

## Banks of Issue in Italy in the XIXth Century (\*)

The history of the banks of issue in Italy from the Wars of Independence to the failure of the *Banca Romana* and the organization of the Bank of Italy in 1893 was the result, broadly speaking, of two factors: the political one connected with the unification of Italy; and the economic one, rooted in the inadequate supplies of capital and savings. On these there pressed the financial requirements of the Budget which had to meet the emergency events of national unification and the urgent social needs of a poor country, as well as the large demands for finance from private enterprise.

While the political factor was the chief source of the conflict between the supporters of the principle of plurality of banks of issue and the adherents of the principle of a single bank, the economic factor explains the difficulties that beset the banks of issue during last century and the main reasons causing them to disregard the provisions of the law and to invest their funds in illiquid assets. On the political side the idea was to use the plurality of banks of issue as a check, in the monetary field, on the public supremacy of Piedmont, as represented by the National Bank in the Kingdom; on the economic side the scarcity of savings was wrongly thought to be due to an insufficiency of means of payment. During the early stages of the Wars of Independence, large-scale recourse was had to short term rediscounting abroad, as well as to new issue of bank-notes; later on, from 1st May 1866 to 11th April 1883, during the period of inconvertible paper currency, the note circulation was enlarged beyond the limits allowed. Afterwards, when a currency with a metallic backing had been reintroduced, the unsatisfied demand for capital was met, from 1883 to 1885, by recourse to short-term foreign loans. Short-term debts were incurred and long-term investments made. The banks of issue themselves were involved in heavy illiquid investments in buildings and land.

Guided by Di Nardi, let us now make a more detailed examination of these events together with the

(\*) This article is intended to call attention to the work of GIUSEPPE DI NARDI, *Le banche di emissione in Italia nel secolo XIX*, Turin, 1953, p. 436. This book describes the development of the Italian banks of issue up to 1893 when they underwent a serious crisis and had to be reorganised. The analysis is carried out in the light of the general principles which economic theory has established on the basis of experiences often widely different from those of Italy.

measures that were taken to regulate the currency and the banks of issue.

The introduction of inconvertible paper money in 1866 had given formal recognition to the existing disparity between the position of the National Bank in the Kingdom and the other banks. In the case of the former it was recognized, in connection with the loans made to the Government, that its notes should be inconvertible, besides being legal tender in those provinces in which the Bank had branches; while in the case of the other banks (the National Bank of Tuscany, the Tuscan Bank of Credit to Industry and Trade, the Banca Romana, the Bank of Naples and the Bank of Sicily), their notes were only recognised as being legal tender, always in the provinces in which the banks had branches. These banks were, that is to say, required to convert their notes, on demand, into notes of the National Bank in the Kingdom.

The first systematic organisation of the Banks of issue, under the Act of 30th April, 1874, repealed all such distinctions. While, on the one hand, it expressly limited the issue privilege to the banks already possessing it, thus giving rise to violent criticism by Ferrara, on the other hand, it placed such banks on a formally equal footing. The six Banks of Issue were associated in a Syndicate which took over the Government debt to the National Bank. The Syndicate was authorised to issue, up to an amount of 1 billion lire against loans to the Government, inconvertible notes of its own, which were to be legal tender. The six banks were further authorised each to issue its own notes (of special denominations, which were, as a rule, higher than those of the notes issued by the Syndicate), which were legal tender in the provinces in which the respective bank had branch offices. Later on, the legal tender notes were to be made convertible and replaced by a fiduciary circulation. Two limits were placed on the issue of bank notes; they were not to exceed in value three times the capital assets (paid-up capital and reserves) of the bank, nor were they to exceed three times its holdings of metallic currency plus notes of the Syndicate. The debts and sight liabilities of the Banks of Issue were held equivalent to notes. The possibility of exceeding the aforesaid limits was foreseen only in exceptional cases and when authorised by the Government; the excess, however, was not to go beyond 40 per cent of the capital, nor was it to last longer than three

months, and the respective profits were to go to the Government.

This first systematic law thus introduced two types of note, circulating side by side. The first were issued for the Government and were national and unconvertible; the second were issued to finance trade and production, were legal tender only in the territory in which the respective bank of issue operated, and were convertible into the first type during the period of inconvertibility. The alternative between competition among banks of issue, as advocated by Ferrara, and monopoly led to what was described as a hybrid regime, because the note issue privilege was granted only to the six banks mentioned above.

From this time until the eve of the reintroduction of convertibility of notes into metallic currency, the circulation expanded only slightly; the increase was confined to the notes of the National Bank in the Kingdom, partly because the minor banks had in the meantime to withdraw their notes of small denomination, which were replaced by the notes of the Syndicate. The National Bank was already taking over the main functions of a bankers' Bank, lending to the other Banks of Issue its own notes to meet the requests made by customers of these for payments outside their territorial areas, and in connection with the clearing between the various banks of issue of each other's notes. During this period, moreover, the growth of the currency in circulation was mainly due to the financing of the Government and of other public authorities; investments in government securities offered the attractive rate of interest of 5 per cent, which led both to the firmness of the discount rate which also generally stood at about 5 per cent, and to the preference among the banks of issue for Government investments. In its turn, the high official rate of discount caused discounts to be distributed between the banks of issue and the ordinary banks in a manner which was the opposite of the usual one; thus the better paper went to the private banks which charged 3-3½ per cent, while accommodation bills and illiquid assets accumulated in the portfolios of the Banks of Issue.

The improvement in the government finances and in the foreign trade situation, along with optimistic forecasts about the future and the unshaken conviction that inconvertibility was an evil which ought to be removed as soon as possible, led to the enactment of the Magliani Act of 7th April, 1881, which wound up the Bank Syndicate on 30th June and debited the outstanding note circulation of the Syndicate to the account of the Government. The Government was pledged to withdraw against metallic currency a first lot of 600 million lire of such notes (most of which was to be procured by issuing a loan); and the second lot

of 340 million lire was to be withdrawn in the course of time on the strength of the Budget surplus. It was also required that the banks of issue should keep their cover reserves in metallic money only, and should not convert their gold holdings into silver. April 12, 1883, was fixed as the date on which the inconvertible paper currency regime should cease, and the exchange of notes against metallic currency should begin. Though henceforth convertible, the notes were still recognised as legal tender, so that the legal discrimination between the notes according to the area in which the issuing banks operate, was maintained.

The measure providing for convertibility was followed in August by another requiring that the metallic reserves of the banks of issue should consist of two-thirds gold and one-third silver, and exempting them from the necessity of observing the maximum limit with respect to capital assets which had previously regulated their note issues, provided the additional issue were fully covered by a metallic reserve. Thus, each bank came to issue currency under two different headings which had to be accounted for separately: the first was backed by a metallic cover of not less than one-third, while its volume, together with that of other sight liabilities, was not to exceed three times the capital assets; the second or «additional» circulation which was also described as «unproductive», was backed 100 per cent by metallic cover. This provision made it possible particularly for the National Bank in the Kingdom and for the Bank of Naples, whose notes were used more especially for making distant payments, further to enlarge their note issues. Unfortunately, the new measure opened the way for the banks to expand their currency by discounting abroad.

The premium on gold, which had disappeared when the Bill for the abolition of inconvertible paper currency was introduced, reappeared a little more than a year later, *i.e.* in August, 1884, and soon rose under the pressure of the adverse trend of the balance of payments and the changed attitude of foreign countries towards Italian investments. From then until the Act of 10th August, 1893, which authorised the banks to collect the premium from those who converted their notes into metallic currency, the banks followed a policy aimed at discouraging by various expedients those who sought to convert their notes. Thus legal inconvertibility of paper currency was replaced after a brief period of convertibility, by *de facto* inconvertibility.

This *de facto* inconvertibility, which had the consent of the Courts of Law, enabled the banks not merely to protect but even to increase their reserves; but it failed to prevent the steady weakening of the currency. Thus, the metallic reserves of the banks

and the Treasury combined fell from 1883 to 1893 by 27 per cent; while the circulation, though, taken as a whole, it had remained fairly stable (+ 3 per cent), had become much more largely a liability of the banks, as a result of the gradual withdrawal of the Treasury notes together with those formerly issued by the Syndicate. The increase in the metallic reserves of the banks fell short of the increase in the volume of their notes which replaced the Treasury currency in the total money supply. Already, in the second half of 1885, the bank circulation began to expand unduly; it increased beyond the limit of three times the volume of capital assets, and was without full cover. This became a permanent condition and was sanctioned by successive government measures until the passing of the Luzzatti Act, of 30th June 1891; this extended the limit of the «productive» circulation to four times the capital assets, while preserving the limit of three times the volume of reserves. A Decree of 30th August 1891 required the banks of issue to accept each other's notes even in the case of optional transactions; the rules concerning the exchange of notes between the banks were thus appreciably relaxed. These rules, which had constituted the last safeguard of the currency circulation, the hindrance to excessive investment in illiquid asset and to abuses, were now deprived of all practical effectiveness.

The Alvisi-Biagini inspection of 1889, the results of which were not made public, discovered a cash deficit of 9 million lire at the Banca Romana, and the existence of a duplicate series of notes. The subsequent inspection carried out at the beginning of 1893 brought to light serious irregularities at the Banca Romana, consisting in the absence of many millions of its notes which had been registered as reserves in order to disguise the excess of the circulation on the one hand and a cash deficit on the other; it also revealed that the Bank of Sicily, the Bank of Naples and the Banca Romana had inadequate cover reserves; that the National Bank of Tuscany, the Bank of Naples, and the Bank of Sicily had disregarded the limit on the ratio between currency and capital assets (in the case of the Banca Romana this ratio had been exceeded by nearly 100 per cent); that the Banca Romana had issued duplicate series of notes which it had however withdrawn; it showed frozen credits amounting on an average to 61 per cent of the capital assets of the six banks of issue, and varying from minima of 17 and 20 per cent for the Bank of Sicily and the Banca Toscana di Credito respectively, to a maximum of 91 per cent in the case of the Banca Romana; and it appeared that 70 to 80 per cent of the capital assets of the Banca Romana and of the two Southern Banks, and 26 per cent of those of the Banca Romana, were in the form of unsettled debts

and renewable bills, and therefore of doubtful solvency.

To avoid further worsening of the monetary crisis, Giolitti was obliged to ask Parliament to vote a bill granting a government guarantee to the bank notes which had been declared legal tender. On the 18th January, 1893, the National Bank in the Kingdom and the two Tuscan Banks signed, at the request of the Government, an agreement providing for their amalgamation and the formation of the Bank of Italy. This agreement was incorporated in the Act of 10th August, 1893; it marked the end of the Banca Romana, which was liquidated under Government supervision and the foundation of the Bank of Italy.

This history, covering a short span of years but heavy with events, mistakes, crises and government action, leads the reader to a number of considerations and conclusions. We see in Italy, as elsewhere, the basic contrast between the principles of the banking and currency schools. The former, mostly supported by the banks, maintained that monetary stability was assured by the nature of the banking operation; the latter, which found expression in the later rules for regulating the currency circulation, called attention to the nature of paper money as a substitute for metallic currency, and advocated strict rules limiting the circulation by full or partial cover ratios in gold or silver. In Italy as elsewhere we see good intentions give way to conflicting or contradictory action on the part of the banks and the government action which soon frustrated the good that had been done. While, on the one hand, it was recognised that the best safeguard of the note lay in the nature of the operation, on the other there existed neither the will nor the ability to limit the direct or indirect accommodation given to the Treasury, and discounts and other short-term accommodations were gradually replaced by mortgage loans or other long-term credits granted to commerce and industry and used to finance investments in land and buildings. The currency, being based on illiquid or only semi-liquid transactions, lacked the indispensable elasticity. It was then thought that the metallic cover would be sufficient to render paper money a sound currency, adequate in volume to the needs of trade and production; at first the minimum ratio of the metallic cover was fixed at one third of the circulation, and, later on, under the influence of the growing demand, partially of a speculative nature, for funds, the authorities allowed the other limit, namely the ratio to capital assets, to be set aside, provided there was full metallic cover. But the inelasticity that this rule conferred on the circulation was at once evaded by large-scale recourse to discounts and to foreign short-term loans. On the unstable proceeds of these transactions a domestic circulation, in large measure

inelastic, was built up for financing transactions many of which were rash. The rule was formally respected, but this obedience to the rule had nothing in common with the economic considerations which had given rise to it. When the loans were called in by the foreign banks, the Italian banks of issue found themselves unable to withdraw the notes that had been issued on their strength; this gave rise to an excess of circulation and capital assets to four to one.

Di Nardi defines the regime that prevailed after the Act of 1874 as one of « limited competition » between the banks of issue. To the present writer it seems that we might better define it as a system of monopolistic competition with marked oligopolistic features. This is no mere difference of words, but a difference of emphasis on two special aspects; that of the limitation of the issue privilege to six banks only, and that of the marked disparity between one bank and another: between the National Bank in the Kingdom and, at a great distance, the Bank of Naples on the one hand and the other four on the other.

The very nature of the service rendered, *i.e.* the issue of currency and the steady process of unification of the Italian regions, were steadily accentuating the difference between the banks of issue, in conformity with an inevitable historical process which went through its first stage in 1874, and its second in 1893 and reached its third and last in 1926, when monopoly of the note issue privilege was conferred on the Bank of Italy. Legislative rules did nothing and could do nothing to prevent the centralisation of the note issue, first in a few banks and later in a single bank. We cannot therefore agree with Di Nardi when he blames the 1874 Act for not abolishing the disparities between the several banks.

As a matter of fact, the law could not have abolished an existing disparity between the banks unless it had also discriminated against the strong, and in favour of the weaker banks, granting the latter a privileged position over the former.

But there would have been no justification, either political or economic, for such action and, wisely enough, no effort was made in that direction. On the other hand, the action taken by the Government in favour of the weaker or badly managed banks, instead of having the beneficial effects that had been hoped for, was positively harmful. The Government was wrong in failing to arrest mistaken policies at the start, allowing them to degenerate into crises. Di Nardi rightly speaks again and again of the disastrous consequences of the limitations placed on the exchange of bank notes between the several banks of issue: first in 1866 when it was provided that the amount of the notes and of credit instruments that the National Bank in the Kingdom could present daily for

clearing to each of the other banks of issue was not to exceed one twelfth of their respective metallic reserves; the second time in 1874 when it was decided that the clearing should take place only on Thursdays with settlement of the differences between debits and credits being made either in inconvertible currency or by orders, payable within not more than 7 days; and the third and last time in 1891, when the situation was already unsound and the limitations were imposed in order to avoid the outbreak of a serious crisis. This last intervention amounted to the *de facto* abolition of the obligation on the banks of issue to exchange their notes; for it provided that the exchange would take place every ten days and only for those notes that could be offset against one another, and it empowered the creditor bank to put back into circulation the notes of the other banks which it still held.

Ferrara, in his publication *La questione dei banchi in Italia*, had advocated that the right be conferred on all banks, or at least on all those of a certain economic importance, to issue fiduciary notes with the obligation of exchange.

Instead of this, Parliament first limited the issue privilege to six banks only; then Parliament and the Government suppressed first the exchange of these notes when presented by private persons, and later the reciprocal exchange between the banks. A comparison of the warnings given by Ferrara with the events that occurred in 1893 might lead us to identify the reasons for the crisis with the failure to act on Ferrara's suggestions. The facts were, however, quite different. If, indeed, the Act of 1874 limited the number of the banks of issue, the subsequent provisions were not aimed against plurality. Free competition would have led more quickly and inevitably to a monopoly; and the action of the public authorities sought to hinder this reduction of the number of note-issuing banks from several to one only.

Undoubtedly it would have been better if the authorities had not intervened; but the attitude of mind of those most closely concerned was not prepared for this course, and the men of government and finance did not perceive the essential difference that exists between the exercise of the note issue privilege, which should be vested in a single institution and the exercise of other banking operations which should be carried on by many. They did not perceive that the problem of creating equality of credit conditions in various parts of the country is not a problem of independent note issues, but one of providing credit facilities and making public investments with the purpose of directing capital towards those regions that are economically depressed or backward.

## STATISTICAL APPENDIX

**ITALIAN BUDGET SUMMARY**  
(milliards of lire)

Table A

Fiscal year beginning 1st July	Revenue			Expenditure			Deficit			
	Assessed		Collected (a)	Obligated		Paid out (a)	Obligated			Cash
	Current	Movement of capital		Current	Movement of capital		Current	Movement of capital	Total	
1938-39	27	3	—	39	2.8	—	— 12	+ 0.2	— 11.8	—
1949-50	1,419	252	1,618.2	1,716	232	1,703.9	— 297	+ 20	— 277	— 85.7
1950-51	1,720	272	1,658.4	1,894	319	1,820.0	— 174	— 47	— 221	— 161.6
1951-52	1,737	336	1,976.4	2,129	305	2,308.4	— 392	+ 31	— 361	— 332.0
1952-53	1,806	305	2,402.0	2,302	119	2,639.4	— 495	+ 185	— 310	— 237.4
1953-54	2,000	338	2,300.3	2,325	182	2,433.8	— 325	+ 156	— 169	— 133.5
1954-55 (b)	2,263	302	2,497.6	2,674	116	2,517.4	— 411	+ 186	— 225	— 19.8
1955-56 (c)	2,445	24.5	—	2,724	71.1	—	— 279	— 46.6	— 325.6	—

(a) Current revenue (or payment) and movement of capital; on year account and arrears.

(b) Revised.

(c) Estimates.

Sources: *Conto Riassuntivo del Tesoro*; *Report on Italy's Economic Situation in 1954*, submitted to the Parliament by the Minister of the Budget, On. E. Vanoni, March 31, 1955.

**ITALIAN BUDGET SUMMARY - FINANCING OF CASH DEFICIT**  
(millions of lire)

Table B

	1950-51	1951-52	1952-53	1953-54	1954-55 (e)
Assessments and Obligations (a) - Deficit . . .	— 277,707	— 423,000	— 294,000	— 241,000	— 225,000
Receipts and Payments (b) - Cash deficit . . .	— 159,103	— 335,125	— 234,336	— 132,600	— 19,799
<i>Financing of cash deficit:</i>					
Treasury Bills . . . . .	+ 98,024	+ 102,742	— 11,716	+ 89,902	+ 65,440
Advances of the Bank of Italy . . . . .	— 19,077	—	— 21,000	+ 89,541	+ 31,299
Interest bearing current accounts					
Cassa DD.PP. and insurance instit. (c) . . . . .	+ 141,216	+ 63,142	+ 160,372	+ 62,824	— 37,376
Banking institutions . . . . .	+ 751	— 11,297	+ 15,003	— 8,577	+ 1,072
<i>Floating debt - Total</i> . . . . .	+ 220,914	+ 154,587	+ 143,259	+ 233,690	+ 60,435
<i>Other Treasury debits and credits (d)</i> . . . . .	— 8,381	+ 170,324	— 12,040	— 39,379	— 40,777
<i>Changes in cash position</i> . . . . .	— 53,430	+ 10,214	+ 103,117	— 61,711	+ 141
<b>GRAND TOTAL</b> . . . . .	+ 159,103	+ 335,125	+ 234,336	+ 132,600	+ 19,799

(a) Current revenue and expenditure and movements of capital.

(b) Receipts and payments on year account and arrears; current revenue and expenditure and movements of capital.

(c) For more than 90%, a/cs. with «Cassa Depositi e Prestiti» (Cassa DD.PP.) which collects the deposits of the Postal Savings Banks.

(d) Debits and credits with government's agencies and other public bodies.

(e) Revised.

Source: *Conto riassuntivo del Tesoro*.

**ITALIAN DOMESTIC PUBLIC DEBT**  
(milliards of lire - Index Numbers, 1938=100)

Table C

End of period	Consolidated debt		Redeemable debt		Floating debt					Trea- sury notes	Total of domestic public debt	
	A- mount	I.N.	A- mount	I.N.	Trea- sury bills	Interest bearing current ac- counts	Ad- van- ces by the Bank of Italy	Total			Amount	I.N.
								Amount	I.N.			
1952 - June . . . . .	53	100	829	1,681	920	822	471	2,213	7,376	15.0	3,110	2,329
1953 - June . . . . .	53	100	1,025	2,091	908	998	449	2,355	7,850	38.2	3,471	2,600
1954 - March . . . . .	53	100	1,212	2,473	966	1,079	447	2,492	8,306	45.7	3,803	2,849
June . . . . .	53	100	1,212	2,473	998	1,052	538	2,589	8,630	46.5	3,811	2,855
September . . . . .	53	100	1,230	2,510	1,042	1,125	535	2,703	9,010	50.4	4,036	3,023
December . . . . .	53	100	1,259	2,569	1,059	1,115	544	2,718	9,060	53.5	4,083	3,058
1955 - March . . . . .	53	100	1,490	3,040	1,058	1,100	526	2,684	8,946	55.4	4,282	3,207
June (a) . . . . .	53	100	1,498	3,057	1,064	1,016	570	2,650	8,833	56.4	4,155	3,112
July . . . . .	53	100	1,498	3,057	1,084	1,020	543	2,647	8,823	56.9	4,255	3,187
August . . . . .	53	100	1,498	3,057	1,086	1,018	514	2,618	8,726	57.4	4,226	3,165

(a) Revised.

Source: *Conto riassuntivo del Tesoro*.

## DEPOSITS AND CURRENT ACCOUNTS IN ITALIAN BANKING SYSTEM AND POSTAL SAVINGS BANKS

(index numbers, 1938=1)

Table D

End of period	Banking System (a)						Postal Savings Banks						Percent ratio to deposits and c/a of banking system
	Deposits		Current Accounts (b)		Total		Deposits		Current Accounts		Total		
	Mil-liards of lire	Index numbers	Mil-liards of lire	Index numbers	Mil-liards of lire	Index numbers	Mil-liards of lire	Index numbers	Mil-liards of lire	Index numbers	Mil-liards of lire	Index numbers	
1951 . . . . .	1,364	36	1,324	78	2,688	49	796	27	160	145	956	32	35.5
1952 . . . . .	1,688	44	1,647	96	3,335	60	963	33	197	179	1,160	38	34.7
1953 . . . . .	2,021	53	1,893	111	3,915	71	1,147	39	276	250	1,423	47	36.3
1954 March . . . . .	2,049	54	1,868	109	3,917	71	1,181	40	261	237	1,442	48	36.8
June . . . . .	2,095	55	1,935	113	4,030	73	1,188	41	244	221	1,432	47	35.5
September . . . . .	2,193	57	2,008	118	4,201	76	1,200	41	276	250	1,476	49	35.1
December . . . . .	2,341	61	2,132	125	4,473	81	1,263	43	252	229	1,515	50	33.8
1955 March . . . . .	2,392	62	2,156	126	4,547	82	1,291	44	227	206	1,518	50	33.3
June . . . . .	2,427	63	2,194	129	4,621	84	1,288	44	222	201	1,510	50	32.6
July . . . . .	2,478	65	2,216	130	4,694	85	1,291	44	274	249	1,565	52	33.3
August . . . . .	2,516	66	2,226	130	4,742	86	1,294	44	257	233	1,551	51	32.7
September . . . . .	2,549	67	2,304	135	4,853	88	1,296	44	237	215	1,533	51	31.5

(a) The data refer to 365 banks (commercial and savings banks) which hold about 99% of the total deposits collected by all Italian banks.

(b) Inter-bank current accounts are excluded.

Source: Bollettino of the Bank of Italy.

## DEPOSITS, CURRENT ACCOUNTS AND ASSETS OF ITALIAN BANKS (a)

(millions of lire)

Table E

Items	31.12.53	31.3.54	30.6.54	30.9.54	31.12.54	31.3.55	30.6.55
Amount outstanding							
Deposits and current accounts . . .	3,914,644	3,917,183	4,030,644	4,201,416	4,473,243	4,547,843	4,620,759
Cash and sums available at sight . .	359,076	287,698	302,123	288,696	402,713	354,900	342,370
Fixed deposits with the Treasury and other Institutions . . . . .	466,493	488,941	525,538	621,882	549,398	585,868	585,738
Government Securities (b) . . . . .	767,691	805,040	813,469	826,245	856,790	923,443	930,657 (d)
Credits to clients (c) . . . . .	3,206,120	3,152,351	3,263,007	3,426,212	3,688,429	3,651,060	3,805,961
Index Numbers: 31-12-1948=100							
Deposits and current accounts . . .	257.4	257.6	265.1	276.0	294.2	299.1	303.9
Cash and sums available at sight . .	212.4	170.1	178.7	170.7	238.2	209.9	202.5
Fixed deposits with the Treasury and other Institutions . . . . .	262.4	275.0	295.6	349.8	309.0	329.6	329.5
Government Securities (b) . . . . .	184.8	194.3	196.5	199.4	206.8	222.9	224.6
Credits to clients (c) . . . . .	283.9	279.1	288.9	303.4	326.6	323.3	337.0
% of deposits and current a/cs							
Cash and sums available at sight . .	9.2	7.3	7.4	6.8	9.0	9.0	7.3
Fixed deposits with the Treasury and other Institutions . . . . .	11.9	12.4	13.0	14.8	12.2	12.8	12.5
Government Securities (b) . . . . .	19.6	20.5	20.2	19.6	19.1	20.2	20.1
Credits to clients (c) . . . . .	81.9	80.4	80.9	81.7	82.4	80.2	81.1

(a) The data refer to 365 banks (commercial and savings banks) which hold about 99% of the total deposits collected by all Italian banks.

(b) Treasury bills and other Government securities. Nominal value.

(c) Includes: bills on hand, rediscount at the Bank of Italy, contangoes, advances, current accounts, credits abroad, loans recoverable on salaries, credits on note of hand, mortgage loans, current accounts with sections for special credits, non-Government securities, participations.

(d) Provisional.

Source: Bollettino of the Bank of Italy.

## NOTE CIRCULATION, PRICES, WAGES AND SHARE QUOTATIONS IN ITALY

(Index Numbers, 1938=100)

Table F

Year or month	Note Circulation (a)		Wholesale prices (c)		Cost of Living (c)	Wage rates in industry (c)	Share quotations (b)	Fine gold	
	Amount (b) (milliards of lire)	Index	All commodities	Foodstuffs				Price of one gram (lire) (d)	Index
1952 - December . . . . .	1,411.1	6,271	5,288	5,624	5,612	7,426	2,316.6	770	2,961
1953 - December . . . . .	1,487.9	6,612	5,256	5,659	5,678	7,573	2,390.9	720	2,769
1954 - March . . . . .	1,369.8	6,088	5,336	5,808	5,693	7,586	2,438.6	722	2,776
June . . . . .	1,377.2	6,120	5,256	5,664	5,850	7,736	2,425.9	714	2,746
September . . . . .	1,449.0	6,440	5,267	5,738	5,857	7,946	2,724.8	717	2,757
December . . . . .	1,578.4	7,015	5,350	5,921	5,882	8,012	3,089.7	722	2,776
1955 - March . . . . .	1,472.4	6,544	5,317	5,788	5,880	8,058	3,237.5	726	2,792
June . . . . .	1,465.6	6,513	5,321	5,802	6,023	8,062	3,562.7	715	2,761
July . . . . .	1,548.2	6,880	5,294	5,772	6,001	8,062	3,810.3	711	2,734
August . . . . .	1,480.8 (c)	6,581	5,277	5,825	6,011	8,108	4,056.9	712	2,739
September . . . . .	1,505.9 (c)	6,692	5,275	5,841	5,993	8,108	...	...	...

(a) End of year or month. Includes: Bank of Italy notes and Treasury notes; (b) Bollettino of the Bank of Italy; (c) Bollettino Mensile di Statistica issued by the Central Institute of Statistics; (d) Business Statistics Centre of Florence; (e) Provisional.

## PRICES AND YIELDS OF ITALIAN SECURITIES BY MAIN CATEGORIES

(annual or monthly averages)

Table G

Year or month	Government Securities								Shares	
	Bonds				9-year Treasury Bonds		Average		Price (index number '38=100)	Yield (per cent per annum)
	Consolidated		Redeemable		Price (index number '38=100)	Yield (per cent per annum)	Price (index number '38=100)	Yield (per cent per annum)		
1952 - a. av. . . . .	101.1	5.34	90.6	6.25					89.2	5.93
1953 - a. av. . . . .	99.6	5.42	87.9	6.44	86.3	6.13	88.5	6.16	2,362.5	5.93
1954 - a. av. . . . .	99.4	5.43	88.7	6.38	85.0	6.22	87.8	6.21	2,596.4	5.98
1954 - March . . . . .	99.4	5.44	88.7	6.38	84.2	6.28	87.1	6.26	2,438.6	6.35
June . . . . .	99.8	5.41	89.0	6.36	85.6	6.18	88.2	6.18	2,425.9	6.38
September . . . . .	99.1	5.45	89.1	6.35	84.9	6.23	87.6	6.22	2,724.8	5.69
December . . . . .	100.3	5.40	88.9	6.37	84.9	6.23	87.6	6.22	3,089.7	5.04
1955 - March . . . . .	97.3	5.55	87.1	6.50	83.2	6.36	85.8	6.35	3,237.5	5.07
June . . . . .	98.2	5.50	87.6	6.46	83.0	6.37	85.7	6.36	3,562.7	4.75
July . . . . .	96.8	5.58	86.9	6.51	82.8	6.39	85.4	6.38	3,810.3	4.50
August . . . . .	96.6	5.59	87.1	6.50	83.4	6.34	86.0	6.34	4,056.9	4.22
September . . . . .	...	...	...	...	...	...	85.7	6.36	4,138.2	4.11

Source: Bollettino of the Bank of Italy.

## WHOLESALE PRICES BY GROUPS OF COMMODITIES

(Index Numbers, 1938=100)

Table H

Year or month	All Commodities	Foodstuffs		Textiles	Hides, Skins and Footwear	Raw materials, metal and engineering products	Fuels and lubricants	Chemical raw materials and products	Lumber	Paper goods	Bricks, Lime and Cement	Glass
		Vegetable	Animal									
1953 - a. av. . . . .	5,250	5,331	6,433	5,894	4,066	5,758	4,080	5,255	8,397	5,279	7,209	4,549
1954 - a. av. . . . .	5,293	5,265	6,959	5,691	3,804	5,414	4,240	5,073	8,510	5,380	7,261	4,329
1954 - March . . . . .	5,336	5,340	6,901	5,725	4,015	5,445	4,278	5,113	8,440	5,507	7,290	4,329
June . . . . .	5,256	5,245	6,629	5,725	3,854	5,295	4,217	5,126	8,440	5,299	7,295	4,329
Sept. . . . .	5,267	5,201	7,019	5,662	3,560	5,385	4,252	4,992	8,504	5,335	7,221	4,329
Dec. . . . .	5,350	5,284	7,475	5,629	3,610	5,501	4,260	5,080	8,805	5,344	7,283	4,329
1955 - March . . . . .	5,317	5,290	6,905	5,610	3,513	5,808	4,251	5,231	9,183	5,283	7,275	4,206
June . . . . .	5,321	5,411	6,692	5,581	3,468	5,705	4,332	5,226	9,486	5,814	7,271	4,206
July . . . . .	5,294	5,372	6,688	5,545	3,434	5,716	4,358	5,222	9,541	5,821	7,243	4,206
August . . . . .	5,276	5,383	6,847	5,479	3,408	5,737	4,354	5,178	9,541	5,821	7,219	4,206
Sept. . . . .	5,275	5,315	7,086	5,394	3,420	5,795	4,361	5,166	9,550	5,821	7,207	4,206

Source: Bollettino Mensile di Statistica.

WAGES AND SALARIES IN ITALY  
(gross retributions - inclusive of family allowances)  
(Index Numbers, 1938=100)

Table I

Categories	1954		1955				
	September	December	May	June	July	August	September
<i>Industry:</i>							
Specialized workers . . . . .	6,909	6,981	7,025	7,027	7,027	7,070	7,070
Skilled workers . . . . .	7,660	7,717	7,741	7,746	7,746	7,790	7,790
Ordinary workers and semi-skilled labourers . . . . .	8,161	8,227	8,256	8,257	8,257	8,304	8,304
Labourers . . . . .	8,807	8,879	8,972	8,981	8,981	9,029	9,029
<i>General index of Industry</i> . . . . .	7,946	8,012	8,058	8,062	8,062	8,108	8,108
<i>Agriculture</i> . . . . .	8,794	8,884	8,920	8,920	8,920	9,003	9,044
<i>Government Civil Employees:</i>							
Group A (a) . . . . .	5,007	5,007	5,611	5,611	5,611	5,611	5,949
Group B (b) . . . . .	4,800	4,800	5,259	5,259	5,259	5,259	5,532
Group C (c) . . . . .	5,749	5,749	6,320	6,320	6,320	6,320	6,672
Subordinate staff . . . . .	6,296	6,296	6,991	6,991	6,991	6,991	7,280
<i>General Index of Government Civil Employees</i> . . . . .	5,422	5,422	5,988	5,988	5,988	5,988	6,307

(a) Administrative grade; (b) Executive grade; (c) Clerical grade.  
Source: Bollettino Mensile di Statistica.

NATIONAL INDEX OF LIVING COST  
(1938=100)

Table L

Year or month	All Items	Foodstuffs	Clothing	Heating and lighting	Housing	Miscellaneous
1952 - a. av. . . . .	5,546	6,541	6,415	4,031	1,565	5,501
1953 - a. av. . . . .	5,654	6,680	6,224	4,091	1,720	5,549
1954 - a. av. . . . .	5,806	6,875	6,308	4,074	1,826	5,640
1954 - March . . . . .	5,693	6,708	6,306	4,082	1,804	5,598
June . . . . .	5,850	6,948	6,310	4,071	1,818	5,626
September . . . . .	5,857	6,950	6,304	4,074	1,841	5,660
December . . . . .	5,882	6,970	6,310	4,069	1,878	5,725
1955 - March . . . . .	5,880	6,955	6,301	4,058	1,920	5,755
June . . . . .	6,023	7,171	6,288	4,071	1,973	5,752
July . . . . .	6,001	7,139	6,281	4,087	1,973	5,735
August . . . . .	6,011	7,087	6,281	4,079	2,276	5,729
September . . . . .	5,993	7,056	6,277	4,080	2,276	5,760

Source: Bollettino Mensile di Statistica.

PERSONS REGISTERED AT LABOUR EXCHANGE OFFICES (\*)

Table M

End of period	Class I	Class II	Class III	Class IV	Class V	Total	of which women
	(a)	(b)	(c)	(d)	(e)		
1952 - Monthly average . . . . .	1,260,854	588,824	132,403	39,445	51,883	2,073,409	673,876
1953 - " " . . . . .	1,281,967	664,566	133,071	47,840	53,786	2,181,230	735,134
1954 - " " . . . . .							
1954 - March . . . . .	1,362,289	685,649	139,112	54,030	49,200	2,290,280	743,488
June . . . . .	1,208,957	631,172	135,596	53,116	43,683	2,072,524	746,495
September . . . . .	1,193,093	614,610	133,511	53,670	42,511	2,037,395	716,620
December . . . . .	1,428,700	668,400	138,500	59,000	49,600	2,344,200	751,574
1955 - March . . . . .	1,342,076	619,090	146,738	59,464	50,710	2,218,078	707,093
April . . . . .	1,319,258	617,694	146,788	60,027	50,766	2,194,533	729,962
May . . . . .	1,266,272	603,745	145,029	59,524	49,735	2,124,305	734,678
June . . . . .	1,223,867	590,157	140,477	58,551	47,915	2,060,967	724,320
July . . . . .	1,223,820	589,402	139,556	59,072	47,320	2,059,170	724,145
August . . . . .	1,199,058	580,999	135,944	58,297	48,083	2,022,381	701,501

(\*) On the discrepancies between actual unemployed and persons registered at Labour Exchange Offices, see, i.a., A. MOLINARI, *Unemployment Statistics in Italy with Special Reference to Southern Italy*, this Review, No. 21, 1952.

(a) Unemployed workers who were previously employed. (b) Young persons under 21 years of age, and other persons in search of their first employment, or discharged from the armed forces. (c) Women engaged in house work who are seeking their first employment. (d) Pensioners in search of employment. (e) Employed workers in search of other employment.

Source: Ministry of Labour.

ITALIAN INDUSTRIAL PRODUCTION INDEXES  
(unadjusted, 1938=100)

Table N

Year or month	General Index	Mining	Manufactures										Electric Power
			Total	Food	Textiles	Lumber	Paper	Metal-lurgy	Engineering	Non-metallic ores	Chemicals	Rubber	
1952 - a. av. . . . .	142	145	136	146	105	62	113	150	142	137	172	142	193
1953 - a. av. . . . .	165	179	159	152	115	167	129	149	170	162	225	160	206
1954 - a. av. . . . .	181	201	175	158	117	173	134	173	176	174	278	194	219
1954 - March . . . . .	184	211	179	162	129	166	141	165	189	175	270	215	213
June . . . . .	171	171	166	136	110	179	125	169	167	163	273	183	213
Sept. . . . .	191	200	186	159	130	182	138	182	193	193	287	217	225
Dec. . . . .	192	229	186	198	114	184	140	189	180	190	288	206	228
1955 - March . . . . .	201	249	197	164	116	174	153	211	217	200	309	231	233
June . . . . .	194	211	190	159	100	182	146	218	200	215	315	199	237
July . . . . .	207	225	201	154	108	188	152	220	226	220	331	221	249
August . . . . .	171	223	163	137	69	148	121	195	146	203	319	118	224
Sept. . . . .	205	259	200	164	110	183	147	220	230	208	318	218	236

Source: Bollettino Mensile di Statistica.

ITALIAN CONSUMPTION OF SOLID AND LIQUID FUELS, ELECTRIC ENERGY AND NATURAL GAS  
(bituminous coal equivalent - in thous. of metric tons - monthly averages)

Table O

	1952	1953	1954	1955 (a)	Index numbers: 1938=100			
					1952	1953	1954	1955
<i>Coal and lignite</i> . . . . .	912	867	853	875	84.4	80.2	78.9	81.0
Domestic . . . . .	104	103	93	95	86.6	85.8	77.5	79.1
Imported . . . . .	808	764	760	780	84.1	79.5	79.1	81.2
<i>Petroleum products (import.)</i> . . . . .	670	797	951	1,075	180.5	214.8	256.3	289.7
<i>Electric energy</i> . . . . .	1,572	1,618	1,655	1,671	159.7	164.4	168.1	169.8
Domestic . . . . .	1,555	1,604	1,642	1,649	176.9	182.4	186.8	187.5
Imported . . . . .	17	14	13	22	113.3	93.3	86.6	146.6
<i>Natural gas</i> . . . . .	177	283	366	501	17,700.0	28,300.0	36,600.0	50,100.0
<i>Total (domestic and imported)</i> . . . . .	3,331	3,565	3,826	4,112	145.4	156.8	167.2	175.7

(a) On the basis of the first nine months.

Source: Quarterly Statistical Bulletin of the USOM.

SELECTED BUSINESS INDICATORS  
Index Numbers, 1948 (annual average)=100

Table P

Month	Number of rooms planned	Goods loaded and unloaded in Italian ports	Number of telegrams dispatched	Sales in department stores	Automobil Production		Tourist movement	Railways traffic
					Cars	Lorries		
1953 - March . . . . .	372.8	188.3	151.2	280.7	...	...	239.9	111.4
June . . . . .	536.9	185.8	145.4	392.2	...	...	539.1	115.3
September . . . . .	423.0	194.9	163.8	371.2	...	...	778.2	135.7
December . . . . .	594.2	204.3	161.2	706.3	...	...	244.7	123.6
1954 - March . . . . .	598.1	211.2	156.8	330.3	411.4	230.8	256.2	123.5
June . . . . .	385.8	206.3	135.7	529.0	400.2	212.8	715.1	120.4
September . . . . .	618.4	204.6	173.3	412.4	504.8	279.4	1,025.8	135.3
December . . . . .	955.1	227.9	164.6	882.9	329.8	254.8	261.1	126.7
1955 - March . . . . .	614.4	229.7	166.2	403.2	460.5	280.8	263.6	123.1
June . . . . .	578.0	233.2	168.5	576.4	574.9	236.9	827.5	...
July . . . . .	594.3	242.1	164.2	511.7	679.8	242.7	1,312.9	...
August . . . . .	496.5	...	164.6	395.1	365.8	156.2	1,782.2	...
September . . . . .	442.8	...	...	...	671.1	254.7	...	...

Source: Centro per la Statistica Aziendale. Firenze.