of settlement, arbitrage operations . . . . .	24.6	13.4	-8.5	10.9	12.6	3.8	28.7	28.1
6. Total balance on current account [(3) + (4) + (5)] . . . . .	-312.2	-210.0	192.1	-112.6	-4.0	11.5	-124.1	-311.1
7. Compensating items:								
1) Receipts from ECA and MSA . . . . .	279.6	217.9	—	—	—	—	279.6	217.9
2) Transfer to EPU of balances held with Central Banks and other institutions abroad . . . . .	—	—	(b)	(b)	-76.4	-22.3	—	—
8. Balance [(6) — total of (7)] . . . . .	-32.6	7.9	268.5	-90.3	-80.4	-10.8	155.5	-93.2
9. Settlements in gold and dollars through EPU (c) . . . . .	92.7	-30.3	-92.7	30.3	—	—	—	—

(a) It should be noted that the figures for merchandise imports and exports given here are those relating to payments and receipts as registered by the Italian Exchange Office (*Ufficio Cambi*). Considerable differences may exist between these and the customs figures (which are given in the publications of the Central Institute of Statistics) because of the lack of coincidence between the dates of payments (or receipts) and the dates of the passage of the relevant goods through the customs. In fact the customs figures show, in both years, a larger deficit than do the foreign exchange figures. The main difference, as the Pella Report indicates, is in the import figures which are considerably higher in both years according to the customs figures than according to the foreign exchange figures. The difference is attributed principally to imports of equipment which had been paid for in previous years.

The same difference in the manner in which the figures have been established is also responsible for discrepancies between the figures given here and some of those given in the article which follows (see p. 44).

(b) Other tables given in Signor Pella's Report for 1952 indicate that these items were made up as follows:

	1951	1952
	(Millions of dollars)	
Use of « existing resources » in EPU currencies . . . . .	42.5	—
Amortization of « existing resources » in EPU currencies . . . . .	7.5	14.5
Reduction of « working balance » in sterling . . . . .	18.8	5.0
Increase in lira deposits held by foreign banks (of EPU countries) . . . . .	7.5	2.8
Total . . . . .	76.3	22.3

(c) These figures do not exactly correspond to the figures for the same item shown in Table XI below. The divergence is evidently due to a technical difference in accounting procedure affecting the dates at which the items were registered.

payments to Italy, and 139.3 million remained outstanding as credit extended by Italy to the EPU. In 1952 the position looked very different. In each of the months from March

existing resources » (mostly of balances with France and the United Kingdom) to the extent of 14.5 million. Half of the deficit (*i.e.* 45.1 million) was settled in dollar and gold

