

## The Participation of Foreign Capital in Italian Joint-Stock Companies at the Outbreak of the Second World War

by

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1. — The participation of foreign capital in the several branches of economic activity may and does take different forms, varying with the purposes the participation has in view. They may be summed up under the following typical headings:

1) foreign companies or firms which, for the purposes of their business, open branches and agencies administratively dependent on the head office. There are few examples of this form in Italy, generally of limited importance;

2) foreign companies (or firms or private groups) that form share companies, having legal personality and independent administration, to which they supply all or almost all the share required. In Italy there is a considerable number of such companies;

3) foreign companies (or firms, or groups, or private persons) that acquire majority or minority holdings in national share companies previously formed by home investors. This is by far the most important form, at least in Italy, and one which, when the majority of the shares is held, does not differ in practice from No. 2).

The attempts made to estimate the volume of foreign capital brought into Italy have not been many. A first estimate was made in 1909-10 which placed the amount at some 490 million lire, mainly invested in the electric power generating and distributing industry, in gas and water companies, in the mining and engineering trades, in the chemical industry, and in rail and tramway companies. The capital was mainly Belgian, French, and English.

During and immediately after the first world war the changes that had occurred in our industrial structure led to a considerable shrinkage of foreign capital investments, while between 1925 and 1931 a new notable influx arrived, chiefly in the form of loans; among which the Morgan loan (100 million dollars), the loan to the Public Utilities Credit Institute (20 million dollars, largely for electric power undertakings), the City of Rome loan (30 million dollars), the City of Milan loan (30 million dollars), etc. etc. Capital also arrived through the issue of a series of bonds placed on foreign markets, more especially on the American.

Among the private concerns which in those years had recourse to foreign credit the more important were the electrical power companies (nearly 2 milliard lire), and the engineering, metal, chemical, synthetic fibres and shipping companies, the financing being mostly by the United States, the influx of British and Swiss capital being but small.

In 1931 another attempt at an estimate was made which placed the total participation of foreign capital in Italian business in the form of bonds and shares at 9 milliard lire, of which about 18% was accounted for by shares holdings, valued at about 1,600 million lire.

No attempt has so far been made to estimate the situation of the foreign holdings in Italy at the outbreak of the second world war, and we therefore think that some significant figures on this matter may be of real interest as they may serve as a starting point for further studies on the evolution of the financial structure of Italian economy.

2. — On the occasion of the special enquiry into share companies (1) made by us at the request of the Ministry for the Constituent Assembly, we were able to secure some fundamental data which we will now consider.

In the case of capital belonging to those countries to which Italy applied the War Act prescribing special treatment for alien enemy property, the data have been controlled with the help of a detailed and diligent study made by A. Del Buttero (2). Indeed, the R. Decree Law of June 1940, No. 756, provided that all industrial and commercial concerns existing on Italian territory operated by nationals of enemy States, or in which they held majority interest should be placed under supervision (*sindacato*) or should be sequestered. As a result of this provision, a number of concerns were placed under supervision if the foreign holding was found to amount to less than 50% of the company's capital, or were sequestered when such holding was found to exceed that percentage.

The decision as to the measure of sequestration or control to be applied was taken on the basis of the examination of the card-index of share securities kept by the Ministry of Finance, and of a whole series of data obtained from various sources.

The special enquiry into joint-stock companies from which, as already stated, the data on the participation of foreign capital in Italian share companies were taken, dealt exclusively with:

1) Italian companies possessing, on 31 December 1945, a capital of more than one million lire;

2) Italian company securities owned by foreign companies or corporations, exclusive of those owned by private persons;

3) share holdings of a value of one hundred thousand lire upward.

(1) Direct enquiry, in the nature of a census, ordered by Decree Law of April 12, 1946, N° 237. Returns were obtained for 1,288 companies with a nominal capital of 66,320,740,914 lire. The enquiry refers to December 31, 1945. The results are now being collected in the last volume of the *Rapporto della Commissione Economica* of the Ministry for the Constituent Assembly.

(2) A. Del Buttero, *La partecipazione del capitale estero nell'industria italiana* (The participation of foreign capital in the Italian industry), in *Rapporto della Commissione Economica* of the Ministry for the Constituent Assembly. Vol. II. Industry. P. 53. Rome, 1947.

The data we shall now give refer therefore to the situation, on 31 December 1945, of economic relations between Italian companies and foreign companies, and are limited to share holdings of a nominal value of one hundred thousand lire or more.

In view of the extreme fluidity of such situations, the value of the figures is only indicative of the order of their size and—as companies with a capital of one million lire or less and the holdings of private persons have been excluded, and as quotas for amounts of less than one hundred thousand lire are not considered—the data themselves should be considered as defective by omission.

The participation of foreign capital in share companies may take substantially three forms, to wit:

1) companies whose capital is all held by other foreign companies or corporations;

2) companies the majority of whose capital is held by other foreign companies or corporations;

3) companies in which foreign capital is definitely smaller than Italian capital.

The first two cases practically coincide, as it is evident that in either of them the management of the company is effectively in function of the foreign capital. The situation in the third case is different, as the management of the company remains in the hands of the representatives of the Italian capital, and the contribution made by quotas of foreign capital may be considered as amounting to a real fiduciary loan even if, in some cases, vested with special privileges.

We met with considerable difficulty in deciding about the "control" exercised by foreign capital. We considered as "controlled" not only those companies in which foreign capital accounted for all or more than half of the share capital, but also those in which, while not amounting to 50%, it either represented a share of such a size as to justify the belief that it might surely secure a majority at the general meeting (as the remainder of the share capital was subdivided among a large number of shareholders, or was accompanied by large holdings in the hands of individual foreign nationals), or



it was held in the form of preference shares enjoying a plural vote.

It is of course understood that we have considered as "controlled" those companies in which all or a majority of the share capital was held by "controlled" companies; in other words, we took into consideration, as far as possible, the connections between the several companies (chain companies).

3. — According to the data published by the extraordinary enquiry into joint-stock companies (see Table I) of the 3,288 companies for which returns were made (with a total nominal capital of 66,320,740,914 lire), 255 were

directly or indirectly controlled by foreign capital on 31 December 1945. These companies represented more than 5 milliard lire of capital (of which 4 in the possession of foreign companies) with nearly 374 million lire of ordinary reserves (3).

Classified by their different branches of business activity the percentage distribution of the capital of the companies controlled by for-

(3) All the values given should be considered as expressed in lire of 1941 purchasing power, as under the R. Decree of 7-4-1942, No. 322 and the subsequent Law 11-7-1942, No. 84, the increase of the capital of joint-stock companies was forbidden. This Law was in force on 31-12-1945, the date to which the extraordinary enquiry into joint-stock companies refers.

ITALIAN SHARE COMPANIES CONTROLLED BY FOREIGN COMPANIES

Table I

Branches of economic activity	Controlled Co's	Controlled Companies' capital on 31-12-1945		Capital holdings by Foreign Companies on 31-12-1945 (thousands of lire)							
		Thousands of lire	%	Total	American	British	French	Swiss	Belgian	German	Other (4)
<b>A) Industries</b>											
1 - mines and quarries	5	102,520	2.0	101,774	—	—	79,008	2,766	20,000	—	—
2 - wood	1	10,000	0.2	6,645	—	—	—	—	—	—	—
3 - food	8	107,000	2.1	93,310	—	12,000	—	43,800	33,510	6,045	—
4 - metallurgy	11	255,600	3.0	184,692	—	—	1,250	100,662	35,800	2,830	6,000
5 - engineering	44	511,415	10.0	383,861	166,929	36,050	20,006	78,276	—	71,616	10,984
6 - non metallic minerals	21	298,846	5.8	233,696	3,600	1,500	225,207	2,470	—	—	—
7 - building	1	3,000	0.1	2,940	—	—	—	—	—	—	919
8 - chemical	49	1,070,175	20.9	971,744	393,186	260,351	47,508	55,451	164,456	20,281	35,511
9 - paper	1	1,500	—	556	356	—	—	—	—	—	—
10 - textile	32	1,731,963	33.8	1,047,298	35,657	850,512	4,000	92,831	13,406	15,718	35,164
11 - production and distribution electric power and gas	2	25,000	0.5	22,650	—	—	—	22,650	—	—	—
12 - clothing	1	2,400	0.1	2,154	—	—	—	2,154	—	—	—
13 - sundry	8	75,610	1.4	70,380	9,118	3,948	48,576	7,368	—	1,300	—
<b>Total Industries</b>	<b>184</b>	<b>4,193,029</b>	<b>81.9</b>	<b>3,123,700</b>	<b>609,116</b>	<b>1,164,361</b>	<b>420,355</b>	<b>408,425</b>	<b>270,115</b>	<b>118,600</b>	<b>132,725</b>
<b>B) Agriculture</b>	<b>2</b>	<b>201,295</b>	<b>3.9</b>	<b>200,900</b>	—	200,000	—	900	—	—	—
<b>C) Real Estate</b>	<b>31</b>	<b>241,665</b>	<b>4.7</b>	<b>184,172</b>	3,000	50,000	4,156	21,536	—	—	106,000
<b>D) Transports and Communications</b>											
1 - rail and tramway	3	20,100	0.4	18,693	—	3,100	—	10,611	2,500	—	2,482
2 - communications	2	10,365	0.2	8,433	2,200	5,444	789	—	—	—	—
<b>Total Transports and Communications</b>	<b>5</b>	<b>30,465</b>	<b>0.6</b>	<b>27,126</b>	<b>2,200</b>	<b>8,544</b>	<b>789</b>	<b>10,611</b>	<b>2,500</b>	—	<b>2,482</b>
<b>E) Commerce</b>	<b>20</b>	<b>87,274</b>	<b>1.7</b>	<b>80,862</b>	9,504	31,885	14,072	18,400	318	2,000	4,683
<b>F) Credit</b>	<b>4</b>	<b>286,500</b>	<b>5.6</b>	<b>262,420</b>	220,670	48,750	—	—	—	—	—
<b>G) Financial</b>	<b>3</b>	<b>48,200</b>	<b>0.9</b>	<b>45,400</b>	5,400	40,000	—	—	—	—	—
<b>H) Insurance</b>	<b>3</b>	<b>25,000</b>	<b>0.5</b>	<b>17,583</b>	—	—	7,500	2,650	—	7,433	—
<b>I) Sundry</b>	<b>3</b>	<b>10,650</b>	<b>0.2</b>	<b>7,573</b>	3,573	—	—	—	—	—	4,000
<b>Grand Total</b>	<b>255</b>	<b>5,124,078</b>	<b>100.0</b>	<b>3,957,276</b>	<b>853,463</b>	<b>1,543,540</b>	<b>446,872</b>	<b>462,545</b>	<b>272,930</b>	<b>128,033</b>	<b>249,893</b>

(a) Inclusive of the Holy See and Ecclesiastical Organisations.

ign participations is specified in column 4 of the Table I.

We thus see that industries account for almost 82 % of all "controlled" capital; the branches to which foreign capital has made the largest contribution are the textile trades (mainly synthetic fibres) with 33.8 % of the whole "controlled" capital, the chemical trades (oil) with 20.9 %, the engineering trades with 10.0 %, industries processing non-metallic minerals (mainly glass) with 5.8 %, and the metal trades with 5.0 %.

In the textile trades, the participation of foreign capital is of great importance in the synthetic fibre industries as not only the *Bemberg* but the whole *Snia Viscosa* group is legally controlled by British capital (*Courtaulds Ltd.*, London), and the incidence on the whole of this branch of Italian industry is very great and may be estimated at not less than 75 % both of the gross value of the output and of the total capital investment.

The participation of foreign capital in the cotton industry is also marked, the chief foreign investments being Swiss and British; on the other hand, very little foreign capital is invested in the wool and silk industries and in those processing other natural fibres.

In the chemical trades (49 companies) the foreign capital is mainly American and British, and this will be readily understood when we remember the great American and British investments in oil companies. Next in order of importance is Belgian capital, invested mainly in the sugar and soda industries; the participation of Swiss, French, German and other capital is of little importance.

In the engineering trades there are 44 companies with capital amounting to little more than 500 million lire. It is in this branch that we find more especially great foreign industrial groups that have formed in Italy autonomous share companies which remain under their control (the *General Electric Company*, the *Singer*, the *Watson Italiana*, the *Italian Westinghouse Co.*, *Casseforti Fichet*, etc. etc.).

Another branch in which the companies controlled by foreign capital are of considerable importance is that of the non-metallic mineral industries (glass). There are in all 21 com-

panies with a total share capital of 300 million lire; they are almost all glass manufacturing concerns in which French capital predominates (*Saint Gobain*).

In the metal industries the controlled companies are 11 with a share capital of a little more than 235 million lire, Belgian capital being much the most important.

In the food industries, the 8 controlled companies represent a little more than 100 million lire of capital. The other sub-branches of industrial activity are of secondary importance.

The other branches of economic activity are of some, though only limited, interest. Only four Credit Institutes are controlled by foreign capital (of which we mention—*American Express Co.*, *Barclay's Bank S.A.I.*, *Banca d'America e d'Italia*) (4). Four real estate companies, with a share capital of over 241 million lire, are almost entirely held by other controlled companies. In the agricultural branch there are 2 companies with over 20 million lire of foreign capital, mainly British.

Taken as a whole, there are, as we have said, 255 controlled companies with a share capital of 5,124,078,000 lire, of which L. 3 billion 957,276,000 are held by foreign Companies (77.2 %). The controlled capital is subdivided as follows according to the apparent nationality of origin:

1 - British capital . . . . .	39.0 %
2 - American capital . . . . .	21.6 %
3 - Swiss capital . . . . .	11.7 %
4 - French capital . . . . .	11.3 %
5 - Belgian capital . . . . .	6.9 %
6 - German capital . . . . .	3.2 %
7 - Capital of other nationality . . . . .	6.3 %

The incidence of the number, capital, and staff dependent on companies controlled by foreign capital on the total number of companies for which returns were made is summarised in Table II.

This table clearly shows, as we have already pointed out, that the branch of business in which

(4) See: Emanuele Rienzi, *The Distribution of Share Capital of Italian Banking Companies*, in this Review, April 1947, p. 19.



the incidence is most marked is that of the textile trades, in which 10.2 % of the companies, 34.5 % of the capital, and 18.8 % of the staff of all the companies returned are under foreign financial control; next in ranking order come the industries working non-metallic minerals, the chemical trades, etc.

For industry as a whole we find that the number of "controlled" companies accounts for 9.1 % of the total number for which returns were made, holding 9 % of the nominal

share capital, and employing 8.5 % of the workers engaged in the branch.

In the other branches of economic activity the incidence is of some importance in the agricultural companies (25.3 % of the capital and 16.5 % of the workers) and in the real estate companies (13.2 % of the capital and 11.8 % of the workers).

5. — *The minority investments of foreign capital in Italian share companies amounted on*

COMPANIES CONTROLLED BY FOREIGN CAPITAL AS PERCENTAGE OF TOTAL ITALIAN COMPANIES TABLE II

Branches of economic activity	Total Italian Companies returned 31-XII-1945			Companies controlled by Foreign Companies					
	No.	Nominal Capital (Thousands of lire)	Dependents (average 1945)	No.	% to Companies returned	Nominal Capital (Thousands of lire)	% to Companies returned (average 1945)	Dependents (average 1945)	% to dependents of Companies returned
<b>A) Industries</b>									
1 - mines and quarries	59	4,327,236	39,305	5	8.5	102,520	4.4	2,224	5.7
2 - wood	43	230,811	6,666	7	2.3	19,000	4.3	40	0.6
3 - food	756	2,401,443	52,906	8	3.1	107,000	4.3	2,061	3.9
4 - metallurgy	98	6,068,294	111,637	11	11.2	255,600	4.2	6,264	5.6
5 - engineering	350	5,770,118	348,190	44	12.6	511,425	8.9	21,830	6.3
6 - non metallic minerals	126	1,023,142	40,046	21	16.7	298,846	29.2	6,203	15.5
7 - building	86	453,037	17,020	1	1.2	2,000	6.6	39	0.2
8 - chemical	285	7,456,617	100,640	49	17.2	1,070,170	14.4	10,475	10.4
9 - paper	46	583,348	20,369	1	2.2	1,500	0.3	13	0.1
10 - graphic	57	212,248	9,109	—	—	—	—	—	—
11 - leather and skins	39	199,443	10,617	—	—	—	—	—	—
12 - textile	314	5,025,780	201,988	32	10.2	1,731,963	34.5	37,896	18.8
13 - clothing	35	173,260	10,264	1	2.9	2,400	1.4	10	0.1
14 - sound cinema	8	66,378	163	—	—	—	—	—	—
15 - electric, gas, water	143	13,612,063	55,124	2	2.4	25,000	0.2	85	0.2
16 - sundry	80	907,771	36,961	8	10.0	73,610	8.1	3,634	9.8
<b>Total Industries</b>	<b>2,025</b>	<b>46,509,989</b>	<b>1,061,805</b>	<b>184</b>	<b>9.1</b>	<b>4,193,029</b>	<b>9.0</b>	<b>90,774</b>	<b>8.5</b>
<b>B) Agriculture</b>	<b>88</b>	<b>796,294</b>	<b>22,580</b>	<b>2</b>	<b>2.3</b>	<b>201,295</b>	<b>25.3</b>	<b>3,689</b>	<b>16.3</b>
<b>C) Real Estate</b>	<b>370</b>	<b>2,830,530</b>	<b>2,913</b>	<b>31</b>	<b>8.4</b>	<b>241,665</b>	<b>13.2</b>	<b>344</b>	<b>11.8</b>
<b>D) Transports and Communications</b>									
1 - rail and tramway	99	824,575	30,819	3	3.0	20,100	2.4	338	1.1
2 - sea transports	54	1,731,994	5,905	—	—	—	—	—	—
3 - inland navigation	2	9,000	227	—	—	—	—	—	—
4 - automobile transports	31	176,952	4,254	—	—	—	—	—	—
5 - air transports	3	152,000	1,000	—	—	—	—	—	—
6 - communications	13	1,207,665	20,007	2	15.4	10,363	0.9	639	3.2
<b>Total transports and communications</b>	<b>202</b>	<b>4,122,186</b>	<b>62,212</b>	<b>5</b>	<b>2.5</b>	<b>30,643</b>	<b>0.7</b>	<b>977</b>	<b>1.6</b>
<b>E) Commerce</b>	<b>110</b>	<b>1,540,937</b>	<b>16,848</b>	<b>20</b>	<b>6.4</b>	<b>87,274</b>	<b>5.7</b>	<b>510</b>	<b>3.0</b>
<b>F) Credit</b>	<b>126</b>	<b>5,426,394</b>	<b>47,356</b>	<b>4</b>	<b>3.2</b>	<b>286,500</b>	<b>5.3</b>	<b>835</b>	<b>2.8</b>
<b>G) Financial</b>	<b>46</b>	<b>4,675,458</b>	<b>708</b>	<b>3</b>	<b>6.5</b>	<b>48,200</b>	<b>1.0</b>	<b>1</b>	<b>0.1</b>
<b>H) Insurance</b>	<b>62</b>	<b>1,054,649</b>	<b>10,332</b>	<b>3</b>	<b>4.8</b>	<b>25,000</b>	<b>2.4</b>	<b>283</b>	<b>2.7</b>
<b>I) Sundry</b>	<b>59</b>	<b>304,303</b>	<b>9,152</b>	<b>3</b>	<b>5.1</b>	<b>10,650</b>	<b>2.9</b>	<b>41</b>	<b>0.4</b>
<b>Grand Total</b>	<b>3,288</b>	<b>66,320,740</b>	<b>1,233,906</b>	<b>257</b>	<b>7.8</b>	<b>5,124,078</b>	<b>7.7</b>	<b>97,454</b>	<b>7.9</b>

CAPITAL MINORITY HOLDINGS OF FOREIGN COMPANIES IN ITALIAN SHARE COMPANIES TABLE III  
(Thousands of lire)

Branches of economic activity	Total	U.S.A.	Great Britain	France	Switzerland	Belgium	Germany	Other	Holy See and Ecclesiastical Organizations
<b>A) Industries</b>									
1 - mines and quarries	22,882	—	—	13,000	1,790	—	3,430	—	5,662
2 - wood	755	—	—	—	—	—	755	—	—
3 - food	39,757	21,198	—	1,874	1,126	16,241	—	3,863	5,955
4 - metallurgy	26,631	—	—	—	20,007	—	4,700	1,924	—
5 - engineering	20,152	3,586	—	3,630	2,070	111	3,600	2,234	2,921
6 - non metallic minerals	35,488	—	250	25,652	2,226	—	753	1,167	3,440
7 - chemical	376,007	12,773	3,451	85,890	85,818	36,110	126,592	5,486	19,887
8 - paper	8,108	—	—	—	—	6,488	—	2,620	—
9 - building	6,037	—	175	—	—	—	—	625	5,437
10 - leather and skins	1,052	—	—	—	1,052	—	—	—	—
11 - textiles	672,609	153,886	151,920	9,408	356,009	—	—	545	841
12 - clothing	1,502	—	—	—	1,502	—	—	—	—
13 - production and distribution of electric power and gas	744,042	24,380	84,310	8,419	309,096	14,761	—	17,433	60,623
<b>Total Industries</b>	<b>1,953,222</b>	<b>423,823</b>	<b>240,106</b>	<b>146,873</b>	<b>780,796</b>	<b>73,711</b>	<b>139,830</b>	<b>14,317</b>	<b>113,766</b>
<b>B) Real Estate</b>	<b>64,065</b>	—	<b>101</b>	—	<b>1,350</b>	—	—	—	<b>62,614</b>
<b>C) Transports and Communications</b>									
1 - sea transports	127	—	—	—	—	—	—	—	127
2 - rail and tramway	10,093	—	—	3,908	1,728	—	—	4,257	240
3 - automobile transports	1,461	—	—	300	—	—	1,161	—	—
4 - communications	31,057	8,300	778	1,026	250	—	7,800	7,624	5,279
<b>Total Transports and Communications</b>	<b>42,738</b>	<b>8,300</b>	<b>778</b>	<b>5,234</b>	<b>1,978</b>	—	<b>8,961</b>	<b>11,841</b>	<b>5,646</b>
<b>D) Commerce</b>	<b>24,473</b>	<b>2,300</b>	<b>613</b>	<b>720</b>	<b>15,026</b>	—	<b>3,610</b>	<b>204</b>	—
<b>E) Credit</b>	<b>12,439</b>	<b>100</b>	<b>2,170</b>	<b>204</b>	<b>307</b>	—	<b>3,500</b>	<b>357</b>	<b>5,801</b>
<b>F) Financial</b>	<b>59,105</b>	<b>921</b>	—	<b>180</b>	<b>7,538</b>	—	—	—	<b>40,858</b>
<b>G) Insurance</b>	<b>26,372</b>	—	<b>116</b>	<b>7,012</b>	<b>3,459</b>	<b>5,246</b>	<b>760</b>	<b>2,287</b>	<b>7,392</b>
<b>H) Sundry</b>	<b>513</b>	—	<b>313</b>	—	—	—	—	—	<b>200</b>
<b>Grand Total</b>	<b>2,182,927</b>	<b>435,444</b>	<b>241,297</b>	<b>160,223</b>	<b>810,454</b>	<b>78,957</b>	<b>158,661</b>	<b>89,864</b>	<b>205,027</b>
(%)	(100.0)	(19.9)	(11.2)	(7.4)	(37.1)	(3.6)	(7.3)	(4.1)	(9.4)

December 31, 1945 to little more than 2.18 milliard lire (see Table III). Here again the notes and reservations already made hold good.

The heaviest investments are those in the industrial branch, for which over 1005 milliard lire were returned, being 89.5 % of the total. The sub-branches of industry in which foreign minority investments were of most importance are the electric power industries with 744 million lire, mostly Swiss and American; the textile industries with over 670 million (almost entirely Swiss, American and British); and the chemical trades with 376 million, mostly German, French and Swiss.

In the other branches of economic activity

foreign minority investments are of secondary importance.

Taken as a whole, on the 31st of December 1945 the majority and minority investments of foreign capital in Italian share companies with a nominal capital of more than 1 million lire amounted to 6.1 milliard lire. Taking into account the limitations to which the returns were subject it may be estimated that the total of such investments, inclusive of those of private citizens and those of companies with a capital of one million lire or less, must stand around a figure which we may place at 7 milliard lire with the 1941 purchasing power.



# STATISTICAL APPENDIX (\*)

## ITALIAN STATE BUDGET (a)

(in milliards of lire)

Table A

Fiscal Years beginning 1st July	Ascertained receipts					Engaged expenditure					Surplus or deficit		
	Actual receipts			Movement of capital	Total	Actual expenditure			Movement of capital	Total	Actual receipts and expenditure	Movement of capital	Total
	Ordinary receipts	Extraordinary receipts	Total			Ordinary expenditure	Extraordinary expenditure	Total					
1938/39	27	0.9	28	3	31	23	17	40	2.8	43	— 12	+ 0.2	— 11.8
1941/42	38	3	41	50	91	35	83	118	4	122	— 77	+ 46	— 31
1942/43	43	6	49	54	103	42	91	135	25	160	— 86	+ 29	— 57
1945/46	125	3	128	92	220	169	349	509	44	553	— 381	+ 28	— 331
1946/47	346	6	352	335	687	318	614	932	303	1,235	— 580	+ 31	— 549
July 1947-Dec. 1947	308	42	350	36	386	283	368	651	51	702	— 311	— 15	— 316
July 1947-Mar. 1948	478	62	540	88	628	445	620	1,065	156	1,222	— 525	— 68	— 593

(a) Data 1943/44 and 1944/45 not available.

Source: *Bollettino Mensile* of the Central Institute of Statistics (Istituto Centrale di Statistica), Rome, 1947, 1948.

## SITUATION OF THE INTERNAL NATIONAL DEBT

(in millions of lire)

Table B

Date	Consolidated and others	Redeemable debt	Floating debt				Notes of the State	Total of internal public debt
			Treasury Bills	Interest-bearing current accounts (a)	Advances by the Bank of Italy	Total		
1938 (June 30)	52,995	49,126	8,922	19,959	1,000	2,881	1,563	131,955
1944	52,945	176,059	61,867	59,522	29,842	201,231	6,500	439,735
1945	52,945	206,293	157,695	93,085	330,686	581,466	7,281	849,955
1946	52,945	278,569	239,009	145,754	343,012	727,775	7,348	1,066,617
1947	52,947	428,851	279,327	175,218	365,891	820,796	6,617	1,399,171
1947 December	52,948	428,674	314,519	195,996	474,689	985,204	6,861	1,473,687
1948 March	52,947	428,662	396,501	238,873	473,445	1,108,819	6,916	1,577,341

(a) Cassa Depositi e Prestiti (Government Institution administering the postal deposits), Banking Institutes and others.  
Source: *Bollettino Mensile* of the Central Institute of Statistics, Rome, 1947 and 1948.

## RESERVES AND PRINCIPAL ITEMS OF THE BANK OF ITALY

(in milliards of lire)

Table C

End of period	Reserves	Bill discounted	Advances made against securities and goods	Treasury bills	Securities	Extraordinary advances to the Treasury	Debts at sight	Current deposits	Interest-bearing time deposits by banks	Treasury current account	Operations made during the period	
											Discounts	Advances
1938	3.8	3.7	3.7	—	0.8	2	0.9	0.9	—	0.8	13.9	36.6
1943	3.2	5.5	7.2	8	0.9	79	7.9	17.4	18.5	47.3 (a)	20.9	60.3
1944	0.5	3.8	4.1	30	0.9	202.7	14.2	24.6	81.9	98.4 (a)	12.6	39.3
1945	0.5	9.8	5.4	68	0.6	342.7	13.4	46.9	120.2	20.5	25.4	105.7
1946	0.5	44	13.1	68	37.8	342.7	15.1	59.1	101.2	10.1	97	264.6
1947 January	0.5	44.9	10.3	68	37.6	342.7	15.1	54.6	94.4	32.0	10.9	28.3
• July	0.5	80.5	21.9	78	37.5	342.7	19.1	43.4	69.6	6.4	34.5	61.5
• October	0.5	109.2	27.8	75	37.5	342.7	16.3	38.3	68.6	23.8	30.2	61.8
• November	0.5	116.2	27.9	81	37.5	342.7	15.5	32.6	75.3	33.5	50.3	61.9
• December	0.5	137.2	34.3	83	37.5	342.7	16.2	52.5	86.5	0.4	61.6	80.7
1948 January	0.5	137.7	30.9	90	37.4	342.7	17.8	55.9	100.7	19.1	29.1	52.7
• February	0.5	119.8	30.3	93	37.4	342.7	16.8	50.9	108.9	18.8	20.9	60.8
• March	0.5	116.8	28.5	—	37.7	342.7	16.3	55.7	112.7	44.1	44.3	67.4

(a) Treasury debt.

Source: *Bollettino Mensile* of the Central Institute of Statistics, Rome, 1947 and 1948.

(\*) See Explanatory Notes in the Statistical Appendix of this Review, No. 3, October 1947, p. 197.

## Statistical Appendix

Table D

Date	Nine circulation		Wholesale prices		Food-stuffs		Living cost		Share quotations		Fine Gold		Foreign currencies		Foreign currencies for export	
	Amount	Index	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	Price	Index	Price	Index	Price	Index
1945 December	389.8	1,232	—	—	3,376	2,764	517	823	3,165	2,026	928	1,102	—	3,000	—	—
1946 January	386.5	1,217	—	—	3,559	2,787	445	775	3,624	2,010	1,117	1,238	—	2,837	—	—
• July	415.2	1,845	—	—	3,272	2,250	635	719	3,020	2,110	1,222	1,376	—	2,860	102	102
• December	512.7	2,278	—	—	4,389	3,403	1,301	1,078	5,042	3,436	1,825	2,916	—	2,627	132	132
1947 January	503.6	2,238	—	—	4,844	3,639	1,191	911	4,260	3,136	1,693	1,820	—	3,076	132	132
• June	584.3	2,608	—	—	5,339	4,655	2,430	1,007	3,823	3,900	2,147	2,308	—	4,436	290	290
• July	619.8	2,767	—	—	5,974	4,805	2,806	943	3,627	3,336	1,978	2,121	—	4,069	254	254
• August	644.9	2,879	—	—	6,143	5,069	2,241	933	3,588	3,342	1,837	1,975	—	3,862	245	245
• September	674.6	2,998	—	—	6,202	5,331	2,006	1,046	4,023	3,494	1,699	1,827	—	4,000	197	197
• October	687.6	3,056	—	—	6,798	5,316	1,608	955	3,673	3,405	1,621	1,796	—	3,747	191	191
• November	709.0	3,160	—	—	6,448	5,084	1,120	854	3,285	3,084	1,404	1,571	—	3,402	173	173
• December	795.0	3,537	—	—	6,196	4,939	1,206	827	3,180	3,063	1,419	1,535	—	3,333	162	162
1948 January	790.0	3,511	—	—	6,068	4,845	1,142	837	3,219	2,975	1,421	1,516	—	3,240	153	153
• February	783.6	3,482	—	—	6,008	4,791	919	927	3,065	3,216	1,500	1,512	—	3,482	159	159
• March	778.9	3,462	—	—	6,206	4,919	1,342	982	3,777	3,332	1,533	1,648	—	3,812	159	159
• April	804.8	3,277	—	—	6,254	4,937	1,701	888	3,415	3,263	1,485	1,597	—	3,576	160	160

(a) In milliards of lire; (b) 1938=100; (c) May, 1946=100; (d) Index numbers of share quotations vary from those given in the table III contained in the article of G. Mancini, *Aspects and Problems of the Italian Stock Market*, p. 325 of this issue, because they come from other source (Consiglio di Statistica Center of Florence).



UNEMPLOYMENT IN ITALY IN 1939 AND 1947  
(Distribution of persons registered in Employment Offices classified by Branches of Economic Activity)

Table I

Period	Industries						Credit, insurance, commercial, communications, etc.	Employees	Seamen and sundry	Grand Total
	Agriculture	Metal-lurgical and engineering	Housing and road building	Textile and clothing	Mining, food, wood, glass, chemical, paper, printing, water, gas, electrical, etc.	Total of Industry				
December 1939	149,778	63,054	219,711	60,398	115,335	459,018	97,050	—	—	705,866
December 1947	354,608	191,759	398,919	133,859	184,727	907,264	86,182	111,908	284,856	1,752,818

Source: *Congiuntura Economica*, Bulletin of informations of the Institute of Economic Studies (Istituto di Studi Economici - I.S.E.), 1948, April 20, n. 25, p. 8.

INDEX NUMBERS OF ITALIAN INDUSTRIAL PRODUCTION  
(monthly average 1939=100)

Table F

	Industries						General Index
	Textile	Mining	Metal-lurgical	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)
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)	24.03 (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)	111.95	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.— (a)	115.16	68.19	71.— (a)
September	—	56.— (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)
February	—	51.— (a)	64.— (a)	49.— (a)	100.75	51.88	62.— (a)
March	—	54.— (a)	74.— (a)	51.— (a)	102.74	58.56	66.— (a)
April	—	50.— (a)	73.— (a)	52.— (a)	105.60	60.10	66.— (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.

DISTRIBUTION OF ITALY FOREIGN TRADE - COMMODITY CLASSIFICATION - JANUARY-DECEMBER 1947

Table G

	Animals, Foodstuffs and Tobacco	Oil seeds and fruits; oil and fats; waxes	Textile crude materials and their products	Metallic ores, metals, products of metallurgical industries, machinery, vehicles, etc.	Stones, earths and non-metallic ores, ceramics and glass products	Woods and allied products	Chemical and medicinal products, resins, dye-stuffs, tans	Other commodities	General Total
Italy Imports									
-Weight (a)	2,520	118	383	924	9,975	356	3,841	371	18,490
-Value (b)	122,554	13,035	78,013	43,877	66,373	6,940	43,645	39,367	413,804
Italy Exports									
-Weight (a)	938	5	95	327	352	50	75	104	1,916
-Value (b)	37,048	1,591	86,123	45,162	7,398	3,934	7,023	17,398	205,677

(a) thousands of metric tons; (b) millions of lire.

Source: *Statistica del Commercio con l'Estero* of the Central Institute of Statistics, December 1947, n. 12, p. 7.

IMPORTS AND EXPORTS BY LEADING COUNTRIES  
from 1st January to 31st December 1947

Table H

Countries	Foodstuffs and crude materials for their production; livestock				Materials exclusive of foods and their products; auxiliary materials (coal, crude oil, etc.)				Total value (million lire)	
	Weight (m. tons)		Value (million lire)		Weight (m. tons)		Value (million lire)		Imports	Exports
	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports		
Austria	603	37,715	155.7	1,388.1	170,855	50,649	4,607.2	2,060.4	4,762.9	3,448.5
Belgium-Luxembourg	6,831	63,108	794.7	2,084.1	561,601	59,954	12,470.9	4,339.2	13,205.6	6,423.3
Czechoslovakia	45,467	71,021	5,481.8	3,621.4	146,729	44,458	3,759.6	3,421.6	9,241.4	7,093.0
Denmark	55,058	8,571	5,932.4	330.1	1,938	13,285	320.7	6,029.0	6,253.1	6,419.1
France	3,313	14,784	547.1	1,581.0	171,340	22,144	3,947.7	3,626.4	4,494.8	5,207.4
Germany	—	11,538	—	474.7	686,390	18,054	5,088.5	1,594.0	5,088.5	2,068.7
Yugoslavia	1,997	1,363	412.2	113.2	404,634	8,797	5,574.1	4,500.2	5,936.3	4,613.4
Norway	26,409	127,490	2,923.6	1,197.5	9,573	7,549	—	3,090.0	3,607.4	4,387.5
Netherlands	38,273	32,346	3,574.2	557.7	31,710	21,517	2,146.2	7,412.2	5,714.4	7,999.0
Poland	319	1,267	48.2	55.7	331,000	25,631	1,836.8	463.1	1,885.0	518.8
United Kingdom	6,553	243,163	590.7	9,310.4	120,855	65,402	8,265.8	9,386.1	8,866.5	18,696.5
Spain	5,430	1	1,553.7	1.1	20,259	7,031	1,986.0	884.4	3,330.7	885.5
Sweden	4,872	38,997	595.3	1,962.7	124,717	34,247	7,692.4	10,903.7	8,287.7	12,866.4
Switzerland	19,219	164,822	3,493.3	7,970.4	74,485	201,281	11,341.6	14,953.9	14,834.9	22,924.3
Turkey	109,439	15	4,166.7	4.7	36,991	15,295	1,806.0	7,398.4	5,972.7	7,403.1
China	1,648	22	460.3	4.9	550	2,025	147.9	806.9	608.2	811.8
India	834	347	105.3	53.7	67,328	18,245	5,395.3	5,495.7	5,500.6	5,549.4
Dutch East Indies	667	310	160.1	28.8	12,679	3,028	889.8	905.1	1,049.9	933.9
Iran	8,917	20	530.9	10.4	1,078,006	1,815	6,781.3	2,027.4	7,312.2	2,037.8
Malay	1,975	89	128.5	5.5	20,574	4,971	1,155.3	914.9	1,283.8	940.4
Palestine	284	8,829	40.1	635.3	55,185	20,630	482.0	4,688.3	572.1	5,323.6
Syria	7,291	329	980.2	52.2	1,309	6,292	373.4	3,214.1	1,353.6	3,266.3
Africa	14	448	1.1	94.6	4,353	1,431	766.3	1,105.9	767.4	1,200.5
Egypt	1,057	3,196	26.7	279.8	51,958	24,616	11,453.1	8,643.4	11,479.8	8,923.2
Union of South Africa	1,735	218	184.5	41.6	126,543	6,565	11,786.2	3,566.2	11,970.7	3,607.8
Argentina	308,861	1,918	15,658.7	328.8	23,918	62,501	5,401.0	16,652.4	21,059.7	16,981.2
Brazil	21,593	4,013	3,180.0	1,034.3	51,231	23,207	7,872.6	4,033.4	11,052.6	5,067.7
Canada	170,853	6,686	8,492.1	264.8	7,117	5,622	629.9	488.6	9,122.0	753.4
United States of America	1,575,881	31,130	58,421.6	4,446.5	9,532,403	97,659	118,700.5	8,435.1	177,122.1	12,881.6
Uruguay	9	5,306	1.5	85.3	4,666	10,505	1,324.1	1,647.9	1,325.6	1,733.2
Venezuela	1,348	726	215.7	231.1	140,244	4,826	799.8	1,372.6	1,015.1	1,602.7
Australia	15	219	5.0	49.6	99,891	3,002	13,234.9	2,108.4	13,239.9	2,158.0
Allied	85,243	—	3,394.1	—	167,207	—	3,014.2	—	5,609.1	—
Other countries	90,886	92,944	9,304.1	2,254.6	3,559,633	79,879	21,361.0	18,824.7	30,663.1	21,079.3
Total	2,602,904	974,129	131,559.7	40,624.6	15,887,261	972,093	282,244.7	164,824.7	413,804.4	205,677.1

Source: *Statistica del Commercio con l'Estero* of the Central Institute of Statistics, December 1947, n. 12, pp. 105-106.

Table I  
PRINCIPAL ITEMS OF THE ITALIAN BANKING INSTITUTES

	Amount (million lire)					Index Numbers					Ratio to alien funds * (%)				
	1939	1944	1945	1946	Dec. 31, 1947	1939	1944	1945	1946	Dec. 31, 1947	1939	1944	1945	1946	Dec. 31, 1947
<i>Alien funds (a):</i>															
Public Law Credit Institutes . . . . .	11.3	67.0	102.0	173.2	290.2	100.0	592.9	902.6	1,532.7	2,568.1	—	—	—	—	—
Banks of National Interest . . . . .	17.0	85.1	126.2	242.9	320.3	100.0	500.6	742.3	1,428.8	1,917.0	—	—	—	—	—
Ordinary Credit Banks . . . . .	9.9	49.2	93.5	170.2	253.1	100.0	496.9	944.4	1,719.1	2,556.3	—	—	—	—	—
Peoples' Co-operative Banks . . . . .	6.0	29.6	48.2	84.3	120.4	100.0	493.3	803.3	1,405.0	2,006.6	—	—	—	—	—
Savings Banks and Pledge Banks of 1st category . . . . .	18.9	46.3	81.3	130.2	213.4	100.0	245.0	430.1	688.8	1,331.7	—	—	—	—	—
Total . . . . .	62.1	277.2	451.2	800.8	1,206.9	100.0	439.3	713.0	1,269.0	1,896.8	—	—	—	—	—
<i>Cash and items available at sight (b):</i>															
Public Law Credit Institutes . . . . .	1.5	21.7	18.9	27.5	63.7	100.0	868.0	756.0	1,100.0	2,548.0	21.2	22.4	28.5	15.8	21.9
Banks of National Interest . . . . .	4.6	63.0	13.0	50.4	55.8	100.0	1,369.5	282.6	660.8	1,313.0	27.0	74.0	12.3	12.5	16.9
Ordinary Credit Banks . . . . .	1.2	17.4	14.8	20.8	38.7	100.0	1,450.0	2,233.3	2,233.0	3,225.0	12.1	35.4	15.3	15.7	15.3
Peoples' Co-operative Banks . . . . .	0.5	12.2	9.4	9.5	20.5	100.0	2,440.0	1,880.0	5,900.0	4,100.0	8.3	41.2	10.5	11.2	16.2
Savings Banks and Pledge Banks of 1st category . . . . .	1.6	11.4	13.3	19.4	23.4	100.0	712.5	831.2	1,212.5	1,462.5	8.4	24.6	16.3	14.9	10.9
Total . . . . .	10.4	125.7	69.4	113.6	202.1	100.0	1,208.6	667.3	1,092.3	1,913.2	16.4	45.3	15.3	14.1	16.7
<i>Fixed Deposits With Treasury and other institutions (c):</i>															
Public Law Credit Institutes . . . . .	—	12.1	24.7	24.5	21.3	—	100.0	204.1	202.1	176.0	—	18.1	24.2	14.1	7.3
Banks of National Interest . . . . .	—	5.6	66.3	53.6	31.6	—	100.0	4,143.7	3,350.0	1,973.0	—	1.8	52.5	22.0	9.8
Ordinary Credit Banks . . . . .	—	0.01	13.9	12.4	10.4	—	100.0	139,000.0	124,000.0	104,000.0	—	0.02	14.8	7.2	4.1
Peoples' Co-operative Banks . . . . .	—	0.3	9.3	11.9	9.3	—	100.0	3,100.0	3,966.6	3,100.0	—	0.1	19.2	14.1	7.7
Savings Banks and Pledge Banks of 1st category . . . . .	—	0.8	5.8	4.6	3.3	—	100.0	723.0	575.0	412.5	—	0.17	7.1	3.5	1.5
Total . . . . .	—	14.8	120.0	107.0	75.9	—	100.0	810.1	722.5	512.6	—	5.3	26.5	13.3	6.3
<i>Securities (d):</i>															
Public Law Credit Institutes . . . . .	3.4	20.8	31.3	42.7	52.2	100.0	611.7	920.5	1,355.8	1,535.3	30.0	30.1	30.6	24.6	17.9
Banks of National Interest . . . . .	2.9	11.5	13.3	38.2	53.1	100.0	396.5	458.6	3,317.2	1,831.0	17.0	13.8	10.5	15.7	16.1
Ordinary Credit Banks . . . . .	3.2	20.8	32.8	51.5	67.5	100.0	650.0	1,025.0	1,609.3	2,109.4	32.3	42.3	35.0	30.2	26.7
Peoples' Co-operative Banks . . . . .	2.4	12.0	14.9	20.2	26.9	100.0	500.0	620.8	481.6	1,110.4	40.0	40.5	30.9	23.9	22.4
Savings Banks and Pledge Banks of 1st category . . . . .	9.9	29.6	26.8	71.7	76.1	100.0	298.9	513.1	724.2	708.0	52.3	64.0	62.4	55.0	35.6
Total . . . . .	21.8	94.7	113.1	224.3	275.8	100.0	434.4	656.4	1,028.8	1,255.1	34.5	34.1	31.7	28.0	22.8
<i>Credits to clients (e):</i>															
Public Law Credit Institutes . . . . .	10.6	16.7	34.7	96.5	204.5	100.0	157.5	327.3	910.3	1,919.2	93.8	24.6	34.0	55.7	70.5
Banks of National Interest . . . . .	13.9	16.7	43.7	136.4	221.6	100.0	120.1	314.3	981.2	1,594.2	81.7	19.6	34.6	51.1	67.3
Ordinary Credit Banks . . . . .	9.3	17.8	39.2	99.5	166.4	100.0	191.3	422.3	1,669.8	1,789.2	93.9	36.2	41.9	38.4	64.9
Peoples' Co-operative Banks . . . . .	4.7	9.6	30.3	50.7	79.1	100.0	204.2	431.9	1,078.8	1,683.0	78.3	32.4	42.1	60.1	65.7
Savings Banks and Pledge Banks of 1st category . . . . .	8.9	13.1	22.8	52.9	118.6	100.0	147.1	256.1	594.3	1,332.6	47.0	28.2	28.0	40.6	55.4
Total . . . . .	47.4	73.9	160.7	436.0	790.2	100.0	559.4	339.0	919.8	1,607.1	75.1	26.6	35.6	54.4	65.4

(a) Includes: savings and sundry deposits, current accounts and *assegno circolatori* in circulation (a special type of Bankers' drafts); (b) includes: (1) cash on hand (*caixa*), (2) sums available at sight (*somme disponibles a vista*), mainly current accounts with the Treasury and sight deposits at the Bank of Italy; (c) includes: time deposits with the Treasury and other institutions, mainly Bank of Italy; (d) includes: securities issued by the Treasury and other institutions; (e) includes: mainly Government securities (including 50.4 million lire by December 31, 1947); (f) includes: the *Conto Impieghi*, i. e., bills on

hand (*portafoglio*), advances (*anticipazioni*), current accounts (currents), correspondence accounts (*conti correnti di corrispondenza*), contingents (*risparmi*), loans (*mutui*). For 1939 includes also: current accounts with Sections for special credits (*conti correnti con Sezione*), credits at *ca.* (Pledge Banks and loans recoverable on salaries (*prestiti su pegni e contro ritenute di stipendio*)). Source: Relations of the Bank of Italy for 1939 and *Rendiconto* of the Bank of Italy 1948/49 for 1944 and 1947.