

Index Numbers of Industrial Production and Capitalisation in Italy

by
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This article has a twofold purpose: 1) to explain the method followed in compiling two of the basic index numbers of Italian economic life; 2) to account for some of the results arising from the association of these two index numbers.

1. — We shall here consider only the *index numbers of Italian industrial production* now compiled by the Central Institute of Statistics in Rome. The fundamental notion underlying the compilation of these index numbers is that by taking a not very large number of concerns, suitably selected from the several branches of production, it is possible to secure a figure which is highly representative of production in general. In this connection, a series of special returns which were made on the basis of the statistical data contained in the 1937-39 industrial census showed a high degree of industrial concentration, especially in some branches of production. In other words, an endeavour has been made to compile the index numbers of industrial production on the basis of the highest percentage of output calculated for the total amount of each branch. In this way the criterion of the representative character of the concerns has been sacrificed, since it was not possible to extend the enquiry to all businesses, and therefore, in the case of some industries, the small and medium-sized firms were not taken into account.

The representative character of the statistical data used in compiling the index numbers under consideration varies in degree from 100% to 60% for almost all the groups of productive activity. Only in the case of certain industries, in which production is split up among a great number of business firms, does the representative character fall below 60%: in such cases the output of all the large undertakings is included in the index.

Therefore, if account be taken of the fact that the production index should aim above all at giving a picture of the variations of production in time, we can safely state that for this purpose our statistical data are more than sufficiently representative.

In the index of industrial production compiled by the Central Institute of Statistics the several branches of production are largely represented and at present it is only for two groups of industries that the data have to be completed to enable them to be included in the general index: these are the engineering and building

industries. In regard to the light engineering industries, index numbers have so far been compiled for the following sub-sections: (1) ball-bearings; (2) cash registers; (3) Diesel engines; (4) electric bulbs; (5) building and repairing of railway rolling-stocks; (6) autovehicles. Index numbers are now being compiled for another important group of engineering industries and before long it will be possible to compile an adequately representative index for this whole group.

In considering the several problems of methodology involved in the compilation of the index of production, account has been taken, to the fullest extent possible, of the need to make Italian index numbers comparable with those of other countries. For this purpose an endeavour has been made to follow the suggestions put forward by the Committee of Statistical Experts of the League of Nations. Thus at first the index numbers were compiled experimentally with the geometrical mean, but later on with the arithmetical mean, on the basis of Laspeyres well-known formula. The production index for the several items is compiled on the basis of the ratio $q_t \div q_0$. In weighting the industrial groups, classes, and sub-classes, the Central Institute of Statistics has kept strictly to the suggestions of the League Committee of Statistical Experts and has taken into due account the fact that an index number whose purpose is to show variations in the physical volume of production should include all the stages of production, each of which should be valued proportionately to its net output, i.e. only in the degree in which each contributes to the output of the respective industries. In other words, the weighting coefficients to be applied to the quantitative variations actually measured correspond to the added value of production of the whole economic sector, apart from the fact that the quantities returned correspond to the total production or only to a production representative of that total. The added values of production used in weighting the index numbers have been obtained from the Industrial Census of 1937-39.

In compiling the monthly index numbers it was not possible to take 1938 as the basis, since in that case it would have been necessary to eliminate a certain number of businesses for which returns could only be obtained from 1947 onwards. Therefore the solution adopted has been that of taking the average for 1947 as the basis for the *monthly* index numbers.

The problem of linking up these index numbers with those of the pre-war period still has to be solved, and it was decided to compile an independent *annual* index with 1938 as basis. It is of course understood that the passage from the annual to the monthly index numbers would be possible only if the geometric mean were used in making the calculation.

Finally, the problem of classifying productive activities for the purpose of compiling the index number has been solved by adopting the international classification suggested by the Economic Committee of UNO.

2. — *Index numbers for the capitalisation of share investments* have not yet entered into common use, although they undoubtedly provide a valuable instrument for studying the financial market. A first tentative enquiry was made by G. Barsanti when he wished to determine the vicissitudes of capital owned by two shareholders, of whom one was held to be poor and the other rich (1). The premise from which Barsanti started was that the poor shareholder, after making the first investment, could not provide the sums required to cover capital increases and was therefore compelled to sell his options; while the rich shareholder was always in a position to avail himself of every advantage accruing to the shares he owned. At the end of a given period, and for a given security, the difference between the amounts of capital held by the two shareholders was clearly shown. In 1937 Luigi Einaudi suggested that an index number be compiled that would show, for a given period, the amount of share capital, at the ruling market quotation, of an imaginary investor who would reinvest all the proceeds arising from his initial investment (2). Acting on Einaudi's suggestion, G. Capodaglio compiled index numbers for the capitalisation of certain securities (Suez Canal, Italian Southern Railways) (3). The Mediobanca has recently compiled index numbers for the capitalisation and yield of 136 securities quoted on Italian stock-exchanges (4). In the meantime the Central Institute of Statistics has compiled similar index numbers which were first published in the *Compendio Statistico Italiano, 1947-48* (pag. 121 et seq.) (5), for the most important Italian shares.

In compiling the index numbers of capitalisation, several hypotheses may be taken as a basis. In the

first place, we may suppose that the imaginary investor has gradually reinvested all the proceeds received over a certain number of years (dividends, options, bonuses, reimbursements of capital, etc.) in the same security; or we may suppose he has thus reinvested all the proceeds minus the dividends. From some points of view the second hypothesis is more plausible than the first, as it is likely that the shareholder would consume part of the income he received, unless indeed he possessed other means of livelihood.

On the basis of the second hypothesis the index of capitalisation will be compiled in the following manner: taking q_0 as the number of the shares purchased at 0 time at p_0 price, the amount of the initial disbursement will be $q_0 p_0$. Subsequently, at the times $t, 1, 2, \dots, t$ free distribution of shares may be made, options offered or capital reimbursed, etc. When there is a free distribution of shares, the shareholder retains the free shares and sells, at the ruling market price at the time of the option, only that part of the shares needed to reimburse himself for any expenses he may have incurred. In the case of options, he only sells the number of shares required to reimburse himself for sums spent in covering the options. As regards capital repayment, the shareholder reinvests the capital repaid and so on for all receipts, with the exception of ordinary dividends.

After carrying out these operations the shareholder, at the t moment will be in possession of q_t shares, which at the price ruling at the said t moment will have the value of $q_t p_t$. The index of capitalisation will then be given by $I_t = q_t p_t / q_0 p_0$.

In addition to the index of capitalisation which we have just discussed, it will be possible to calculate along similar lines an *index of yield at t moment on the capital originally invested*. Having calculated the number of q_t shares at t moment, corresponding to the q_0 shares of the original investment, and having ascertained the value of the dividend per share at the end of financial year t , net of taxes, as equal to d_t , the index for the yield on the shares of the original investment will be given by $Y_t = d_t q_t / q_0 p_0$. The index of yield thus obtained, multiplied by 100, will show the annual income matured during the business year that closed at the time t for each 100 lire of capital originally invested.

When the index of capitalisation has been calculated for each security quoted on the Stock Exchange, it will then be possible to calculate the index for each group and each class of security and also to compile a general index of capitalisation for all the securities quoted.

The index numbers for each group and the general index number are compiled in conformity with the Laspeyres formula, and the weight assigned to the index for each security will correspond to the value on the exchange at the making-up prices of the securities existing on the initial date.

3. — Having laid down these premises, let us now examine the trend of the index for industrial production during the last two years.

(1) G. BARSANTI: *Le vicende del patrimonio dell'azionista italiano durante il periodo 1913-28*, in « Annali di Statistica », Serie VI, vol. XXII, Roma, 1932.

(2) L. EINAUDI: *Tema per gli storici dell'economia. Quale fu nel secolo presente il saggio di frutto degli investimenti di capitale?*, in « Rivista di Storia Economica », Torino, 1937.

(3) G. CAPODAGLIO: *Storia di un investimento di capitale. La Società italiana per le strade ferrate meridionali, 1862-1937*, in « Annali dell'Istituto di Statistica dell'Università di Bari », Vol. XVII (Studi in onore di Luigi Amoroso), Bari, 1940.

(4) BANCA DI CREDITO FINANZIARIO-MEDIOBANCA: *Indici e dati relativi ad investimenti in azioni quotate nelle borse italiane (1948-1949)*, Milano, 1948.

(5) and revised for 122 leading companies in: *Annuario Statistico Italiano 1944-48*, Serie V, vol. I, pag. 334 et seq.

The annual production index compiled on the 1938 basis shows a considerable decline of industrial activity in 1947 and 1948 as compared to the pre-war period. The general index for 1947 stood at 87, for 1948 at 95. The exclusion of the light engineering and building trades from the compilation of the general index might, however, lead to the opinion that these figures are too high. Indeed, it seems likely that the inclusion of the index for the engineering trades would have reduced the general index number, and this is confirmed by the index for output in the heavy engineering industries which may be taken as affording indirect evidence of activity in the light engineering trades; in 1947 that index had fallen to 75 and in 1948 to 87. With regard to building trades it is, however, doubtful whether the inclusion of the respective index would have lowered the general production index, as while the activity of the house building industry fell in 1947 and 1948, this was offset to a great extent by activity in the sphere of public works. This is confirmed by a study of the production index in industries working non-metallic ores (glass, cement etc.), the index numbers for which, during these two years, were respectively 90 and 94.

On the other hand, the general index for industrial production may be undervalued as a result of the exclusion of handicrafts. It may be, indeed, that output in this sector, which is not included in the index, has considerably increased over pre-war figures; if this sector of Italian productive activity were taken into account the picture might well be more encouraging than that shown by the official index.

Table I gives the index numbers for industrial

TABLE I
INDEX NUMBERS OF INDUSTRIAL PRODUCTION
IN 1947 AND 1948

Group and Class of Industry	(1938 = 100)		(1947 = 100)
	1947	1948	1948
General Index Number	87	95	107
I. Mines and quarries	93	84	113
1 - Coal and lignite	118	129	59
2 - Metallic ores	52	71	142
3 - Hydrocarbon gases	544	611	116
4 - Other minerals	53	58	114
5 - Marble quarries	68	51	76
II. Manufacturing Industries	82	90	106
1 - Food processing	73	87	?
2 - Tobacco	108	112	108
3 - Textiles	92	91	96
4 - Wood	67	54	80
5 - Paper and pasteboard	70	74	108
6 - Rubber	91	102	110
7 - Chemicals	85	93	112
8 - By-products of coal and oil	82	124	146
9 - Processing of non-metallic ores	90	94	106
10 - Metallurgy	75	87	121
III. Electricity and Gas			
1 - Electric power	134	149	110
2 - Gas	119	144	122

production in 1947 and 1948 as compiled by the Central Institute of Statistics.

A comparison of the group index numbers and of those for the several classes of industry shows certain wide variations from the figures for 1938. Apart from the increase in the 1947 production index for coal and lignite, more especially the latter, and for hydrocarbon gases, the industries that have touched peaks are the electrical industry, gas, by-products of mineral oil, rubber and tobacco.

The larger increases in the production index numbers in 1948 as compared to 1947 (see last column of Table I) were those for the output of metallic ores, by-products of coal and oil, iron, steel and gas. The output of coal and lignite, marble and wood, on the other hand, fell off considerably. In the case of coal, the reduction will be readily understood when we remember that Italian output consists largely of lignite, which has been gradually replaced by coal now that imports have returned to normal.

If we examine the monthly index numbers for production classified by groups and classes of industry, taking as our basis the monthly average for 1947 as equal to 100, we find a definite improvement in 1948 over 1947, and the trend during the first months of 1949 leads us to expect a further improvement in production during the current year. If we compare the index numbers for January-March 1947 with those for the same period in 1948, and similarly those of 1948 with 1949, and the index numbers for November and December 1947 respectively with those for the corresponding months of 1948, we note in general a considerable increase, more especially in the manufacturing industries.

We have a special reason for believing that the results so far secured are far from negligible. The base year generally taken as a point of reference in comparing present conditions with pre-war times is 1938. Now if the base of any index number, or rather the year used for purposes of comparison, is designed to reflect normal conditions, it is evident that 1938 cannot be considered a good basis. First, in 1938 Italy was just recovering from a colonial war which had engaged all its resources and had undertaken a work of colonisation that acted as a stimulant to production (6). Secondly, the country can now secure from abroad supplies of many raw materials, so that the autarchic trend in production has been almost completely abandoned, thus changing the direction given to Italian economy during the 15 years preceding the last war.

Though available information on the matter is

(6) If we take only key products, we find that from 1938 to 1938 the output of pig-iron rose from 678,400 to 863,000 tons, that of crude steel from 2.1 million to 2.3 million tons, that of sulphuric acid from 1.3 to 1.7 million tons, that of nitric acid from 39.4 thousand to 395.5 thousand tons, that of ethyl alcohol from 499,000 hectanhydrides to 628,000; caustic soda from 126.3 to 165.0 thousand tons, synthetic ammonia from 43 thousand to 113.2 thousand tons, benzole from 3.2 thousand to 11.2 thousand tons, cement from 3.4 to 4.6 million tons.

PRODUCTION INDEX NUMBERS FOR GROUPS AND CLASSES OF INDUSTRY
(Base: annual monthly average 1947=100)

TABLE II

Month	Global Index Number	Mines & Quarries						Manufacturing Industries										Electricity & Gas					
		Total	Coal & lignite	Metallic ores	Hydrocarbon gases	Other mineral products	Marble quarries	Total	Foodstuffs (*)	Tobacco (*)	Textiles	Wood	Paper & pasteboard	Rubber	Chemicals	By-products of petroleum & coal	Processing non-metallic ores	Metallurgy	Total	Electric power	Production of gas works		
1947																							
March	90	93	110	90	87	90	74	90	80	105	96	97	94	96	82	61	83	87	88	88	90	101	93
April	100	93	99	87	79	100	97	101	87	103	104	120	100	102	94	72	95	104	100	101	93	101	97
May	112	101	102	94	96	108	113	112	65	102	111	120	109	108	112	102	102	102	116	118	97	117	94
June	111	105	102	98	104	108	149	111	81	89	107	115	106	105	118	115	103	115	115	117	94	114	96
July	118	118	119	120	111	112	133	117	96	106	118	116	119	120	111	108	122	112	121	124	96	112	99
August	100	102	104	95	111	106	126	98	100	84	86	96	96	73	115	105	111	105	111	112	99	100	107
Sept.	108	113	109	115	125	115	104	109	123	105	113	110	111	118	109	127	92	102	101	100	107	100	126
October	113	116	117	125	129	101	108	115	140	112	116	102	122	122	112	137	125	113	103	100	126	114	114
Nov.	102	104	92	111	111	106	85	103	106	101	96	86	99	109	109	126	118	106	96	94	114	100	108
Dec.	98	98	76	111	119	96	74	97	142	100	89	78	89	110	106	149	111	97	102	99	108	100	108
1948																							
January	95	99	69	120	98	95	64	93	100	103	92	75	86	101	92	106	110	93	102	99	128	99	120
February	95	103	67	129	101	97	52	94	89	99	89	75	94	107	93	136	95	103	99	97	120	102	132
March	103	113	66	141	102	106	92	102	126	98	94	87	105	104	104	143	99	118	102	102	132	102	132
April	105	115	70	139	103	116	68	104	117	94	97	95	105	109	104	127	107	120	104	102	132	102	132
May	106	112	57	142	94	114	72	104	117	86	89	79	96	96	120	133	105	128	115	113	132	102	132
June	109	116	61	148	102	109	82	107	113	96	93	89	101	96	111	155	103	129	117	117	132	102	132
July	110	118	56	156	104	110	77	108	120	112	99	80	104	106	121	?	108	131	119	119	132	102	132
August	102	113	51	138	119	124	77	99	105	106	79	62	91	76	127	219	108	111	114	115	106	100	113
Sept.	119	124	65	154	139	127	78	118	134	131	107	83	126	126	126	187	111	139	119	120	113	100	113
October	116	122	55	153	139	125	92	116	144	134	110	81	129	132	116	177	113	127	114	112	130	100	113
Nov.	112	117	45	148	122	125	85	112	151	124	104	79	131	128	116	185	107	121	109	108	121	100	113
Dec.	112	109	47	137	172	112	74	112	183	110	102	75	128	129	116	188	109	124	112	110	128	100	113
1949																							
January	104	98	54	123	169	92	59	104	156	112	98	77	128	119	110	185	89	104	103	102	113	100	113
February	98	88	59	107	174	72	87	101	156	111	98	74	121	122	106	161	94	96	89	86	115	100	113
March	107	105	62	120	176	117	74	111	161	123	108	86	136	?	109	203	110	109	88	84	128	100	113

(*) The index numbers for these classes of industry are not for the time being included in the index number for the group.

very scanty, it may be assumed that the structural lines of our productive equipment have been considerably modified in this post-war period and we are justified in thinking that many industries now producing for the consumer market were working in 1938 on munitions of war.

These considerations throw a significant light on the indexes of industrial production we have been examining, and it is strange that careful observers, including foreigners, have failed to take into due account the influence that the selection of 1938 as the base year has exercised on the figures for the level of Italian production.

This leads us to the conclusion that Italian industrial production in 1948 would not have fallen below that of 1938 if in the latter year production had not been artificially boosted, on the one hand, by orders for the army and the colonies, and on the other by the effects of the autarchic policy then being followed.

4. — The history of share capital in Italy from 1938 to 1948 can be summed up by saying that one lira invested *pro rata* of the share capital of the 122

italian companies considered in this article, had by the end of 1948 become 15.88 lire. This much we learn from the general capitalisation index. If we take into account the fact that the wholesale price index (1938=100) averaged 5.443 in 1948, and the cost of living index 4.921, we note that the value of the lira invested in equities in 1938 had fallen in 1948 to 0.292 of the 1938 lira if referred to the wholesale price index, and to 0.323 if referred to the cost of living index.

The capitalisation indexes compiled by the Central Institute of Statistics for the several groups of securities present marked variations. The capital value of one lira invested in January 1938 fluctuated at the end of 1948 between a minimum of 2.554 lire in the shipbuilding companies to a maximum of 51.873 in the hemp and flax industries, and 48.987 in the cotton industry.

In Table III we give the index numbers for capitalisation, for yields matured on each 100 lire invested in 1938, and the annual percentage returns referred to average making-up prices in December.

Passing from the study of the index numbers for capitalisation to the study of the returns matured in

TABLE III

INDEX NUMBERS FOR CAPITALISATION (1947 and 1948) AND YIELD (1947). PERCENTAGE RETURNS REFERRED TO AVERAGE MAKING-UP PRICES (1947)

Groups of Shares (122 leading companies)	Capital Value at close of year of 1 lira invested in January 1938		Returns matured in 1947 for each 100 lire invested in Jan. 1938	% returns in 1947 referred to average making-up prices in Dec.
	1947	1948		
1 - Financial (4)	10.665	16.692	15.159	1.421
2 - Insurance (5)	17.230	17.594	11.518	0.668
3 - Mining and quarrying (4)	10.557	12.583	16.495	1.561
4 - Heavy engineering (4)	4.748	7.887	20.110	4.236
5 - Light engineering (11)	12.015	7.882	3.002	0.250
6 - Shipbuilding (2)	2.639	2.554	—	—
7 - Electrical engineering (2)	8.345	7.051	10.682	1.280
8 - Industries processing non-metallic ores (3)	23.345	30.041	64.370	2.757
9 - Chemicals (3)	14.405	12.696	46.234	3.209
10 - By-products of petroleum (2)	11.975	14.138	10.106	0.844
11 - Paper (3)	31.622	32.887	65.236	2.063
12 - Cotton (12)	33.612	48.987	36.738	1.093
13 - Wool (5)	20.672	32.471	41.341	2.000
14 - Silk (3)	19.872	25.595	34.226	1.722
15 - Synthetic fibres (2)	23.717	28.961	61.706	2.602
16 - Hemp and flax (1)	40.953	51.873	54.604	1.333
17 - Flour mills and edible paste factories (5)	14.248	20.641	24.866	1.745
18 - Sugar and distilleries (5)	16.288	22.514	27.792	1.706
19 - Sweetmeats (1)	30.398	21.025	40.532	1.313
20 - Electrical (20)	7.723	11.782	13.758	1.781
21 - Rubber and connected industries (1)	22.605	23.686	91.642	4.054
22 - Sea transport (1)	27.500	27.036	62.500	2.273
23 - Rail and tramway transport (5)	9.425	8.415	4.062	0.431
24 - Telephones (3)	7.633	9.364	12.838	1.682
25 - Aqueducts (7)	8.965	7.500	11.378	1.269
26 - Agricultural (7)	9.294	9.842	10.434	1.121
27 - Real estate (5)	15.800	16.760	12.202	0.772
28 - Miscellaneous (1)	18.061	24.286	45.910	2.547
General Index Number (122)	12.689	15.880	22.740	1.792

1947 for each 100 lire of capital invested in January 1938, we find, for the 122 securities under consideration, an average yield of 22.74, ranging from a minimum of zero for shipbuilding securities to a maximum of 91.642 for shares in the rubber industry. The percentage yield referred to year end making-up prices for 1947 amounted, for the securities under consideration, to 1.792%, ranging from a maximum for the rubber industry (4.054) to a zero percentage for the shipbuilding industry.

If instead of examining the average index numbers for the several groups, we examine those for the individual securities, we find in some cases a very high index of capitalisation which amply offsets the effects

of currency depreciation. Thus, for instance, for some textile securities the capitalisation index in 1948 stood at 70.588 (*Cotonificio V. Olcese*), at 60.666 (*Cotonificio Valle Ticino*), at 58.524 (*Manifatture cotoniere meridionali*), at 62.738 (*Fisac*). The lowest index numbers are those for the engineering industries, with the exception of the *Dalmine* (29.203). In the case of electric power companies, share capitalisation indexes are very low indeed, and only the *Edison* and the *Romana di Elettricità* exceeded the average for the group. The fact that the index numbers of share capitalisation in the Italian electric power companies — formerly the best Italian investments — have fallen so low, while other securities that were not always profitable show such a high capitalisation index, calls for an explanation.

5. — If we take the trouble to compare the index of capitalisation considered above with that for industrial production, we find, for instance, that the production index in the electric power industry in 1948 stood at 149 (1938=100) as against a capitalisation index of 11.782; that the production index for the gas industry stood at 144 while the capitalisation index was 9.042 (*Italgas*); that the production index for petroleum by-products stood at 124 and that for capitalisation at 14.318. On the other hand, in the textile industries, whose production index in 1948 stood at 91, the index of capitalisation exceeded 30, ranging between a maximum of 51.873 and a minimum of 25.595; in the paper industries the production index stood at 74 and that of capitalisation at 32.887. In some cases, as in the metal and chemical industries, low production index numbers are matched by low indexes of capitalisation. On comparing these figures, one notes that in several cases a high production index is accompanied by a low index of capitalisation; and, viceversa, a high capitalisation index is accompanied by a low production index. This phenomenon is a sign of abnormal market conditions under which industrial profits are due to scarcity of supplies and price policy rather than to a high level of output. A typical case is the paper industry which in 1947 and 1948 clearly secured large profits by charging very high prices, made possible by the lack of adequate market competition. Indeed, an examination of the prices for paper in 1947 and 1948 soon enables us to identify the source of the excess profits made by the paper mills. As against an average wholesale price index of 5159 in 1947 and 5443 in 1948, the wholesale price index for the paper mills stood at 7574 and 5857 respectively. Again, in the textile industries, the price index for 1947 stood at 7338 and for 1948 at 5920. But in the case of mineral oils — subject to price controls — the index stood at 2356 in 1947 and at 3732 in 1948, while for the electric power industries the price index for 1947 stood around 1400 and it was only towards the end of 1948 that it rose to 2400. In the gas industry also prices were regulated in much the same way as those for electric power.

This abnormal situation in highly important branch-

TABLE IV

INCREASE IN CAPITAL BY NEW INVESTMENTS; CONSISTENCY OF COMPANIES FACE CAPITAL IN 1947 AND 1948; ESTIMATED VALUE OF SHARE CAPITAL AT AVERAGE MAKING-UP PRICES ON 31.XII.1948 (millions of lire)

Groups of Shares (122 leading companies)	1947		1948		Share value at average making-up prices on 31-XII-48	% of face capital referred to share value at average making-up prices on 31-XII-48	% of new investments on	
	New investments	Consistency of face capital on 31-XII	New investments	Consistency of face capital on 31-XII			Face capital 1948	Share value at average making-up prices 1948
1 - Financial (4)	1,513	3,933	2,241	7,020	31,883	22.0	31.9	7.0
2 - Insurance (5)	1,290	2,207	2,140	6,092	10,631	31.0	35.1	10.9
3 - Mining and quarrying (4)	125.9	676.2	474	1,192.7	7,456	16.0	34.7	5.6
4 - Heavy engineering (4)	5,875	11,270	—	11,450	27,130	47.2	—	—
5 - Light engineering (11)	5,173	9,456	8,924	17,881.5	28,383	63.0	49.9	31.4
6 - Shipbuilding (2)	1,000	1,450	—	1,450	1,480	98.0	—	—
7 - Electrical engineering (2)	—	197	591	1,576	1,961	80.4	37.5	30.1
8 - Industries processing non-metallic ores (3)	227	867.5	500	2,567.5	18,534	13.9	19.5	2.7
9 - Chemicals (3)	4,620	13,100	12,260	25,840	60,046	43.0	47.4	20.4
10 - By-products of petroleum (2)	—	754.9	—	774.5	10,440	7.4	—	—
11 - Paper (3)	—	661	—	1,448	9,667	—	—	—
12 - Cotton (12)	402	2,015.7	80	3,033.6	73,142	—	2.6	0.1
13 - Wool (5)	122	580	340	920	14,471	6.4	37.0	2.3
14 - Silk (3)	—	116.3	—	466.5	4,383	10.6	—	—
15 - Synthetic fibres (2)	—	2,150	4,200	9,500	50,429	18.8	44.2	8.1
16 - Hemp and flax (1)	510	680	—	1,088	10,336	10.5	—	—
17 - Flour mills and edible paste factories (5)	—	142.4	—	142.4	3,140	4.5	—	—
18 - Sugar and distilleries (5)	—	685.6	—	326.8	23,498	1.4	—	—
19 - Sweetmeats (1)	223	312.5	—	312.5	2,504	12.0	—	—
20 - Electrical (20)	13,832	40,807	6,695	95,688	178,204	53.7	7.0	3.8
21 - Rubber and connected industries (1)	2,750	4,950	5,000	10,000	24,600	40.7	50.0	20.3
22 - Sea transport (1)	—	43.1	—	43.1	7,579	2.7	—	—
23 - Rail and tramway transport (5)	523.2	1,347.4	—	1,347.4	2,843	47.4	—	—
24 - Telephones (3)	530	1,740	2,640	7,600	17,804	42.7	34.7	14.8
25 - Aqueducts and gas (7)	894	3,990	2,946	10,209	14,925	68.4	28.9	19.7
26 - Agricultural (7)	—	198.3	—	198.8	1,491	13.3	—	—
27 - Real estate (5)	349.8	1,070.2	712	2,914.8	13,951	20.9	24.4	5.1
28 - Miscellaneous (1)	—	36	—	36	856	4.2	—	—
Grand total (122)	40,076.2	105,205.9	49,683	224,060.3	648,917	34.5	22.2	7.7

of Italian production leads to consequences which cannot be ignored when making a valuation of Italian production, especially if the problem of industrial investments is also being considered.

For this purpose we have thought it advisable to ascertain for the years 1947 and 1948 the amounts of fresh capital brought into the 122 companies for which we have calculated the capitalisation index.

The largest subscriptions of fresh capital have been secured in the light engineering, chemical, electrical, water and gas supply, rubber and synthetic fibre companies. If the companies belonging to the two last named industries are excluded, it is clear that those which in 1947 and 1948 invited new capital subscriptions are precisely those with the lowest capitalisation index numbers, i.e. businesses in which investment is least profitable.

Companies with a high index number for share capitalisation and yield have not called for new capital, which would suggest that they can finance themselves adequately. If we consider the debenture issues during 1947-1948, we find that in 1947 they only amounted to 2.2 milliard lire but rose in the second year to 35.2 milliard lire. Here again the issues were put out especially by the light engineering trades (15.7 milliards in the two years), the electrical industries (10 milliards) and the chemical industries (5.8 milliards).

Thus the fresh capital subscribed to the most important Italian share-companies (122) in 1948 amounted to 84.9 milliard lire, a far from negligible figure if we take into account the additional investments in all the other concerns, the undistributed profits, short and long-term investments by the State and other financing bodies.

STATISTICAL APPENDIX

ITALIAN BUDGET SUMMARY

(in milliards of lire)

Table A

Fiscal year 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			Ordinary expenditure	Extraordinary expenditure							
1938-39	27	9	28	3	31	23	17	40	2.8	43	- 12	+ 2	- 11.8
1945-46	125	3	128	92	220	160	349	509	44	553	- 381	+ 48	- 333
1946-47	346	6	352	335	687	318	614	932	203	1,235	- 580	+ 31	- 549
1947-48	674	154	828	200	1,028	615	932	1,547	265	1,812	- 784	+ 65	- 719
July 1948 - May 1949 (a)	826	72	898	29	927	725	653	1,378	86	1,464	- 480	- 57	- 537

(a) The Minister of Finance, in his speech to the Chamber on July 5, 1949, stated that the deficit for the fiscal year 1948-49 amounted to 521 million lire, and that the deficit for the fiscal year 1949-50 has been calculated at 207 milliard lire.

Source: *Bollettino Mensile* of the Central Institute of Statistics.

ITALIAN INTERNAL NATIONAL DEBT

(in milliards of lire - Index Numbers, 1938=100)

Table B

End of period	Consolidated and others		Redeemable debt		Floating debt				Notes of the State	Total of internal national debt		
	Amount	I.N.	Amount	I.N.	Treasury bills	Interest bearing current accounts	Advances by the Bank of Italy	Total		Amount	I.N.	
								Amount				I.N.
1938 June	53	100	49	100	9	20	1	30	100	133.5	100	
1945 "	53	100	206	420	157	93	331	581	1,936	847.3	635	
1946 "	53	100	278	562	239	146	343	728	2,426	1,066.3	799	
1947 "	53	100	429	875	279	175	366	820	2,733	1,308.6	980	
1948 "	53	100	419	856	483	276	473	1,233	4,110	2,112.1	1,282	
1949 January	53	100	417	851	661	342	471	1,426	4,920	2,034	1,484	
February	53	100	417	851	691	357	470	1,518	5,060	1,996.1	1,495	
March	53	100	392	800	720	370	470	1,560	5,200	2,013.3	1,509	
May	53	100	392	800	746	402	470	1,618	5,393	2,071.4	1,551	

Source: *Bollettino Mensile* of the Central Institute of Statistics.

PRINCIPAL ASSETS AND LIABILITIES OF THE BANK OF ITALY

Table C

Item	December 31, 1938		December 31, 1946		December 31, 1947		1948				March 31, 1949		
	milliards of lire	%	milliards of lire	%	milliards of lire	%	June 30		December 31		milliards of lire	%	
							milliards of lire	%	milliards of lire	%			
Assets													
Gold	3.8	16.8	3	0.7	5	0.5	5	0.5	1.3	0.9	1.3	0.9	
Foreign Exchange deposited abroad	—	—	8.7	1.2	12.8	1.2	13.1	1.2	17.2	1.3	31.2	2.3	
Cash	5	20.4	1.1	0.2	1.3	0.1	1.3	0.1	1.5	0.1	1.7	0.2	
Bank lendings to the Government (a)	5.5	24.3	594.5	85.3	720.6	74.7	825.0	77.3	876.6	66.7	872.1	64.5	
Sundry debtors (b)	—	—	9.5	1.4	49.2	5.1	94.9	8.9	213.8	16.3	267.6	19.8	
Credits to clients	12.9	56.4	63.6	9.1	171.5	17.7	117.6	10.6	180.7	13.7	165.1	12.2	
Other assets	1.1	5	18.8	2.7	9.9	1.0	12.7	1.2	22.9	1.7	11.4	0.8	
Total	22.8	100.0	696.9	100.0	965.0	100.0	1,066.7	100.0	1,314.0	100.0	1,350.4	100.0	
Liabilities													
Note circulation	18.9	83.09	505.0	72.5	788.1	81.7	815.9	76.5	963.0	73.3	892.1	66.0	
Sight drafts	0	3.9	15.1	2.2	16.2	1.7	16.6	1.5	17.9	1.4	17.3	1.3	
Demand Deposits	0.8	3.6	59.1	8.5	52.5	5.4	56.0	5.2	68.0	5.2	100.9	7.4	
Tied Deposits	0.3	1.5	106.0	15.2	86.5	9.0	149.7	14.0	164.0	12.5	194.2	14.3	
Counterpart Lira-Fund	—	—	—	—	—	—	17.3	1.6	58.1	4.4	112.6	8.3	
Other liabilities	1.8	7.9	11.6	1.7	22.5	2.3	31.1	2.9	42.9	3.3	33.6	2.4	
Total	22.8	100.0	696.9	100.0	965.1	100.0	1,066.7	100.0	1,314.0	100.0	1,350.3	100.0	

(a) Includes: Government securities, advances to the Treasury, advances on Allied Forces account, current account with the Treasury, sundry credits on Government account, gold deposited abroad due by the State; (b) Mainly, advances to the Italian Exchange Office for export financing; (c) Includes: inland bills, bills for collection, advances.

Source: *Bollettino* of the Bank of Italy.

Statistical Appendix

Table D

DEPOSITS AND CURRENT ACCOUNTS IN ITALIAN ORDINARY BANKS (a) AND POSTAL SAVINGS BANKS

End of period	Ordinary Banks				Postal Savings Banks				
	Time and Demand deposits		Current Accounts (b)		Total		Deposits and current accounts		
	Millions of lire	Index Number	Millions of lire	Index Number	Millions of lire	Index Number	Millions of lire	Index Number	Percent ratio to deposits and c/a of ordinary Banks
1938	38,037	100	17,495	100	55,532	100	30,368	100		54.68
1945	240,609	632.5	165,977	948.7	406,586	732.1	104,755	344.9	25.76
1946	368,249	968.1	329,806	1,885.1	698,055	1,257.0	165,404	544.6	23.69
1947 Dec.	528,516	1,389.4	485,373	2,774.3	1,013,889	1,825.7	231,817	763.3	22.86
1948 March	601,800	1,582.1	527,708	3,016.3	1,129,508	2,033.9	271,036	892.5	23.99
June	651,375	1,712.4	609,763	3,485.3	1,261,138	2,271.0	304,353	1,002.2	24.13
Sept.	740,492	1,946.7	664,620	3,798.6	1,405,112	2,530.2	340,107	1,116.9	24.20
Dec.	805,497	2,117.6	714,781	4,083.6	1,520,278	2,737.6	380,184	1,251.9	25.00
1949 January	825,322	2,169.7	737,166	4,213.5	1,562,488	2,813.6	380,557	1,239.3	25.64
February	831,741	2,186.6	747,621	4,273.3	1,579,362	2,844.0	380,516	1,239.5	26.33
March	845,176	2,221.9	774,422	4,426.5	1,619,598	2,916.5	380,516	1,239.5	26.33
April	846,695	2,225.9	773,109	4,419.0	1,619,804	2,916.8	380,516	1,239.5	26.33

(a) Public Law Credit Institutes, Banks of National Interest, Ordinary Credit Banks, Peoples' Co-operative Banks, Savings Banks and Pledge Banks of 1st Category.

(b) Inter-bank current accounts are excluded.

Source: *Bollettino* of the Bank of Italy.

BANK CREDITS IN ITALY, BY BUSINESS BRANCHES

(Banks of National Interest and Public Law Credit Institutes) (a)

Table E

Business Branches	December 31, 1938		December 31, 1947		December 31, 1948		I.N. (11.XII.38=1)
	million lire	% of total	million lire	% of total	million lire	% of total	
1. Personal (professional, consumer, etc.)	1,378	8.98	16,161	4.50	18,619	3.47	14
2. Public Institutions (Institutions for specialised activities excluded)	1,710	11.24	15,354	4.28	17,350	3.23	10
3. Banks, exchanges, fin. and ins. Cos.	1,012	6.62	26,864	7.49	41,124	7.66	40
4. Transport and communications	277	1.80	12,021	3.35	13,903	2.59	50
5. Electric power, gas, water	229	1.49	7,734	2.15	4,815	0.89	21
6. Hotels, entertainments	99	0.64	1,665	0.46	3,388	0.63	34
7. Building and property, public works, land-reclamation	2,011	13.10	19,657	5.48	23,212	4.32	12
8. Agriculture and agricultural equipment and supply trades	670	4.36	12,805	3.57	37,848	7.05	56
Industry and wholesale trade in:							
9. Grain, foodstuffs, drink	2,040	13.29	91,016	5.45	142,753	26.72	70
10. Wood and related products	925	6.02	6,909	1.92	10,027	1.85	45
11. Non-metallic mineral ores	521	3.39	13,182	3.67	28,663	5.34	55
12. Steel, metal and engineering products	2,114	13.78	47,225	13.10	68,690	12.82	32
13. Chemical products	304	1.98	20,062	5.59	19,974	3.70	66
14. Paper and printing	171	1.11	5,316	1.48	7,439	1.38	44
15. Hides and skins	287	1.87	7,597	2.11	13,988	2.60	49
16. Textile products and clothing	997	6.49	38,227	10.65	59,277	11.05	59
17. Other trades and industries	69	0.44	3,342	0.93	6,258	1.26	28
18. Retail trade and miscellaneous services	552	3.40	13,507	3.76	18,418	3.43	35
Total	15,341	100.0	358,644	100.0	536,246	100.0	37

(a) For the aggregate of Italian banks we have at yet no figures for the total credits outstanding on 31 December 1948, distributed among the various branches of economic activity. We give here the figures for the three Banks of National Interest and the five Public Law Credit Institutes, which at the end of 1938 jointly held 42.5% of the total deposits in all Italian banks, and at the end of 1948 held 46.3%. For purposes of comparison we also give the figures for outstanding credits on 31 December 1938 and 31 December 1947.

Source: Report of the Governor of the Bank of Italy for 1948.

Table F

OFFICIAL DISCOUNT RATES AND INTEREST RATES ON BANK OF ITALY ADVANCES
(per cent per annum)

In effect, beginning	Discount rate	Interest rate
September 9, 1935	5.00	5.00
May 18, 1936	4.50	4.50
September 11, 1944	4.00	4.50
September 6, 1947	5.50	4.50
April 9, 1949	4.50	4.00

Source: Bollettino of the Bank of Italy.

INTEREST RATES ON TREASURY BILLS
(per cent per annum)

Table G

In effect, beginning	1-2 months	3-4 months	5-6 months	7-9 months	10-12 months
August 1, 1935	—	—	—	—	5.00
July 1, 1936	3.25	3.75	4.25	4.75	5.00
September 10, 1942	—	3.00	3.25	3.75	4.00
March 20, 1943	3.25	3.75	4.25	4.75	5.00
September 20, 1944	2.75	3.25	3.75	4.25	4.50
September 21, 1947	3.25	3.75	4.25	4.75	5.00
April 9, 1949	2.75	3.25	3.75	4.25	4.50

(a) 12 months only.

Source: Bollettino of the Bank of Italy.

CARTEL RATES FOR PRINCIPAL ACTIVE AND PASSIVE BANKING TRANSACTIONS
(Per cent per annum)

Table H

Maximum authorised rates for passive transactions	April 1, 1934 to Oct. 1, 1944	Effective Feb. 16, 1945	Minimum authorised rates for active transactions	Sept. 6, 1947 to April 8, 1949	Effective April 9, 1949
Interest-bearing deposits			Blank credits:		
Free deposit accounts	1.50	50	a) current account	9.50	8.50
Free savings books:			b) direct IOU's discount	8	7
a) small savings	2.50	1.50	c) bills of exchange discount	7.75	6.75
b) ordinary savings	2	1	Advances & assisted credits:		
Time-deposit savings books:			a) guaranteed by State securities and similar	5.50	4.50
a) for three months or less than 6 months	2.50	1.50	b) guaranteed by money deposited		
b) for 6 months or longer	3	2	1) in current account	7.50	6.50
Free savings deposit books for unlimited time, but at reciprocal notice:			2) direct IOU's discount	6.50	5.50
a) 3 months or less than 6 m.	2.50	1.50	c) guaranteed by non-State securities, goods, etc.:		
b) 6 months or longer	3	2	1) current account	8.75	7.75
Interest-bearing bonds:			2) direct IOU's discount	7.75	6.75
a) term 3 months or less than 6 months	2.50	1.50	Discount of drafts on Italy:		
b) term 6 months or more	3	2	1) not over 4 months	7	6
Correspondence current accounts			2) 4 to 6 months	7.50	6.50
Free accounts	1.50	50	3) over 6 months	8	7
Reciprocal accounts	2	1.50	Loans on farm produce:		
Time accounts:			1) pooled	7.25	6.25
a) for 3 months or less than 6 m.	2.50	1.50	2) restricted	8.25	7.25
b) for 6 months or longer	3	2	Official discount rate	5.50	4.50
c) for unlimited time with reciprocal 90 days notice	2.50	1.50	Interest rate on Bank of Italy advances	4.50	4.00

Source: Bollettino of the Bank of Italy.

NOTE CIRCULATION, PRICES, WAGES AND SHARE QUOTATIONS IN ITALY
(Index, 1938=100)

Table I

Year or month	Note Circulation (a)		Wholesale Prices (c)	Cost of Foodstuffs (c)	Cost of Living (c)	Wage Rates in industry (c)	Share quotations (b)	Fine gold	
	Amount (b) (milliards of lire)	Index						Price of one gram (lire) (d)	Index
1945 December	389.8	1,732	—	—	2,764	—	517	823	3,165
1947 December	795.0	3,537	5,526	6,196	4,929	5,105	1,206	827	3,180
1948 March	804.8	3,577	5,318	6,206	4,919	5,133	1,272	982	3,777
June	823.0	3,674	5,142	6,111	4,835	5,135	1,091	848	3,261
September	869.7	3,865	5,767	6,162	4,910	5,427	1,333	936	3,600
December	970.9	4,316	5,696	5,969	4,967	5,425	1,378	993	3,827
1949 January	926.7	4,119	5,698	5,911	4,985	5,425	1,785.8	1,077	4,142
February	911.1	4,049	5,656	5,799	4,958	5,421	1,797.4	1,115	4,288
March	900.2	4,000	5,557	5,686	4,980	5,424	1,809.5	1,053	4,057
April	912.0	4,053	5,393	5,318	5,052	5,426	1,614.7	1,046	4,023
May	899.0	3,995	5,283	5,435	5,047	5,426	1,572.4	1,044	4,015

(a) End of year or month. Includes: Bank of Italy notes, Treasury notes, and A-M lire; (b) Bollettino di Banca di Italia; (c) Bollettino Mensile and Bollettino dei Prezzi issued by the Central Institute of Statistics; (d) Concern's Statistics Centre of Florence.

PRICES AND YIELDS OF ITALIAN SECURITIES BY MAIN CATEGORIES

Table L

Year or month	Government Securities						Share Securities (quoted on the Milan Stock Exchange)			
	Bonds		Treasury Bills		Average		Price		Yield	
	Price (index number '38=100)	Yield (per cent per annum)	Price (index number '38=100)	Yield (per cent per annum)	Price (index number '38=100)	Yield (per cent per annum)	Price (index number '38=100)	Yield (per cent per annum)	Price (index number '38=100)	Yield (per cent per annum)
1938	100.0	5.40	100.0	5.37	100.0	5.07	100	5.33	100	5.17
1945	105.3	5.13	112.3	4.78	91.3	5.55	98.2	5.43	781.7	0.54
1947	94.4	5.72	96.1	5.59	73.7	6.88	86.5	6.16	2,235.8	0.48
1948 March	95.4	5.66	75.2	7.14	35.2	5.99	81.5	6.55	1,337.0	1.53
June	101.1	5.34	87.0	6.17	95.7	5.30	92.5	5.76	1,130.4	3.13
September	102.1	5.29	86.3	6.22	97.3	5.21	92.7	5.75	1,432.8	2.24
December	102.7	5.56	87.9	6.11	95.7	5.62	92.7	5.84	1,468.2	2.72
1949 January	103.6	5.21	86.3	6.22	95.8	5.29	92.2	5.78	1,785.8	2.44
February	104.6	5.16	87.0	6.17	97.3	5.21	93.2	5.72	1,797.4	2.42
March	104.7	5.16	89.8	5.38	99.0	5.12	95.2	5.60	1,809.5	2.56
April	105.1	5.14	92.6	5.80	100.4	5.05	96.9	5.50	1,614.7	3.20
May	105.3	5.13	93.4	5.75	102.0	4.97	98.3	5.42	1,512.3	3.63

Source: Bollettino of the Bank of Italy.

WHOLESALE PRICES BY GROUPS OF COMMODITIES
(Index, 1938=100)

Table M

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	Paper goods	Lumber	Bricks, Lime and Cement	Glass
		Vegetable	Animal									
1947 June	5,329	4,185	9,085	6,988	6,796	5,066	3,592	5,565	9,105	7,741	6,060	4,608
December	5,526	4,393	8,035	6,404	4,953	6,296	4,063	5,815	7,894	6,546	6,309	4,608
1948 March	5,318	4,354	7,720	6,033	4,797	6,009	4,186	6,017	6,751	6,049	6,403	4,608
June	5,142	4,177	7,085	6,172	4,537	5,851	4,342	5,810	5,560	5,893	6,174	4,889
September	5,767	5,303	7,790	5,883	4,723	5,795	4,669	5,846	5,167	5,523	5,994	4,889
December	5,696	5,278	7,678	5,996	5,316	5,712	4,432	5,814	5,164	5,571	5,988	4,889
1949 January	5,698	5,276	7,460	6,065	5,332	5,687	4,313	5,863	5,119	5,608	5,988	4,889
February	5,656	5,230	7,166	6,199	5,303	5,631	4,114	5,855	5,059	5,624	5,981	4,889
March	5,557	5,149	6,968	6,205	5,162	5,647	4,024	5,835	4,981	5,681	5,977	4,889
April	5,393	4,998	6,739	6,178	4,603	5,606	4,029	5,794	4,952	5,747	6,040	4,889
May	5,283	4,978	6,507	6,105	4,459	5,506	3,949	5,720	4,740	5,700	6,119	4,889

Source: Bollettino dei Prezzi of the Central Institute of Statistics.

WAGES AND SALARIES IN ITALY
(Inclusive of family allowances)
(Index, 1938=100)

Table N

Categories	1948				1949				
	March	June	Sept.	Dec.	January	Feb.	March	April	May
<i>Industry:</i>									
Specialised workers	4,917	4,272	4,499	4,497	4,497	4,498	4,499	4,499	4,498
Skilled workers	4,281	4,022	5,195	5,187	5,187	5,190	5,193	5,192	5,192
Ordinary workers and semi-skilled labourers	5,337	5,331	5,619	5,618	5,618	5,623	5,628	5,629	5,629
Labourers	5,790	5,802	6,129	6,134	6,134	6,145	6,151	6,156	6,156
<i>General index of Industry</i>	5,133	5,135	5,416	5,415	5,415	5,421	5,424	5,426	5,426
<i>Land Transport</i>	5,003	5,003	5,303	5,299	5,299	5,305	5,305		
<i>Government Civil Employees:</i>									
Groups A and B (a)	2,487	2,487	2,839	2,839	3,137	3,137	3,137	3,122	3,122
Group C (b)	3,550	3,550	4,054	4,054	4,336	4,336	4,336	4,316	4,316
Subordinate staff	4,028	4,028	4,906	4,906	5,165	5,165	5,165	5,143	5,143
<i>General Index of Government Civil Employees</i>	3,114	3,114	3,601	3,601	3,887	3,887	3,887	3,870	3,870

(a) Administrative and executive grade.

(b) Clerical grade.

Source: *Bollettino dei Prezzi* of the Central Institute of Statistics.

NATIONAL INDEX OF LIVING COST
(1938=100)

Table O

Year or month	All Items	Foodstuffs	Clothing	Heating and lighting	Housing	Miscellaneous
1947 December	4,929	6,196	6,866	2,393	269	4,359
1948 March	4,919	6,206	6,216	2,404	343	4,387
June	4,835	6,111	5,993	2,354	365	4,317
September	4,910	6,162	5,750	2,987	377	4,318
December	4,917	6,149	5,810	3,069	399	4,387
1949 January	4,985	6,221	5,856	3,051	515	4,439
February	4,938	6,164	5,955	3,086	517	4,489
March	4,980	6,194	5,984	3,038	520	4,500
April	5,052	6,302	6,022	3,039	520	4,520
May	5,067	6,324	6,028	3,022	532	4,507

Source: *Bollettino dei Prezzi* of the Central Institute of Statistics.

UNEMPLOYMENT IN ITALY

Table P

Year or month	Employed and pensioned persons seeking other jobs	Housewives seeking first job	Young people under 21 or ex-servicemen seeking first job	Unemployed formerly employed	Total	
						of which women
1948-October	76,781	193,810	306,171	3,175,425	1,752,187	609,205
November	82,501	210,305	344,474	1,293,156	1,930,436	656,841
December	87,386	211,671	363,785	1,498,429	2,161,271	679,502
1949 January	91,036	207,336	380,911	1,547,007	2,226,290	678,271
February	92,919	205,620	391,456	1,492,152	2,182,147	687,895
March	92,073	205,261	395,821	1,440,338	2,133,493	656,596
April	88,948	195,558	379,701	1,373,942	2,038,149	635,445
May	87,181	193,077	379,874	1,325,057	1,987,189	613,835

Source: Ministry of Labour.

ITALIAN INDUSTRIAL PRODUCTION INDEX (a)
(monthly average 1938=100)

Table Q

Year or month	General Index	Mining	Manufactures								Elec. power	
			Total	Textiles	Lumber	Paper	Rubber	Chemicals	Petroleum and coal products	Non-metallic minerals		Metalurgical
1947 Average	93	95	85	92	67	70	91	83	82	90	75	134
January	71	75	64	78	56	53	64	56	57	73	50	105
February	67	78	61	74	53	57	62	52	54	66	47	94
March	83	94	76	88	65	66	87	70	50	75	61	119
April	93	90	86	96	80	70	93	70	59	86	78	134
May	104	96	95	102	80	76	98	95	91	92	90	156
June	103	99	93	98	77	74	96	100	94	93	86	154
July	110	112	99	109	78	83	109	99	91	97	92	164
August	93	99	82	79	64	67	66	98	86	100	79	149
September	100	108	93	104	74	78	107	93	104	83	77	135
October	105	112	98	107	68	85	111	95	112	113	85	137
November	94	96	87	88	58	69	99	93	103	106	80	129
December	91	88	82	82	52	62	100	90	122	100	73	137
1948 Average	98	88	89	91	54	74	102	93	124	94	86	149
January	88	84	79	85	50	60	92	78	87	99	70	137
February	87	85	79	82	50	66	97	79	112	86	77	133
March	94	91	86	86	58	74	95	88	118	86	89	137
April	96	93	88	89	64	74	99	88	104	96	90	140
May	97	86	82	82	53	67	89	102	102	95	96	154
June	100	90	90	86	60	71	87	94	117	93	104	158
July	103	90	91	91	54	73	96	103	103	97	100	160
August	95	87	84	73	42	64	71	108	180	97	81	153
September	100	99	100	98	56	88	115	107	153	100	104	160
October	106	95	98	101	54	90	120	99	145	102	95	152
November	102	87	95	96	53	92	116	99	152	96	91	147
December	102	88	94	94	50	90	117	99	154	98	93	150
1949												
January	95		88	90	52	90	108	94	152	80	78	139
February	91		86	90	50	85	111	90	132	85	78	119
March	97		94	99	58	95	106	93	166	99	82	118

(a) We give in this Table the Italian industrial production index with base 1938=100 as calculated by the Central Institute of Statistics and published for the first time in the April 1949 issue of the Monthly Bulletin of Statistics. These data are to be considered indicative; see also the article of E. Battara in this issue, p. 118.

Source: *Bollettino Mensile* of the Central Institute of Statistics, 1949.

SOURCES OF POWER: SUPPLY AND CONSUMPTION (a)

Table R

	1938		1947				1948			
	Consumption		Supply	Consumption		Supply	Consumption		Percentage changes in consumption from	
	absolute figures	%		absolute figures	%		absolute figures	%	1938	1947
1. Domestic solid Fuels (thousands of tons.)										
(b)	1,471	3.1	3,352	2,506	5.7	2,548	1,423	3.1	- 3.9	- 43
2. Imported Coal (thousands of tons.)	12,133	46.7	10,007	8,340	32.0	9,821	8,576	32.5	- 29.3	+ 13
3. Electric Power (millions of kWh)										
(c)	12,982	37.6	19,170	16,295	46.9	21,068	17,908	50.7	+ 37.9	+ 10
4. Petroleum Products (thousands of tons.)	2,182	12.6	3,107	2,682	15.4	3,820	2,440	13.8	+ 11.8	- 9
Total		100.0			100.0			100.0		

(a) The data on consumption have been calculated by subtracting from the total available supplies the aggregate stocks remaining at the end of the year.

(b) Sulcis coal, anthracite, lignite.

(c) Thermoelectric power is excluded.

Source: Report of the Governor of the Bank of Italy for 1948.

ITALY'S GROSS NATIONAL PRODUCT AND NATIONAL INCOME: 1938, 1947 AND 1948
 (milliards of 1948 lire and millions of 1948 dollars) (a)

Table I

	1938		1947		1948	
	Lire	Dollars	Lire	Dollars	Lire	Dollars
National income at factor cost	6,000	10,434	5,030	8,782	5,400	9,391
Plus: maintenance	360	974	560	974	560	974
Equals: gross national product	6,360	11,408	5,610	9,756	5,960	10,365
Plus: excess of imports (visible and invisible) over exports	45	078	468	813	235	408
Equals: gross resources for domestic use (b)	6,605	11,486	6,078	10,569	6,195	10,773
Less: maintenance	565	974	560	974	560	974
Equals: net resources for domestic use (b)	6,045	10,513	5,518	9,595	5,635	9,800

(a) Current lire have been converted in 1948 lire on the basis of wholesale prices index compiled by *Istituto Centrale di Statistica*. Lire have been converted into dollars at the current exchange rate of 575 lire=1 dollar.

(b) Goods and services for tourists are included.

Source: Columns 1, 3, 6: Report of the Governor of the Bank of Italy for 1948.

ITALY'S NATIONAL ACCOUNTS: 1947 AND 1948
 (milliards of 1948 lire and millions of 1948 dollars) (a)

Table T

	1947		1948	
	Lire	Dollars	Lire	Dollars
National income at factor cost	5,050	8,782	5,400	9,391
Plus: indirect taxes (less subsidies)	430	747	640	1,113
Equals: national income at market prices	5,480	9,530	6,040	10,504
Plus: maintenance	560	974	560	974
Equals: gross national product at market prices	6,040	10,504	6,600	11,478
Plus: imports	877	1,535	852	1,481
Equals: gross availability	6,917	12,029	7,452	12,960
Domestic consumption (private and public)	5,178	9,006	5,525	9,608
Plus: gross domestic investments	1,330	2,313	1,310	2,278
Exports	409	710	617	1,074
Equals: gross availability	6,917	12,029	7,452	12,960

(a) For conversion of current lire in 1948 lire and of lire in dollars see note (b) to precedent table.

Source: Columns 1, 3: Report of the Governor of the Bank of Italy for 1948.

GROSS INVESTMENTS IN ITALY BY SECTORS: 1947 AND 1948
 (milliards of 1948 lire)

Table U

	1947		1948	
	absolute figures	%	absolute figures	%
Agriculture	110	8.27	160	12.2
Industry	380	28.57	460	35.11
Transports and communications	310	23.31	280	21.37
of which:				
Railways	130	9.78	140	10.68
Motor vehicles	70	5.26	50	3.81
Post and telecommunications	25	1.88	30	2.29
Merchant marine	85	6.39	60	4.58
Housing and Public Works	240	18.04	260	19.81
Other (commerce, touring, etc.)	40	3.00	50	3.82
Total fixed investments	1,080	81.20	1,110	83.35
Stocks	250	18.80	100	7.65
Total gross investments	1,330	100	1,310	100

Source: Report of the Governor of the Bank of Italy for 1948.

ITALY'S IMPORTS AND EXPORTS IN 1948
 (millions of lire and dollars)

Table V

Year	Imports				Exports				Surplus (+) or deficit (-)	Percentage ratio of imports to exports
	Current lire	Current dollars	Import price index (in dollars)	In 1938 dollars	Current lire	Current dollars	Export price index (in dollars)	In 1938 dollars		
1949	21,303	1,116	..	..	14,776	773	..	..	- 343	69.3
1949 (1)	21,193	1,100	..	..	14,455	757	..	..	- 353	68.2
1948	11,277	593	100	593	10,497	552	100	552	- 41	93.1
1948 (1)	11,064	582	100	583	8,049	424	100	424	- 158	79.9
1947	9,30,634	1,429	204	700	339,238	666	210	317	- 763	46.6
1948	821,416	1,499	232	646	570,735	1,068	214	498	- 431	71.2

(1) Colonial areas excluded.

Source: Report of the Governor of the Bank of Italy for 1948.

ITALY'S BALANCE OF PAYMENTS IN 1948 - CURRENT ITEMS
 (millions of dollars)

Table X

	1948			1947		
	Credits	Debits	Surplus (+) or deficit (-)	Credits	Debits	Surplus (+) or deficit (-)
Imports and exports of goods (f.o.b.)	1,067.6	1,388.0	- 320.4	665.6	1,326.9	- 661.3
Foreign travel	26.3	2.4	+ 23.9	6.8	0.4	+ 16.4
Freight	128.3	240.0	- 111.7	92.7	254.2	- 161.5
Transport insurance	9.4	5.2	+ 4.2	6.4	5.9	+ 0.5
Income on investments	0.5	12.8	- 12.3	0.3	5.2	- 4.9
Government transactions	20.9	24.2	- 3.3	11.4	14.7	- 3.3
Emigrant remittances	84.9	-	+ 84.9	34.7	-	+ 34.7
Miscellaneous items	68.3	6.3	+ 62.0	11.4	10.2	+ 1.2
Total	1,406.2	1,678.9	- 272.7	828.7	1,617.5	- 788.8

Source: Report of the Governor of the Bank of Italy for 1948.

ITALY'S IMPORTS AND EXPORTS IN THE FIRST QUARTER OF 1949
 (millions of dollars)

Table Y

Month	1949			1948		
	Imports	Exports	Deficit	Imports	Exports	Deficit
January	112.8	94.0	- 18.8	146.7	56.9	- 89.8
February	125.7	90.9	- 34.8	59.9	62.3	- 37.6
March	157.7	100.4	- 57.2	118.5	74.9	- 53.6
April	143.4	86.9	- 56.5	120.3	87.1	- 53.2
Total	539.6	372.3	- 167.3	495.4	281.2	- 214.2

Source: *Statistica del Commercio con l'Estero* of the Central Institute of Statistics.