

Note about the "Survey of Current Inflationary and Deflationary Tendencies", prepared by the United Nations Department of Economic Affairs (Series A. No. 2 September 1947. Lake Success, New York)

by
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1. — The second Report prepared by the United Nations Department of Economic Affairs studies — in Part II — the Italian economic situation from the standpoint of "full employment".

The possibility of applying the theories of full employment to the difficult Italian situation have been widely discussed in Italy (1); but so far as we know, no Italian studies have examined from the historical standpoint the problem of inflation and deflation in its specific relation with the absorption of unemployed labour.

According to the analysis made by the publication under review, Italy would seem to offer an important exception to the practical principles held by the doctrine in question. Inflation and unemployment should be incompatible; the one should exclude the other; and this would seem indeed to have occurred during some periods in the economic life of the Anglo-Saxon countries. But in Italy — unlike other European countries — inflation is accompanied by unemployment.

The Survey itself suggest an explanation of this abnormal situation in Italy which is in conformity with the traditionally accepted principle:

"It follows that the co-existence of inflation and unemployment in Italy can be traced to a shortage of equipment and key materials in relation to available manpower" (2).

We should like first to submit some remarks on points of detail in the material offered by the Survey, and then on the conclusions it suggests.

2. — The data on the National Product (3) do not correspond to those given in some Italian sources known to us. The net National Product — after deducting the banking costs — expressed in milliards of 1938 lire fluctuated, from 1938 to 1946, to the following extent:

1938	110
1945	55.4
1946	75

The following table brings together the estimates of National Product calculated by Italian students and organisations, and compares them to those given in the Survey:

TABLE I (a)

Groups of National Product	1938		1946	1947	
	Vinci	Survey	Survey	Official Estimate	
	(milliards of 1938 lire)			1938 lire (milliards)	1947 dollars (b) (milliards)
Agriculture	43.2	40.7	32.5	25.5	2.064
Industry	40.04	37.6	17.0	26.0	2.105
Commerce	10.34	9.8	6.3	7.3	0.591
Rents	0.7	6.4	6.0	6.0	0.485
Professional activities	18.2	17.3	14.0	16.4	1.328
Banking Costs	-1.0	-1.8	-1.0	—	—
	116.6	110.0	75.0	81.2	6.573

(a) The data given in the 1st column have been elaborated by Prof. Felice Vinci. The estimates for 1947 correspond to official government estimates. The figure given in the text for agricultural income in 1947 is given here thanks to the good offices of Prof. Corrado Gini and Prof. Benedetto Barberi; it

was calculated by the Government Commission on National Income.

(b) The Lira has been converted into 1947 dollars by the method adopted by the Bank of Italy according to which 2 1947 doll. is equivalent (taking U.S. price levels into consideration) to 12.352 1938 lire.

(1) Survey, p. 50.

(2) Survey, Table 23, p. 47.

Although these calculations are somewhat arbitrary, and although the selection of one estimate rather than another may be open to discussion, it should be noted that the Italian sources differ considerably from those of the Survey.

According to the Survey, the Italian agricultural income amounted to 32.5 milliard 1938 lire in 1946. One cannot see how it can have been reduced to 25.5 milliards in 1947. The 1946 crops were poor, owing to the scanty supply of fertilisers and of means of work. In 1947 the crops may have been unsatisfactory both for the reasons above mentioned and because of unfavourable weather conditions, and the growing burden arising from the inelasticity of agricultural wages. It should, nevertheless, be considered as at most a stationary and not a diminishing quantity.

On the other hand, according to official reports, the Italian agricultural income amounted in 1947 to some 1400 milliard current lire. If we use 52 as the coefficient of reduction (average increase in the prices of vegetable and animal foodstuffs from 1938 until the ten first months of 1947) (4) we get a sum of 26.92 milliard 1938 lire, which does not differ to any marked extent from the official Italian estimates.

The reliable character of these estimates also authorises us to note the divergency in the industrial income (17 milliards in 1946 according to the Survey and 26 milliards in 1947 according to the official estimate). It is easy to see how such marked divergencies may affect both Italian commercial and financial relations, and foreign opinion regarding the degree and the special modalities of economic recovery and of fiscal and exchange policies, etc.

The pressure of taxation — now so high in Italy (5) — would seem to be less heavy if we accept the figures given by the Survey. Opinions on the Italian agricultural situation, considered also in relation to the fall in the price of American cereals and to United States relief plans, may be misled by such marked divergencies as those met with in the case of agricultural income. A figure for agricultural income higher than the real one might suggest that the fiscal policy lacks an economic statistical foundation and that its purpose is to favour one group to the injury of another.

3. — The estimates of National Product react, of course, on the other estimates. Thus, real national income is converted by the Survey into a monetary income by using a price index for inflating national income of 2,270 in 1945 and of 3,000 in 1946 (6).

An examination of the several sources and of the several series of Italian price index numbers — referred to in the Survey on p. 49, accompanied by a complaint that "they are far from being comprehensive" — does not enable us to identify the series which has been

(4) See: *Bollettino dei Prezzi* of the Central Institute of Statistics, Nov. 1947, p. 5.

(5) See: LUIGI FEDERICA, *Six Months of Italian Economic Policy*, in this Review, p. 254.

(6) Survey, Table 22, p. 45.

used. It does not seem to be the official one published by the Central Institute of Statistics of Rome which, after an interruption during the war years, has again been published since 1946, giving the data as from May of that year (7); nor any of those mentioned in Table 26 of the Survey (Florence *avanguardia* index, and Edison index of Milan).

The index number 3,000 for 1946 corresponds fairly well to an arithmetical average of the monthly index numbers of the Central Institute of Statistics, from May to December 1946. But that Institute published no index numbers for 1945 (2,270 according to the Survey). This index number is not to be found in the various tables of the Survey of the U.N.R.R.A., 1947 (8). The 1945 index number of 2,252 (given in Table LXVI on p. 185 of *Italy's Economy in 1947*. Report submitted by the Italian Government Delegation to the 5th U.N.R.R.A. Council) was a provisional calculation; it is not now given by the Central Institute of Statistics, therefore, for that year, we have no official figure.

4. — The estimate of the National Product in current lire is of course affected by the uncertainty of the price index number, as are also the indexes of the ratio of the quantity of money to current value of national income. These indexes fall to 90 in 1945 and to 78 in 1946 (1938=100) and should roughly indicate the pressure of pent-up demand in terms of liquid savings (9). They are affected not only by the uncertainty prevailing as to the estimate of the monetary volume of the National Income, but also by the further arbitrary character of the estimate made of the total quantity of money.

The total quantity of money includes — as specified by the Survey — Bank of Italy notes, A.M.lire (10) and State notes, deposit and current accounts. The total quantity of money is said to have risen from 77.5 milliard lire (1938) to 795.6 (1945) and to 1,233.9 (1946).

These figures are open to criticism from many points of view. In the first place, they do not include the circulation of negotiable instruments, issued by Banking Institutions whose annual proportions have been considerably modified from 1938 to 1946.

1938 1945 1946
(milliards of lire
on December 31st)

Negotiable instruments issued
by Banking Institutions (a) 2.3 56.8 92.1

(a) Includes: *vaglia cambiari* of the Bank of Italy, *assegni circolari* (a special type of Banker's drafts), and *fedeli di credito* emitted by the *Banco di Napoli* and *Banco di Sicilia*.

(7) See: Explanatory notes and Table D in this Review, October 1947, pp. 197 and 199.

(8) Cf. UNRRA, *Survey of Italy's Economy*, Rome, June 1947 — par. 259, addition p. 317.

(9) Survey, p. 45.

(10) This item is called by the Survey "American lire", evidently a mistaken term. This seems all the more strange as the so-called A.M.Lire (Allied Military Lire) have claimed

(1) See: VITTORIO MARRAMA, *Some Aspects of Italian Economy and the Theory of Full Employment*, in this Review, p. 220.

The comparison of the figures for bank money in 1938 and the following dates can only be an approximate one, as the data for 1938 refer to some 300 banks only and not to the 305 considered in the new series of statistics supplied by the Bank of Italy since December 1943. The comparison can therefore only be made for 1945 and 1946.

On the other hand, if consideration is to be limited to those bank means of payment that have exercised a real pressure on prices, it must be limited to the balances of the current accounts of the banks with their clients, in which case the estimates given by the *Survey* will be modified as follows:

TABLE II

Date	Bank of Italy notes, Treasury notes, and Am lire	Balances of current accounts of the banks with their clients	Total quantity of money
1938	22,495	(17.5) (a)	(39,995) (a)
1945	319,233	166 -	485,233
1946	512,711	329.8	842,511

(a) The balances of current accounts for 1938 are given in brackets owing to the above-mentioned impossibility of making an accurate comparison with the following years.

But if we wish to take into account the whole mass of means of payment at the disposal of the market and the "rights held to receive money", the volume of which has had a dynamic influence on the expansion of income, the ratios are considerably modified as follows.

TABLE III (a)

Date	Means of payment at the disposal of the market	Rights held to receive money	Total
1938	37.7	140.3	178
1945	590.-	673.3	1,263.3
1946	884.4	1,047.0	1,931.4

(a) See for these data: LUIGI FEDERICI, *Moneta e reddito in Italia (1928-1945)* in the Review *Congiuntura economica*, December 1948. Means of payment include, besides legal tender, the negotiable instruments issued by Banking Institutions, and the balances of current accounts of the banks with their clients, after deducting the cash held by the banks. Rights held to receive money include: deposits with the banks; deposits in post-office savings bank accounts and p.o. certificates; Treasury bills; and advances on pluriannual Treasury bonds and other national debt securities (advances being calculated at the supposed ratio of 50 % of the par value of the securities).

It seems to us, anyhow, that the ratio of quantity of money to current value of national income, as calculated by the *Survey*, or as it might be calculated on the basis of either of the two previous suppositions,

the attention of American students, more especially of Frank A. Southard, in "The Finances of European Liberation", New York, 1946 (p. 21 et seq.).

cannot even roughly express the pressure of pent-up demand in terms of liquid savings.

To relate the quantity of total money — as calculated in Table II — to the current value of national income for the purpose of obtaining a rough index of the said pressure, would mean to suppose that legal tender and bank money have weighed each year proportionately and with like intensity on currency circulation and hoarded funds. It has instead happened that the ratio between the two masses (see Table IV) has been displaced with the development of inflation and that the original ratio between the velocity of the circulation of legal tender and that of current accounts with bank clients has also changed considerably.

TABLE IV

Date	Total note circulation (1)	Current accounts balances (2)	211 (3)
1938	22,495	17.5	0.777
1945	319,233	166.-	0.520
1946	512,711	329.8	0.643

Moreover, the velocity of the circulation of legal tender and of bank deposits seems to have differed in the period considered to an extent which does not allow of summing up the two masses of purchasing power, and still less of relating them; thus summed up, to the monetary income of the nation.

Prof. Luigi Federici, following the method of calculating of *The Economist*, in estimating the liquidity tendency of the market as affected by the variations of monetary income, has obtained, by turning upside down the coefficients of liquidity, index numbers for the velocity of circulation of money which represent roughly the movement of events as really experienced.

The respective velocity of legal tender and of bank money is shown to have been 3.02 and 3.46 (1938). In 1945 the coefficients of velocity are shown to have been respectively 1.66 and 3.70 (11).

The pressure of liquid savings is shown to have been much heavier in the case of legal tender, and this is also proved by the information available on the vast hoarding of bank notes (12); the growing ratio of that kind of money as compared to bank money, seems further to have strengthened the respective weight of the former.

It would therefore seem to us difficult to secure index numbers of hoarding and liquidity, taking as our starting point the total volume of the currency, without specifying its quality and without analysing its circulation. On his side, Prof. Federici follows this last mentioned system which therefore seems to us to start from correct principles though arbitrary and hazardous in its practical applications.

(11) LUIGI FEDERICI, loc. cit., p. 8 and 9, Tab. 3 and 4.
(12) In 1944 the velocity of circulation of legal tender attained a minimum of 1.04 (FEDERICI, loc. cit., Tab. 4, p. 9).

5. — Prof. Marrama's article has called attention to the difficulties besetting and hindering the development of Italian economy, due above all to the insufficiency of savings (13). The *Survey* in its turn considers that the acute inflationary pressure in devastated Europe is due to a disequilibrium between requirements of savings and consumption, sharpened by the reduced volume of the national pre-war income (14).

This approach taken by the *Survey* — which refers also to Italy — covers both the Italian inflation problem and that of the insufficiency of savings, as this insufficiency is met by using the lever of compulsory saving. The single way of the presentation is made yet more evident if we consider that the full employment theories are thought by many to be based on a definitely inflationist supposition.

Considered from this point of view, it should now be remarked that the most recent trend of Italian economy has brought the economic situation considerably nearer to that postulated by the theory of full employment so clearly defined by Prof. Kalecki (15). The supplies of raw materials and power producing products have improved in a very satisfactory manner, approaching the pre-war level. Though this may not be the general belief, very heavy investments have been made as compared to the low level of income and consumption, for carrying on the work of reconstruction. Recent data, not yet published, for the eighteen months since the beginning of 1946 to the end of the first half of 1947, show that the investments made amount to 33 milliard 1938 lire. If we deduct the disinvestments made over the same length of time (10.7 milliard lire), the figure for real savings amounts to some 22.3 milliard lire from the 1st of January 1946 to the 30th June 1947, of which 14.6 milliard were invested in 1946 and 7.7 in the first half of 1947 (16).

A flow of 14.6 milliard lire in real savings — even if we take into account gratuitous contributions from abroad, consisting however for the most part in consumption goods — represents, when compared to the Italian national income available in 1946 (some 82 milliards of 1938 lire, inclusive of the gratuitous contributions), a quota of 18 %.

To make a correct estimation of the relatively high figure of this percentage it should be remembered that in normal times real Italian savings amounted to about 10 % of the national income, and that even in the years of preparations for war the quota of income thus subtracted from consumption did not exceed 16 % of the national income, though in both cases the income referred to exceeded by not less than 30 % that of today.

(13) See: VITTORIO MARRAMA, loc. cit., p. 225.

(14) *Survey*, p. 2.

(15) See: VITTORIO MARRAMA, loc. cit., p. 227.

(16) The real savings amounting to 22.3 milliards of 1938 lire correspond to 1,805 milliards of 1947 dollars, at the accepted rate of conversion of 12,352 1938 lire = 1 \$ 1947.

The improvement in the Italian situation as regards the supply of raw materials and power producing products, and the reconstruction of the productive equipment of the country, evidently has as its counterpart the heavier degree of inflation and similar measures taken to raise the volume of savings. Unfortunately, these 18 months of marked increase of investments have been characterised also by the growth of unemployment, as shown by the afore-mentioned figures (17).

Several hypotheses can be brought forward to account for this coincidence between inflation and unemployment to which the *Survey* calls attention. One may surmise that unemployment in Italy is a phenomenon connected with demographic causes, and of a structural nature which cannot be cured by a revival such as that which has occurred in Italy. In this case we should accept the opinion expressed by the *Survey*: "The specific problem of Italian unemployment could be radically solved only by a long-run process of expansion of industry and agriculture" (18).

Or one may suppose that the improvement that has occurred has been quite insufficient for starting a normal policy of full employment, and thus accept the opinion which considers that policy only applicable under normal conditions, and therefore after the disappearance of post-war conditions. In this case, we should accept the typical Anglo-Saxon view of the theory, but this would tie countries like Italy to a control system from which one can see no way out.

One may also consider that the approach adopted to-day in Italy in drawing up plans for rehabilitation along lines similar to those for full employment, is vitiated by unreasonable features which make them inefficient. The plans for public works and the measures taken for placing the South on a sound economic basis are part of a general economic plan in which inflation on behalf of the Treasury, growing pressure of taxation, and the burden of extraordinary taxes are accompanied by credit deflation and by a policy for keeping food prices low.

The most probable hypothesis would still seem to be that which couples two conditions standing in the way of an Italian policy of full employment: the insufficient development of Italian economy and the incompatibility of the several features of the Italian plans for full employment.

The former difficulty might be partially overcome by a thorough transformation of Italian economy brought about by making the country essentially an industrial one, and by making it complementary to international markets. The latter difficulty is more difficult to overcome both because of the reactions between purely political plans and economic plans, which is characteristic of the present situation (and probably also of the future), and because of widespread scepticism as to the theoretical soundness of the theories above referred to.

(17) See: VITTORIO MARRAMA, loc. cit., p. 221.

(18) *Survey*, p. 51.

WHOLESALE PRICES
(Index Numbers 1938=100)

Table E

Months	Foodstuffs		Textiles	Hides, Skins and Foot-wear	Raw material, metal and engineering products	Fuels and lubricants	Chemical raw materials and products	Paper goods	Lumber	Bricks, Lime and Cement	Glass
	Vegetable	Animal									
1946 July	2,952	4,243	3,826	3,687	2,184	1,400	3,137	3,034	2,767	3,205	3,741
1947 January	2,973	6,549	5,880	5,138	3,161	2,145	4,656	4,383	4,929	4,253	3,741
February	3,030	6,683	5,838	5,059	3,406	2,221	4,580	4,662	4,997	4,953	3,741
March	3,171	7,301	5,954	5,611	3,855	2,455	5,198	5,495	5,232	5,204	3,741
April	3,711	7,995	6,367	6,218	4,011	2,750	5,319	5,894	5,702	5,151	3,741
May	4,246	8,936	6,988	6,859	4,739	3,971	5,525	7,459	6,493	5,659	4,608
June	4,185	9,085	6,988	6,769	5,066	3,592	5,565	9,105	7,741	6,060	4,608
July	4,751	9,216	7,084	6,674	5,291	3,822	6,287	9,532	7,482	6,289	4,608
August	4,851	9,909	6,862	7,177	5,722	3,738	6,265	9,483	7,872	6,421	4,608
September	5,114	10,411	7,154	7,088	6,476	3,757	6,304	9,305	7,872	6,641	4,608
October	4,939	9,433	6,807	6,302	6,451	3,754	6,387	9,299	7,467	6,526	4,608
November	3,248	8,567	6,641	5,374	6,423	3,748	6,042	8,205	6,686	6,457	4,608
December	4,395	8,035	6,404	4,958	6,296	4,235	5,815	7,894	6,546	6,309	4,608
1948 January	4,306	7,782	6,147	4,914	6,165	4,120	5,744	7,589	6,392	6,153	4,608

Source: *Bollettino dei prezzi* of the Istituto Centrale di Statistica, 1948.
NATIONAL INDEX NUMBERS OF LIVING COST
(1938=100)

Table F

Months	Total Index	Foodstuffs	Clothing	Heating and lighting	Housing	Sundry
1947 January	3,639	4,644	5,479	1,518	202	2,731
February	3,717	4,734	5,663	1,580	201	2,776
March	3,823	4,822	5,928	1,619	249	2,917
April	4,165	5,322	6,164	1,626	249	3,185
May	4,370	5,591	6,398	1,757	249	3,266
June	4,655	5,971	6,680	1,902	249	3,471
July	4,805	6,143	6,830	2,241	249	3,574
August	5,069	6,469	6,938	2,396	260	3,922
September	5,331	6,846	7,154	2,510	260	4,023
October	5,316	6,798	7,212	2,534	260	4,105
November	5,084	6,453	7,106	2,483	269	4,169
December	4,921	6,193	6,835	2,401	269	4,362
1948 January	4,338	6,963	6,539	2,452	324	4,314

Source: *Bollettino dei Prezzi* of the Istituto Centrale di Statistica, 1948.
CONTRACTUAL WAGES INDEX NUMBERS IN INDUSTRY FOR CLASSES OF INDUSTRY AND PROFESSIONAL GROUPS
(inclusive of family allowances) (1938=100)

Table G

Classes of industry	Skilled workers			Specialised workers			Ordinary workers and skilled labourers			Labourers		
	August	Nov.	Dec.	August	Nov.	Dec.	August	Nov.	Dec.	August	Nov.	Dec.
	Sept. 1947	1947	1947	Sept. 1947	1947	1947	Sept. 1947	1947	1947	Sept. 1947	1947	1947
Mines and quarries	4,218	4,488	4,556	4,893	5,133	5,210	5,186	5,760	5,849	5,789	6,298	6,396
Wood	3,930	4,192	4,255	4,527	4,829	4,901	4,966	5,298	5,379	5,735	6,109	6,202
Food	3,558	3,866	3,924	4,102	4,413	4,485	4,332	4,705	4,781	4,630	5,034	5,143
Metal	3,602	3,822	3,875	4,107	4,353	4,417	4,597	4,880	4,953	4,806	5,000	5,083
Engineering	3,768	3,997	4,056	4,528	5,810	4,883	5,070	5,400	5,484	5,377	5,724	5,815
Non metallic ores	4,635	4,935	5,009	4,904	5,248	5,329	5,181	5,583	5,670	5,368	5,805	5,899
Building	3,840	4,117	4,179	4,128	4,447	4,515	4,587	4,936	5,014	5,159	5,581	5,672
Chemical	4,122	4,387	4,450	4,675	4,940	5,012	4,827	5,155	5,234	5,069	5,452	5,539
Printing	3,333	3,599	3,652	3,461	3,662	3,723	4,265	4,163	4,638	4,650	5,027	5,117
Leather and Footwear	4,068	4,334	4,399	4,290	4,591	4,661	4,621	4,930	5,019	5,059	5,342	5,429
Textiles	4,530	4,995	5,064	5,050	5,381	5,489	5,365	5,700	5,783	5,727	6,149	6,139
Electric Power	4,421	4,645	4,697	4,538	4,829	4,893	4,851	5,139	5,211	5,254	5,651	5,732
On the whole	3,899	4,178	4,239	4,506	4,799	4,862	4,846	5,197	5,277	5,232	5,648	5,742

Source: *Bollettino dei Prezzi* of the Istituto Centrale di Statistica, n. 1, 1948 January, p. 42.
AVERAGE SHARE QUOTATIONS
(Milan Stock-Exchange: 1938=100)

Table H

	Electrical	Metallurgical and engineering	Mining and chemical	Textiles	General Index
31-XII-1945	559.95	247.13	573.31	914.80	517.99
31-XII-1946	1,326.49	701.20	1,144.00	3,490.38	1,300.94
30-IV-1947	2,398.16	2,398.30	3,734.15	9,919.72	3,354.10
30-VI-1947	1,657.79	1,229.82	2,949.35	6,868.88	2,293.93
31-VII-1947	1,639.71	1,442.25	2,973.36	7,063.66	2,466.15
29-VIII-1947	1,518.72	1,351.51	2,796.37	6,327.79	2,277.24
30-IX-1947	1,273.32	1,165.11	2,541.29	5,702.16	2,066.15
30-X-1947	1,087—	854—	2,161—	4,194—	1,668—
28-XI-1947	770—	628—	1,502—	2,798—	1,120—
31-XII-1947	865—	607—	1,536—	3,276—	1,209—
19-1-1948	777—	459—	1,338—	2,795—	1,040—
30-1-1948	821—	427—	1,482—	3,369—	1,142—

Source: *Quaderni di Studi e Notizie* of the Edison Group (Gruppo Edison), Milan, 1947 and 1948.
INDEX NUMBERS OF ITALIAN INDUSTRIAL PRODUCTION
(monthly average 1939=100)

Table I

	Industries						General Index
	Textile	Mining	Metallurgical	Building materials	Electric power	Chemical	
1946							
January	29.03	47.19	21.15	33.57	81.62	8.08	25.01
July	64.— (a)	54.22	47.93	64.26 (a)	99.93	36.40 (a)	55.53 (a)
August	62.— (a)	51.73	43.20 (a)	58.35 (a)	98.42	42.15 (a)	53.68 (a)
September	66.— (a)	53.92	51.83 (a)	69.60 (a)	103.36	47.72 (a)	59.58 (a)
October	64.— (a)	50.98	67.36 (a)	99.18	45.51 (a)	57.06 (a)	
November	62.— (a)	56.83	42.48 (a)	58.64 (a)	87.59	41.85 (a)	51.55 (a)
December	60.— (a)	56.49	39.95 (a)	47.77 (a)	99.88	45.74	48.— (a)
1947							
January	58.— (a)	51.75	37.80 (a)	36.62 (a)	80.32	35.88	43.— (a)
February	—	48.67 (a)	35.43 (a)	34.03 (a)	72.15	32.15	42.— (a)
March	—	58.01 (a)	49.75	34.87 (a)	90.81	46.75	47.— (a)
April	—	47.86 (a)	61.59 (a)	36.10 (a)	103.43	51.41	52.— (a)
May	—	46.94 (a)	72.— (a)	42.66 (a)	121.95	64.54	61.— (a)
June	—	47.— (a)	70.— (a)	50.— (a)	120.23	72.62	68.— (a)
July	—	55.— (a)	73.— (a)	56.— (a)	127.71	71.92	71.— (a)
August	—	42.— (a)	75.— (a)	60.—	115.16	68.19	71.— (a)
September	—	54.— (a)	79.— (a)	60.— (a)	103.83	64.46	73.— (a)
October	—	54.— (a)	74.— (a)	59.— (a)	103.70	69.35	72.— (a)
November	—	50.— (a)	69.— (a)	55.— (a)	97.53	63.45	68.— (a)
December	—	47.— (a)	65.— (a)	53.— (a)	101.92	57.01 (a)	64.— (a)
1948							
January	—	48.— (a)	61.— (a)	50.— (a)	102.60 (a)	49.78 (a)	61.— (a)

(a) Provisional indices calculated by the General Confederation of the Italian Industry, Rome, on the basis of partial data.
Source: *Notiziario* of the General Confederation of the Italian Industry (*Confederazione Generale dell'Industria Italiana*), 1947 and 1948.

	Amount (milliard lire)					Index Numbers					Ratio to "alien funds" (%)				
	1939	1944	1945	1946	Sept. 30, 1947	1939	1944	1945	1946	Sept. 30, 1947	1939	1944	1945	1946	Sept. 30, 1947
Alien funds (a):															
Public Law Credit Institutes	17.3	67.0	102.0	173.2	262.5	100.0	392.9	602.6	-1,532.7	2,323.0	—	—	—	—	—
Banks of National Interest	17.0	85.1	126.2	242.9	308.9	100.0	500.6	722.3	1,218.8	1,817.0	—	—	—	—	—
Ordinary Credit Banks	9.9	49.2	93.5	170.2	235.7	100.0	496.9	941.2	1,719.1	2,380.8	—	—	—	—	—
Peoples' Co-operative Banks	6.0	29.6	48.2	84.3	110.8	100.0	493.3	803.3	1,495.6	1,826.7	—	—	—	—	—
Savings Banks and Pledge Banks	18.0	46.3	81.3	130.2	187.0	100.0	245.0	430.1	688.8	989.4	—	—	—	—	—
of 1st category	63.7	277.2	451.2	800.8	1,104.9	100.0	439.3	715.0	1,269.6	1,751.0	—	—	—	—	—
Total	2.5	21.7	18.9	27.5	33.0	100.0	808.6	776.6	1,100.0	1,220.0	21.2	32.4	18.5	15.0	12.6
Cash and items available at sight (b):															
Public Law Credit Institutes	4.6	63.0	13.0	30.4	49.4	100.0	1,359.5	282.6	660.8	1,072.8	27.0	10.3	10.3	12.5	16.0
Banks of National Interest	1.2	17.4	14.8	26.8	30.8	100.0	1,450.0	2,233.2	2,566.6	3,266.6	12.1	35.4	35.8	35.0	31.1
Ordinary Credit Banks	0.5	12.2	9.4	9.5	18.3	100.0	2,440.0	1,880.0	1,900.0	3,660.0	8.3	41.2	19.5	15.0	10.5
Peoples' Co-operative Banks	1.6	11.4	13.3	19.4	23.3	100.0	712.5	811.2	1,212.2	1,456.2	8.4	24.0	16.3	14.9	12.4
Savings Banks and Pledge Banks	10.7	235.7	69.4	113.6	154.8	100.0	1,208.6	667.3	1,092.5	1,488.4	16.4	45.3	55.3	44.2	44.0
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fired Deposits With Treasury and other Institutions (c):															
Public Law Credit Institutes	—	12.2	24.7	24.5	19.7	—	100.0	204.1	202.1	162.8	—	—	—	14.1	7.5
Banks of National Interest	—	1.6	66.3	53.0	20.6	—	100.0	4,143.7	3,350.0	1,257.5	—	—	—	22.0	6.6
Ordinary Credit Banks	—	0.09	13.9	12.4	9.7	—	100.0	139,000.0	124,000.0	97,000.0	—	—	—	7.2	4.1
Peoples' Co-operative Banks	—	0.3	9.3	11.9	4.8	—	100.0	3,100.0	3,066.6	1,600.0	—	—	—	14.1	4.3
Savings Banks and Pledge Banks	—	0.8	5.8	4.6	2.9	—	100.0	735.0	575.0	302.5	—	—	—	3.5	1.5
of 1st category	—	14.8	120.0	107.0	57.7	—	100.0	310.8	722.9	386.8	—	—	—	13.3	5.2
Total	3.4	20.8	31.3	42.7	45.4	100.0	611.7	920.5	1,255.8	1,435.3	30.0	30.1	30.6	24.6	17.3
Securities (d):															
Public Law Credit Institutes	2.9	11.5	13.3	30.2	51.4	100.0	458.5	420.5	3,765.0	1,172.4	—	—	—	10.5	15.7
Banks of National Interest	3.2	20.8	32.8	51.5	60.6	100.0	690.0	1,025.1	1,609.2	1,862.5	—	—	—	30.2	25.7
Ordinary Credit Banks	2.4	12.0	14.9	20.2	23.8	100.0	500.0	620.8	841.6	911.6	—	—	—	30.9	21.5
Peoples' Co-operative Banks	9.9	20.6	50.8	70.7	78.0	100.0	238.9	513.1	724.2	757.9	53.3	64.0	62.4	55.0	41.7
Savings Banks and Pledge Banks	21.8	94.7	143.1	224.3	259.2	100.0	434.4	610.4	1,028.8	1,188.9	34.5	34.1	31.7	28.0	23.3
of 1st category	10.6	16.7	34.7	60.5	201.5	100.0	157.5	327.3	910.2	1,000.9	93.8	24.0	34.0	55.7	76.7
Public Law Credit Institutes	13.9	16.7	43.7	116.4	207.3	100.0	120.1	314.2	981.2	1,491.3	81.9	19.6	34.6	50.1	67.1
Banks of National Interest	9.3	17.8	39.2	99.5	156.4	100.0	101.7	421.5	1,066.8	1,681.7	93.9	36.2	41.9	58.4	66.4
Ordinary Credit Banks	4.7	9.6	20.3	50.7	72.0	100.0	24.2	431.9	1,073.7	1,551.0	78.3	32.4	42.1	60.1	65.8
Peoples' Co-operative Banks	8.9	13.1	22.8	32.9	107.2	100.0	147.1	256.1	594.3	1,204.5	47.0	28.2	28.0	40.6	57.3
Savings Banks and Pledge Banks	47.4	73.9	160.7	246.0	275.3	100.0	155.9	339.0	919.8	1,472.3	15.1	26.6	35.6	54.4	67.5
of 1st category															

(a) Includes: savings and sundry deposits, current accounts and *avanzo* credits in circulation (a special type of Bankers' drafts); (b) includes: 1) cash on hand (*caixa*), 2) sums available at sight (*come depositi a vista*), mainly current accounts with the Treasury and sight deposits at the Bank of Italy; (c) includes: three deposits with the Treasury and other institutions, mainly Bank of Italy (*depositi speciali presso il Tesoro di altri Istituti*); (d) includes: mainly Government securities (including 214.0 milliard lire by September 30, 1947); (e) includes: the so called *prestito* 1/1, bills on hand (*prestito*), advances (*anticipazioni*), current accounts (*conti correnti*), correspondence accounts (*conti correnti di corrispondenza*), contingents (*quanti*), loans (*mutui*). For 1939 includes also current accounts with Sections for special credits (*conti correnti con sezioni*), credits of and on est. Pledge Banks and loans recoverable on salaries (*prestiti su paghe e suore recuperabili di stipendi*).

Source: *Rivista di Banca e Borsari*, for 1939 and *Andamento di Banca e Borsari*, for 1946/47/48 for 1944 and 1947.