

# Italy's Net National Product by Regions

(and indices for certain consumption items other than foodstuffs  
and for bank and postal savings deposits)

1. — The official statistical sources available in Italy do not permit of an analysis of the net national income by regions and provinces (1). The national income is not ascertainable by adding up the relative regional and provincial figures, and cannot be broken down into those figures. Nor is it possible to arrive at the income of the individual regions and provinces by applying the same criteria as adopted for the income of the country as a whole (2).

The breakdown by regions and provinces of the *net product of the private sector at factor cost* (for 1951) was first attempted by us in a paper presented to the *Società Italiana di Statistica* in 1953, and was based on laborious personal researches. The attempt was subsequently repeated for the years 1952, 1953 and 1954, and was extended to cover the « public administration » sector also (3). The criteria adopted are indicated in the methodological note appended to the present article (p. 229). We would here merely remark that, as it was not possible to arrive at a breakdown of the income by any direct me-

thod, we were obliged to have recourse to a series of indirect indices (salaries and wages, motor vehicles in circulation, consumption of electric power, etc.) which could be regarded as sufficiently indicative of the regional and provincial product as a whole. We then calculated the percentage share of each province and region in the total for the whole of Italy *for the indices thus selected*, and we used these percentages to arrive at the breakdown by provinces and regions of the net national product as calculated from the official statistics.

It was thus possible, for the first time in Italy, to make available data which we consider to be roughly indicative of the national income at the regional and provincial level; and even though such data must necessarily contain a margin of uncertainty, they may be helpful in assessing, even if only in a very approximate manner, the order of importance of certain problems which at present bulk large in the sphere of Italian economic policy, such as: the economic potentiality of the various regions and provinces; the economic disparities between the regions and provinces of the North, Centre and South; comparative development in the various areas from the pre-war period down to the present day; the extent to which the structure of the various zones is predominantly agricultural or industrial; etc.

This article is an abridged version of the studies previously published by us and, in particular, of the most recent one, namely that relating to the year 1954. In order to permit of certain comparisons the figures for 1954 — the statistics for 1955 are not yet available — have been placed side by side with those for 1953 and 1938. In general the analysis is confined to the regions. Refe-

(1) Italy is at present divided into 18 regions (19 including *Valle d'Aosta*, which is here assimilated to the regions) and into 92 provinces.

(2) In Italy the national income is calculated on the system of « value added ». As is known, the « value added » is obtained by subtracting from the total goods and services produced during a given period the quantities re-employed and services used in the productive process. By subtracting from the « value added » the depreciation allowances, one arrives at the net product at factor cost.

(3) The results of these studies for the years 1952, 1953 and 1954 were published in No. 22 (2nd quarter 1953), No. 26 (2nd quarter 1954) and No. 31 (3rd quarter 1955) of the Italian Review « *Moneta e Credito* » (an Italian Quarterly edited by the Banca Nazionale del Lavoro), under the title « *Calcolo del reddito del settore privato e della pubblica amministrazione nelle provincie e regioni d'Italia e indici di alcuni consumi e del risparmio bancario e postale* ». For the year 1951, see a paper presented to the *Società italiana di Statistica* (Rome, 8th/9th January 1953).

rence will be made to the individual provinces only to the extent necessary to bring out any features of particular interest. Our examination falls into two parts: 1) distribution by regions of the national product and of its most important components: agriculture, industry, trade, public administration, etc.; 2) territorial analysis of certain consumption items other than food, and territorial distribution of bank and postal savings deposits.

### 1. Calculation of the national income by regions.

2. — Let us first glance at the figures for income, both total and per capita, of the individual regions in 1954, and at their composition by the main economic sectors (agriculture, industry, etc.); we will then draw attention to the most significant changes that occurred between 1938 and 1953-54.

#### A) The income of the various regions in 1954

3. — Table I shows the Italian national income according to the official calculations. For 1954 the figure of which we shall now endeavour to give an analysis by regions is Lire 9,154 milliard, namely the net product of the private sector and of the public administration at factor cost (4).

The total income of the individual regions of Italy in 1954 — calculated according to the criteria indicated in the methodological note below — is shown in Table II. We also show for each region its percentage share in both the overall income and the total population of Italy, in order to give some idea of the economic development in different areas. Finally, we give for each region the population density per square kilometre.

In a graduation based on the level of total income, the first place is taken by Lombardy (in northern Italy), which furnishes almost 22% of the net national pro-

(4) If to the figure of 9,154 milliard we add the total of state and local taxes (1,604 milliard), we arrive at the value of the « net product at market prices » (10,758 milliard). If we then add the net receipts from abroad (23 milliard) and depreciation (1,016 milliard), we reach a total of 11,797 milliard, which is the « gross national income at market prices ».

TABLE I  
ITALY'S NET PRODUCT IN 1953 AND 1954 (\*)

	Milliards of current lire		Percentages		Index numbers 1954 (1953=100)
	1953	1954	1953	1954	
1. Agriculture and forestry . . . . .	2,457	2,407	28.3	26.2	98.0
2. Fishing . . . . .	22	23	0.3	0.3	105.0
3. Ownership of buildings . . . . .	125	138	1.5	1.5	110.4
4. Mines and Quarries . . . . .	82	88	0.9	1.0	107.3
5. Manufacturing Industries . . . . .	2,947	3,119	34.0	34.1	105.8
6. Building . . . . .	178	550	5.5	6.0	115.1
7. Electricity, Gas and Water . . . . .	209	220	2.4	2.4	105.3
8. Transport and Communications . . . . .	531	598	6.1	6.5	112.6
9. Commerce and Sundry Services . . . . .	1,290	1,410	14.9	15.4	109.3
10. Banking and Insurance . . . . .	307	336	3.6	3.7	104.4
<i>Total . . . . .</i>	<i>8,448</i>	<i>8,889</i>	<i>97.5</i>	<i>97.1</i>	<i>105.2</i>
<i>Adjustments: duplications in the private sector (280 milliard) and instrumental services rendered by the Public Administration to the private sector (541 milliard) . . . . .</i>	<i>779</i>	<i>821</i>	<i>9.0</i>	<i>9.0</i>	<i>105.4</i>
<i>Net product of private activities . . . . .</i>	<i>7,669</i>	<i>8,068</i>	<i>88.5</i>	<i>88.1</i>	<i>105.2</i>
<i>Net product of the Public Administration . . . . .</i>	<i>998</i>	<i>1,086</i>	<i>11.5</i>	<i>11.9</i>	<i>108.8</i>
<i>Net domestic product at factor cost . . . . .</i>	<i>8,667</i>	<i>9,154</i>	<i>100.0</i>	<i>100.0</i>	<i>105.6</i>

(\*) Report submitted to Parliament by the Minister of the Budget, On. E. Vanoni, on March 31, 1955.

duct, whereas it contains only 13.8% of the country's total population. Then follows Piedmont (which accounts for 11.53% of the net national product), Latium (8.64%) (5) and Emilia (8.49%) (6). In Lombardy a prominent position is held by the province of Milan, whose income not only accounts for about

(5) The regional data for Latium are of limited significance, since they cover two utterly disparate groups: that consisting of the province of Rome, and that comprising the other four provinces (Frosinone, Latina, Rieti and Viterbo). The regional average is inflated by the data for the province of Rome, while the other four provinces are predominantly agricultural and sparsely populated, and have a low per capita income.

(6) As these percentages do not relate to per capita income, they do not indicate the degree of economic development of the respective regions, but rather their « economic potentiality », and may be of some interest from the point of view of market research.

TABLE II  
ITALY'S INCOME AND POPULATION BY REGIONS IN 1954

Regions	Income		Population (a)	
	Milliards of lire	Percent. of Italian total	Percent. of Italian total	Density per Km <sup>2</sup>
Piedmont . . . . .	1,055.9	11.53	7.40	142
Valle d'Aosta . . . . .	35.2	0.39	0.19	30
Lombardy . . . . .	2,005.7	21.91	13.81	282
Trentino-Upper Adige . . . . .	179.5	1.96	1.54	55
Venetia . . . . .	699.4	7.64	8.04	213
Friuli-Julian Venetia . . . . .	240.7	2.63	2.53	717
Liguria . . . . .	464.7	5.08	3.29	296
Emilia-Romagna . . . . .	777.5	8.49	7.37	162
Tuscany . . . . .	651.5	7.12	6.59	140
Umbria . . . . .	119.7	1.31	1.67	96
Marche . . . . .	201.7	2.20	2.82	141
Latium . . . . .	790.9	8.64	7.20	204
Abruzzi-Molise . . . . .	172.3	1.88	3.49	112
Campania . . . . .	478.9	5.23	9.27	332
Apulia . . . . .	368.6	4.03	6.86	173
Basilicata . . . . .	62.8	0.69	1.33	65
Calabria . . . . .	167.3	1.83	4.32	140
Sicily . . . . .	508.4	5.55	9.50	180
Sardinia . . . . .	172.9	1.89	2.76	56
<i>ITALY . . . . .</i>	<i>9,154.0</i>	<i>100.00</i>	<i>100.00</i>	<i>162</i>
<i>North (b) . . . . .</i>	<i>5,458.8</i>	<i>59.63</i>	<i>44.19</i>	<i>237</i>
<i>Central (c) . . . . .</i>	<i>1,763.8</i>	<i>19.27</i>	<i>18.28</i>	<i>145</i>
<i>South (d) . . . . .</i>	<i>1,250.1</i>	<i>13.66</i>	<i>25.27</i>	<i>164</i>
<i>Islands (e) . . . . .</i>	<i>681.3</i>	<i>7.44</i>	<i>12.26</i>	<i>118</i>

(a) Population on 31st December 1954. Source: *Compendio Statistico Italiano*, 1955, p. 17.

(b) Piedmont, Valle d'Aosta, Lombardy, Trentino-Upper Adige, Venetia, Friuli-Julian Venetia, Liguria, Emilia-Romagna.

(c) Tuscany, Umbria, Marche, Latium.

(d) Abruzzi-Molise, Campania, Apulia, Basilicata, Calabria.

(e) Sicily, Sardinia.

half that of the entire region, but exceeds the income of all other Italian regions, including the industrial regions of the north (Piedmont and Liguria). In the case of both Milan and Lombardy, the percentage share in the total population of Italy is little more than half the percentage share in the total national income; and the population density (282 persons per sq. km.) of Lombardy is among the highest in Italy.

The lowest place is occupied by Basilicata, a mountainous region in the south of the country, which accounts for only 0.69% of the net national product and for 1.33%

of the total population, and has a population density of 65 persons per sq. km. The region is thus not only small, but poor and sparsely inhabited. It is in fact one of the most depressed areas of the south. Basilicata is preceded in the list by Umbria (1.31%) and Calabria (1.83%), the Abruzzi (1.88%) and Sardinia (1.89%).

Descending to the provincial level we find the lowest places in the scale occupied by the provinces of Rieti (in Latium, central Italy) and Enna (in Sicily), which contribute to the net national product to the extent of only 0.26%. The percentage contribution of these provinces is thus about 44 times smaller than that of Milan. It will be seen from the following Table that the seven provinces which make the highest percentage contributions to the net national product together account for 35.11%, whereas the seven provinces which have the lowest percentages together produce only 2.03%:

Provinces with the highest percentage contribution to the net national product		Provinces with the lowest percentage contribution to the net national product	
(Italy = 100)			
	%		%
Milan (Lombardy)	11.77	Enna (Sicily)	0.26
Rome (Latium)	6.95	Rieti (Latium)	0.26
Turin (Piedmont)	5.70	Matera (Basilicata)	0.28
Genoa (Liguria)	3.15	Caltanissetta (Sicily)	0.29
Naples (Campania)	3.00	Teramo (Abruzzi)	0.30
Florence (Tuscany)	2.50	Ragusa (Sicily)	0.32
Bologna (Emilia)	2.02	Benevento (Campania)	0.32
<i>Total</i>	<i>35.11</i>	<i>Total</i>	<i>2.03</i>

Of the seven leading provinces only one (Naples) is in the south, whereas of the seven provinces at the bottom of the scale six are in the south (the seventh, Rieti, being in Latium in central Italy).

The last part of Table II reflects the depressed conditions prevailing in the south: the Islands account for 7% of the total national income, and contain 12% of the total population; for the mainland regions of southern Italy the respective ratios are 13% and 25%; for central Italy 19% and 18%; and for northern Italy 60% and 44%.

TABLE III  
PER CAPITA INCOME OF ITALIAN REGIONS IN 1954

Regions	Lire per capita	Index numbers (Italy = 100)
Valle d'Aosta . . . . .	363,392	193
Lombardy . . . . .	298,384	159
Piedmont . . . . .	293,154	156
Liguria . . . . .	290,087	154
Trentino-Upper Adige . .	239,395	127
Latium . . . . .	225,840	120
Emilia-Romagna . . . . .	216,754	115
Tuscany . . . . .	203,038	108
Friuli-Julian Venetia . .	195,871	104
Venetia . . . . .	178,828	95
Marche . . . . .	147,198	78
Umbria . . . . .	147,029	78
Sardinia . . . . .	128,767	68
Apulia . . . . .	110,369	59
Sicily . . . . .	109,946	58
Campania . . . . .	106,217	56
Abruzzi-Molise . . . . .	101,413	54
Basilicata . . . . .	97,156	52
Calabria . . . . .	79,539	42
<b>ITALY . . . . .</b>	<b>188,118</b>	<b>100</b>
North . . . . .	253,898	135
Central . . . . .	198,289	105
South . . . . .	101,641	54
Islands . . . . .	114,182	61

For 1954 the net national product at factor cost worked out at an average of Lire 188,118 (about \$ 300) per head of the population.

5. — Table IV gives, in percentages, the income composition by main economic branches in each region. The income from agriculture (including stock farming and forestry), which accounts for less than a quarter of the national average (24.1%), reaches 39.4 per cent in southern Italy and 40% in the Islands. In general there is a quite close correlation between agricultural income and total income: those regions in which agricultural income is preponderant are in general the poorest ones. In one region (Basilicata) — the lowest but one in the scale based on per

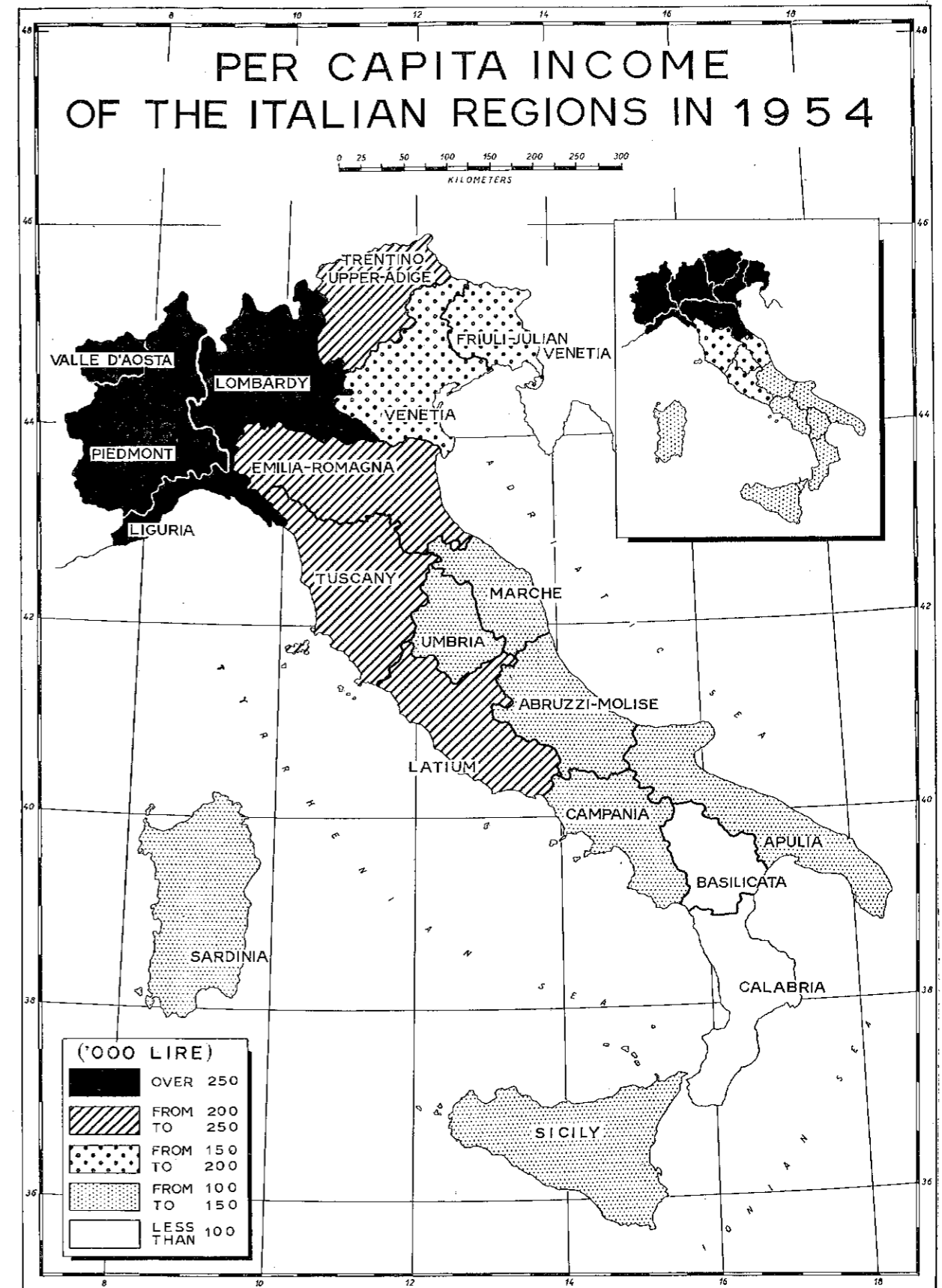
TABLE IV  
PERCENTAGE COMPOSITION BY REGIONS OF NET PRODUCT IN 1954

Regions	Agriculture	Industry, commerce banking	Public Administration	Other sectors (a)	Total
Piedmont . . . . .	18.1	70.5	6.6	4.8	100.0
Valle d'Aosta . . . . .	14.1	76.7	6.4	2.8	100.0
Lombardy . . . . .	12.9	75.6	5.2	6.3	100.0
Trentino-Upper Adige . .	30.1	56.2	9.3	4.4	100.0
Venetia . . . . .	27.8	57.0	9.5	5.7	100.0
Friuli-Julian Venetia . .	18.2	60.0	15.9	5.9	100.0
Liguria . . . . .	11.3	71.6	10.9	6.2	100.0
Emilia-Romagna . . . . .	32.5	52.6	9.5	5.4	100.0
Tuscany . . . . .	21.1	61.7	10.7	6.5	100.0
Umbria . . . . .	33.0	47.4	14.4	5.2	100.0
Marche . . . . .	40.3	41.1	12.0	6.6	100.0
Latium . . . . .	15.1	57.2	19.2	8.5	100.0
Abruzzi-Molise . . . . .	47.5	32.8	13.8	5.9	100.0
Campania . . . . .	28.0	49.0	16.5	6.5	100.0
Apulia . . . . .	46.5	32.2	15.2	6.1	100.0
Basilicata . . . . .	58.1	25.1	12.7	4.1	100.0
Calabria . . . . .	41.6	35.2	18.3	4.9	100.0
Sicily . . . . .	42.1	36.9	15.6	5.4	100.0
Sardinia . . . . .	35.3	43.6	13.3	7.8	100.0
<b>ITALY . . . . .</b>	<b>24.1</b>	<b>58.9</b>	<b>10.9</b>	<b>6.1</b>	<b>100.0</b>
North . . . . .	19.3	67.2	7.8	5.7	100.0
Central . . . . .	21.3	56.4	15.0	7.3	100.0
South . . . . .	39.4	38.8	15.8	6.0	100.0
Islands . . . . .	40.4	38.6	15.0	6.0	100.0

(a) Fishing, ownership of buildings, free professions, industrial, domestic and sundry services.

4. — An examination of the net income per head of the population (Table III) shows still more clearly what is already apparent from Table II, namely that the predominance of the northern regions is not only the consequence of their higher population density but also, and primarily, of a higher per capita income. The region which comes first (excluding Valle d'Aosta which is a rather special case) is still Lombardy (with Lire 298,384), followed by Piedmont (Lire 293,154), Liguria (Lire 290,084), Trentino (Lire 239,395), Latium (Lire 225,840), Emilia (Lire 216,754) and Tuscany (Lire 203,038). At the bottom of the list is Calabria (Lire 79,539), preceded by Basilicata (Lire 97,156), Abruzzi (Lire 101,413), Campania (Lire 106,217) and Sicily (Lire 109,946) (7).

(7) The province which heads the list is that of Milan, with Lire 416,000 per head, while at the foot of the list we find Avellino (in Campania) with not quite Lire 69,000 per head, or only 1/6th of the per capita income of Milan. In the middle of the list there are two provinces of central Italy; Massa Carrara (Tuscany) and Ancona (Marche) with a per capita income of about Lire 168,000.



capita income — agricultural income accounts for over 50% of total income; in five other regions it accounts for over 40% (Abruzzi 47%, Apulia 46%, Sicily 42%, Calabria 41%, Marche 40.3%). There are only three regions (those of the industrial triangle of the north: Lombardy, Piedmont and Liguria) in which agricultural income makes up less than 20% of total income (8); in the remainder the proportion varies between 30% and 40%. These percentages reflect clearly the « mixed » character of the Italian economy, that is to say, the large place occupied by agriculture in almost all the Italian regions.

The net income of the public administration sector accounts for 10.9% of the net national product, but the proportion ranges from 7.8% in northern Italy to 15.8% in southern Italy. In other words, the poorest regions are also, relatively speaking, the most « bureaucratized » (9).

As is natural, it is in the provinces where there is a large urban centre that the contributions of the building sector to the total national product are highest. Thus, we find the provinces of Milan and Rome at the head, with about Lire 16 milliard each (Milan, 11.85% of the total for all Italy; Rome, 11.38 per cent). Then follow Turin with Lire 7.2 milliard; Genoa with 5.5 milliard; and Naples with 5 milliard (10).

(8) In five provinces — all in southern Italy — the agricultural sector furnishes over 60% of the total income (Brindisi 63.6%, Matera 62.3%, Enna 61.4%, Lecce 60.2% and Benevento 60.1%). On the other hand, in seven provinces agriculture provides less than 10% of the total (Trieste 1.3%, Milan 4.4%, Genoa 4.9%, Varese 5.3%, Turin 6.8%, Rome 7.2%, Como 8.8%). All these provinces, with the exception of Rome, are in northern Italy.

(9) The highest figures occur in the case of the provinces of Taranto (28.1%) and La Spezia (26.7%). (At Taranto and La Spezia are the headquarters of the most important commands of the Italian Navy, with arsenals, colleges, etc., etc.). The proportion is also quite high in the case of the province of Rome, where it is 20.6%, or almost three times that of the agricultural sector.

(10) The percentage contribution of the various provinces to the national total of income from ownership of buildings corresponds fairly closely (with few exceptions, e.g. Rome) to their percentage contribution to the total of national income from all sources. This correspondence is observable in the case of both the richer and the poorer provinces, and in both the north and the south. For example, the province of Milan contributes 11.85% of total income from buildings and 11.77% of total income from all sources. A similar parallelism exists

B) Increase in income between 1938 and 1953-54.

6. — In current lire the combined income of the private sector and of the public administration increased between 1938 and 1954 nearly 79 times (Table V), that is to say, to a greater extent than either wholesale prices (+53) or retail prices (+58).

TABLE V

GROWTH OF TOTAL AND PER CAPITA INCOME  
(Current Lire) IN ITALIAN REGIONS FROM 1938 TO 1954:  
INDEX NUMBERS

Regions	Total income			Per capita income		
	1953 (1938=1)	1954	1954 (1953 =100)	1953 (1938=1)	1954	1954 (1953 =100)
Piedmont . . .	72.82	75.57	105.1	72.08	74.10	102.8
Valle d'Aosta . . .	49.09	48.70	99.1	116.38	114.09	98.1
Lombardy . . .	71.32	73.60	105.0	62.42	65.09	104.3
Trentino-Upper Adige . . . . .	96.11	96.72	105.3	82.13	88.37	107.6
Venetia . . . . .	76.33	79.48	107.9	83.55	87.10	104.3
Friuli-Julian Vene- tia . . . . .	128.11	127.99	99.9	80.93	80.94	100.0
Liguria . . . . .	66.58	68.79	103.3	63.18	64.42	102.0
Emilia-Romagna . . . . .	70.66	78.74	111.4	66.69	73.98	110.9
Tuscany . . . . .	124.93	129.15	103.3	73.48	77.14	105.0
Umbria . . . . .	70.34	69.88	99.3	63.21	62.51	98.9
Marche . . . . .	58.61	63.43	105.3	55.42	59.96	108.2
Latium . . . . .	77.81	87.87	107.5	62.60	69.53	111.1
Abruzzi-Molise . . . . .	72.24	75.19		69.22	71.87	103.8
Campania . . . . .	73.17	78.21	106.8	62.37	65.77	105.5
Apulia . . . . .	82.96	88.44	106.5	67.95	71.62	105.4
Basilicata . . . . .	70.46	75.15	106.6	61.30	64.77	105.7
Calabria . . . . .	87.32	85.16	98.1	75.73	73.17	96.6
Sicily . . . . .	107.68	112.19	104.1	77.46	77.05	99.5
Sardinia . . . . .	86.05	92.81	107.8	69.14	73.45	106.2
ITALY . . . . .	74.74	78.94	105.6	66.57	69.72	104.7
North . . . . .	72.94	76.76	105.2	66.76	69.85	104.6
Central . . . . .	74.49	80.89	108.5	65.99	71.02	107.6
South . . . . .	82.72	86.90	105.0	66.64	69.28	104.0
Islands . . . . .	86.85	88.89	102.3	75.59	76.43	101.1

Regions in which the highest percentage increases occurred are to be found in pretty well all parts of Italy. The first and third places are taken by two northern regions (Ve-

in the case of at least seventy other provinces. It might seem reasonable to conclude that the income of the buildings is fairly closely indicative of the provinces' total net income.

ITALY'S NET PRODUCT BY GEOGRAPHICAL AREAS

(Percentages; Italy=100)

TABLE VI

	Agriculture, forestry and fishing			Ownership of buildings			Industry, commerce, banking, ecc.			Free professions and industrial and domestic services			Public Administration			Total Income		
	1938	1953	1954	1938	1953	1954	1938	1953	1954	1938	1953	1954	1938	1953	1954	1938	1953	1954
North . . . . .	49.81	47.09	46.76	55.03	55.11	55.81	69.31	66.99	66.98	57.80	56.68	56.43	45.28	42.47	42.05	61.32	59.85	59.63
Central . . . . .	17.23	16.92	17.44	21.10	21.71	22.94	18.97	18.76	18.82	22.46	24.05	23.97	24.60	25.82	27.17	18.80	18.74	19.27
South . . . . .	21.56	22.56	22.89	16.83	16.89	14.71	7.21	9.27	9.23	12.77	12.29	12.98	19.42	21.67	20.31	13.27	13.73	13.66
Sicily . . . . .	8.90	10.95	10.09	5.76	4.60	5.16	2.66	3.62	3.56	4.00	3.78	3.97	8.26	7.60	8.14	5.00	5.83	5.55
Sardinia . . . . .	2.50	2.48	2.82	1.28	1.69	1.38	1.05	1.45	1.41	2.97	3.20	2.65	2.44	2.44	2.33	1.61	1.85	1.89
Italy . . . . .	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

nezia Giulia +127.9% and Trentino +96%); the second and fourth places by the two Islands (Sicily +112% and Sardinia +92%). Then come two regions in central Italy (Tuscany and Latium) and two in southern Italy (Apulia and Calabria). As regards the broader geographical divisions of the country, however, the most marked percentage increases in income occurred in the south, and to a still greater extent in the Island (Table V).

The greater percentage increases in income which occurred in the south were not, however, such as appreciably to modify the percentage share of the southern regions in the total for the whole of Italy (Table VI). The modifications in this respect appear very limited. The share of southern Italy in the overall net national product rose only from 13.27% in 1938 to 13.66% in 1954 and the

share of the Islands from 6.61% to 7.44%, while the proportion for northern Italy fell from 61.32% to 59.63% and that for central Italy remained at the pre-war level. The relative improvement registered in southern Italy and the Islands was most marked in the non-agricultural branches (industry, trade, credit, etc.) where the share of the south (southern Italy, Sicily and Sardinia) rose from 10.92 per cent in 1938 to 14.20% in 1954. On the other hand, the southern regions showed a percentage reduction in income from buildings; it was the regions of northern Italy, and still more those of central Italy, which gained ground in this field.

Table VII shows the percentage share of the individual economic sources — in 1938, 1953 and 1954 — in the make-up of the total income of the north, the centre and the

ITALY'S NET PRODUCT BY MAIN ECONOMIC BRANCHES

(Percentages; Total Income=100)

TABLE VII

	Agriculture, forestry and fishing			Ownership of buildings			Industry, commerce, banking, insurance			Free professions and industrial and domestic services			Public Administration		
	1938	1953	1954	1938	1953	1954	1938	1953	1954	1938	1953	1954	1938	1953	1954
North . . . . .	23.6	21.0	19.4	5.7	1.3	1.3	57.5	66.0	67.2	4.0	4.1	4.3	9.2	7.6	7.8
Central . . . . .	25.1	22.9	21.6	6.6	1.5	1.6	48.2	56.2	56.4	4.8	5.4	5.4	15.3	14.0	15.0
South . . . . .	43.7	41.3	39.8	7.4	1.6	1.5	28.4	37.6	38.8	3.7	3.6	4.1	16.8	15.9	15.8
Sicily . . . . .	47.2	47.9	43.2	6.6	1.0	1.3	24.5	35.1	36.9	3.1	2.7	3.0	18.6	13.3	15.6
Sardinia . . . . .	40.9	34.1	36.0	4.6	1.2	1.0	30.6	44.1	43.6	6.6	7.2	6.1	17.3	13.4	13.3
ITALY . . . . .	28.3	26.1	24.4	6.1	1.4	1.4	49.4	57.8	58.9	4.1	4.3	4.4	12.1	10.4	10.9

south. Between 1938 and 1954 the decline in the share of agriculture was general and continuous, and occurred in all parts of the country though it was relatively more marked in southern Italy, and still more so in Sicily and Sardinia. What agriculture lost was gained by the industry and trade.

The income of the public administration, like that of agriculture, has fallen appreciably below the 1938 level in all areas. For Italy as a whole it fell from 12% in 1938 to 10.9% in 1954. The net income of the public administration corresponds, broadly speaking, to the total amount of salaries and wages paid to personnel in the employ of the Central Government, local authorities and public bodies. As that personnel has increased considerably in number since 1938 notwithstanding the reduction in the armed forces (11), the percentage reduction in the income of the public administration is to be explained partly by the relatively smaller increases in salaries and wages in that sector as compared with other sectors and partly by the increase in the income of the other branches of economic activity. How these ratios will move in the future is more uncertain, in view of the considerable increases contemplated in the remuneration of state-employed personnel.

7. — The larger percentage increases in income registered in southern Italy and the Islands call, however, for certain qualifications. In the first place, there is the higher rate of population growth in the southern provinces (12). Turning from the increases in total income to the increases in per capita income, it is seen that the advantage on the side of the southern as compared with the

(11) The personnel — both military and civilian — in the service of the state (officials, clerical staff and workers), including that employed by the so-called « autonomous administrations » (such as the State Railways), now numbers about 1,140,000 against 783,000 in 1938.

(12) The higher rate of population growth in the south was for a long time more than offset by emigration. Migration to other countries having been reduced to a very low level (notwithstanding a certain increase in the years since the war), there remained the current of migration to the northern regions of the country. But this current also appears to have been slackening recently. (See N. FEDERICI, *Some Aspects of the Italian Demographic Situation: the First Results of the 1951 Census*, in No. 25, 1954, of this Review).

northern regions completely disappears (Tables V and VIII). The advantage remains however, even though it be less marked, in the case of the Islands, primarily thanks to Sicily. In the second place, the percentage increases in the case of the southern regions are « inflated » by reason of the lower starting-point.

To eliminate these factors Table VIII has been worked out, where the per capita income of the individual Italian regions in 1938, 1953 and 1954 is expressed in 1938 lire, and the differences are calculated not only as percentages but also in absolute figures. As will be seen, the *real per capita income* increased between 1938 and 1954 by about 25% for the country as a whole. The relationships between the percentage increases for the various geographical zones, calculated in 1938 lire, are naturally similar to those in Table V calculated in current lire. For northern Italy the increase is about equal to that in the national average; for central Italy the increase is a little higher; for the Islands it is appreciably higher, while the southern mainland regions are still — even if only slightly — below the national average. The position of the south appears in all its seriousness when the changes that occurred in the net real per capita income between 1938 and 1954 are expressed in absolute figures. By far the greatest increases are seen to have occurred in the north (+ Lire 939 of 1938 purchasing power, between 1938 and 1954). Then follow central Italy (+ Lire 780) and the Islands (+ Lire 563). At the bottom comes southern Italy with Lire 364 per head. These changes however relate to the entire period 1938-1954, and can therefore throw no light on the most interesting point, namely: has the vigorous (and costly) policy of economic development of the south, pursued in the last few years by the government authorities, succeeded in changing the previous trend? And if so, to what extent? According to our enquiries a change of trend has in fact been brought about to such an extent as to reverse the situation which existed up to as recently as 1952, when the increases in income achieved in the south, relatively to 1938, were less than those registered in the north, even when calculated

on a percentage basis and not in terms of the per capita income (13). for the country as a whole; it reached 5.7% in central Italy and was 2% in southern Italy.

GROWTH OF PER CAPITA INCOME BY REGIONS

(In Lire with 1938 purchasing power) (a)

TABLE VIII

Regions	Amount			Index Numbers			Differences		
	1938	1953	1954	1953	1954	1954	Increase in 1953 over 1938	Increase in 1954 over 1938	Increase in 1954 over 1953
				1938=100	1953=100	1953=100			
Piedmont . . . . .	3,956	5,229	5,282	132.1	133.5	101.0	+ 1,273	+ 1,326	+ 53
Valle d'Aosta . . . . .	3,185	6,796	6,547	213.3	205.5	96.3	+ 3,611	+ 3,362	- 249
Lombardy . . . . .	4,584	5,248	5,376	114.4	117.3	102.4	+ 664	+ 792	+ 128
Trentino-Upper Adige . . . . .	2,709	4,080	4,313	150.6	159.2	105.7	+ 1,371	+ 1,604	+ 233
Venetia . . . . .	2,053	3,146	3,222	153.2	156.9	102.4	+ 1,093	+ 1,169	+ 76
Friuli-Julian Venetia . . . . .	2,420	3,592	3,529	148.4	145.8	98.2	+ 1,172	+ 1,109	- 63
Liguria . . . . .	4,503	5,218	5,226	115.8	116.0	100.1	+ 715	+ 723	+ 8
Emilia-Romagna . . . . .	2,930	3,583	3,905	122.2	133.3	108.9	+ 653	+ 975	+ 322
Tuscany . . . . .	2,632	3,547	3,658	134.7	138.9	103.1	+ 915	+ 1,026	+ 111
Umbria . . . . .	2,352	2,727	2,649	115.9	112.6	97.1	+ 375	+ 297	- 78
Marche . . . . .	2,455	2,495	2,652	101.6	108.0	106.3	+ 40	+ 197	+ 157
Latium . . . . .	3,248	3,729	4,069	114.8	125.3	109.1	+ 481	+ 821	+ 340
Abruzzi-Molise . . . . .	1,411	1,791	1,827	126.9	129.5	102.0	+ 380	+ 416	+ 36
Campania . . . . .	1,615	1,847	1,913	114.3	118.4	103.5	+ 232	+ 298	+ 66
Apulia . . . . .	1,541	1,920	1,988	124.5	129.0	103.5	+ 379	+ 447	+ 68
Basilicata . . . . .	1,500	1,686	1,750	112.4	116.7	103.7	+ 186	+ 250	+ 64
Calabria . . . . .	1,087	1,509	1,433	138.8	131.8	94.9	+ 422	+ 346	- 76
Sicily . . . . .	1,427	2,027	1,981	142.0	138.8	97.7	+ 600	+ 554	- 46
Sardinia . . . . .	1,753	2,223	2,320	126.3	132.3	100.3	+ 464	+ 567	+ 7
ITALY . . . . .	2,698	3,294	3,389	122.0	125.6	102.8	+ 596	+ 691	+ 95
North . . . . .	3,635	4,450	4,574	122.4	125.8	102.7	+ 815	+ 939	+ 124
Central . . . . .	2,792	3,379	3,572	121.0	127.9	105.7	+ 587	+ 780	+ 193
South . . . . .	1,467	1,793	1,831	122.2	124.8	102.1	+ 326	+ 364	+ 38
Islands . . . . .	1,494	2,071	2,057	138.6	137.7	99.3	+ 577	+ 563	- 14

(a) Current lire have been converted in 1938 lire on the basis of the wholesale price and cost of living indices (annual averages) as calculated by the Central Institute of Statistics. Between the two indices a simple arithmetical average has been made.

8. — A comparison between 1954 and 1953 (see in particular Tables V and VIII) makes apparent a slight relative regression in the south, momentarily interrupting its progress towards the level of the central and northern regions. The basic explanation lies in the bad harvests of 1954, which obviously had a greater incidence on those regions in which agriculture is the main source of income.

The increase in the net per capita income in 1954, as compared with 1953, was 2.8%

(13) See also our article relating to the year 1953, published in No. 26 (2nd quarter of 1954) of « Moneta e Credito ».

Sicily and Sardinia show a striking contrast. Sardinia improves, while Sicily deteriorates, thus losing a part of the progress it had achieved in 1953 by comparison with 1952. The responsibility for this set-back was, however, attributable solely to agriculture, whose net product fell from 257 milliard in 1953 to 239 milliard in 1954. In all other sectors (fishing, building, industry and trade, the professions and public administration) there was an improvement. There were other regions besides Sicily (Calabria, Umbria) which fell back in 1954 in comparison with 1953, and in their

case also the causes are to be sought in the agricultural field (14).

Between 1953 and 1954 the most marked increases occurred in Latium (+9.1%), Emilia (+8.9%) and Marche (+6.3%). Their source would be clearly visible in an analysis at the provincial level. It would then be apparent that the increases in income were mainly achieved thanks to the seaside and tourist spots. Typical examples are the towns along the Adriatic coast, whose provinces show the largest increases (15). For the province of Rome the increase in income is attributable to all branches of activity, but above all to the building sector, and in the next place to the public administration, industry and trade, tourism (16).

## II. Distribution by regions of certain consumption items other than foodstuffs and of bank and postal savings deposits.

### A) Consumption.

9. — Let us now look at the figures for certain items of consumption, other than foodstuffs, in the various regions. The consumption items which have been taken into consideration are: the number of wireless licences taken out; expenditure on tobacco; expenditure on entertainment; consumption of electric power for lighting purposes; readers of the review « Selezione » from the

(14) At the provincial level there was a somewhat marked decrease in the case of Trieste, attributable in some measure to all sectors, but particularly to the public administration. To a small extent these regressions can be ascribed to the frontier adjustments effected when the Territory of Trieste reverted to Italy.

(15) One cannot, however, exclude the possibility that the increase in the number of overnight bookings recorded for the hotels covered by our indices is partly fictitious. This form of statistics is new, and it may well be that certain marked increases (e.g. in the case of Forlì) are due to an improvement in the compilation of the statistics.

(16) A comparison between the richer and the poorer provinces shows greater disparities in 1954. Thus, between the income of the province of Milan (which comes first in the calculation of per capita income) and that of the province of Avellino (which comes last) the disparity in 1954 was as 1:6, whereas in 1953 the disparity between the highest and the lowest position (Milan and Caserta) was as 1:5. Even if we consider on the one hand the group of five provinces with the highest average incomes, and on the other hand that of the five provinces with the lowest average incomes, in 1954 the disparity was greater than in 1953.

« Reader's Digest »; motor vehicles (17). As to the reasons which lead us to regard these six items as the best suited to give an approximate indication of the general level of consumption (other than foodstuffs) in the various parts of Italy, we will not here enter into a detailed explanation but may refer the reader to the articles published in « Moneta e Credito » (18).

The six selected items were integrated by means of a simple average. On the question of the average, also, we would refer the reader to our previous articles in « Moneta e Credito ».

The level of consumption per inhabitant in 1954 in the individual regions of Italy is shown in Table IX. In Table X we give some elaboration of the statistics, viz. (a) an index showing per capita consumption in each region, taking the average for the whole country as equal to 100; (b) the percentage share of each region in the national total (as had previously been done in the case of the national income).

As might be expected, the highest consumption figures are found in the regions where income is highest, that is to say, in the regions of the « industrial triangle » of the north (Piedmont, Lombardy and Liguria). Piedmont comes first as regards both the number of wireless licences (166 per 1,000 inhabitants, with an index of 153, Italy=100) and the number of motor vehicles in circu-

(17) — Number of wireless licences issued as at 31st December 1954 (Source: R.A.I., *Gli abbonamenti alle radioaudizioni*).

— Expenditure on tobacco in 1953-54 (Source: AMMINISTRAZIONE DEI MONOPOLI DI STATO).

— Expenditure on all forms of public entertainment in 1954 (Source: SOCIETÀ ITALIANA AUTORI ED EDITORI, *Lo spettacolo in Italia*).

— Consumption of electric power for lighting purposes in 1953-54 (Source: MINISTRY OF FINANCE, *Statistiche delle imposte di fabbricazione*).

— Readers of *Selezione* from « Reader's Digest », May 1955 (Source: Figures supplied by the management of the Review).

— Private cars, motorcycles and motorised bicycles taxed in 1954 (Source: AUTOMOBILE CLUB D'ITALIA, *Statistiche automobilistiche*).

(18) See above, note (3) on page 215.

Other indices which we went to collect did not prove suitable for our purpose. This was the case, for example, with the distribution of telephones rented by private users. That distribution is concentrated on a few towns to such an extent that the inclusion of these data would have resulted in a distortion of the picture of the standard of living in the various regions.

lation (198 vehicles per 1,000 inhabitants, with and index of 170). Liguria takes the first place in expenditure on tobacco (Lire 10,544 per head in 1954), in expenditure on enter-

tainous regions of the south: Basilicata (index figure 32) and Calabria (index 35); they are immediately preceded by the Abruzzi (index 46) and Apulia (index 58).

SELECTED ITEMS OF CONSUMPTION AND EXPENDITURE IN ITALIAN REGIONS, 1954 TABLE IX

(Per capita or per 1,000 inhabitants)

Regions	Radio-subscribers per 1000 inhabitants	Per capita expenditure on tobacco (lire)	Per capita expenditure on public entertainments (lire)	Consumption of electric power for lighting (Kwh per capita)	Readers of « Selezione » per 1000 inhabitants	Cars, motorcycles and motorised bicycles per 1000 inhabitants (a)
Piedmont . . . . .	166.3	8,403	3,245	77.2	12.4	198.8
Valle d'Aosta . . . . .	127.2	9,088	3,262	91.8	11.7	153.2
Lombardy . . . . .	159.9	8,689	3,818	82.5	13.3	178.6
Trentino-Upper Adige . . . . .	126.6	8,548	1,990	59.6	10.1	113.7
Venetia . . . . .	96.3	7,460	2,375	48.9	7.3	110.8
Friuli-Julian Venetia . . . . .	137.2	9,475	3,444	65.6	12.2	132.5
Liguria . . . . .	160.8	10,544	5,263	90.1	16.0	128.6
Emilia-Romagna . . . . .	126.7	8,632	3,459	44.6	7.6	179.2
Tuscany . . . . .	123.6	9,114	3,493	53.8	8.3	165.6
Umbria . . . . .	88.0	6,260	1,395	35.3	5.4	117.4
Marche . . . . .	90.8	6,019	1,688	26.8	5.4	124.8
Latium . . . . .	124.4	10,368	4,598	78.8	12.3	142.9
Abruzzi-Molise . . . . .	62.3	4,812	970	20.4	3.2	46.3
Campania . . . . .	81.1	6,757	2,098	38.0	4.6	54.8
Apulia . . . . .	71.9	5,472	1,760	24.0	3.8	59.4
Basilicata . . . . .	42.7	3,837	586	14.8	2.4	22.7
Calabria . . . . .	42.8	4,141	767	16.4	2.4	32.7
Sicily . . . . .	70.6	5,514	1,915	27.2	4.1	58.7
Sardinia . . . . .	60.0	5,644	1,526	30.3	6.1	47.5
ITALY . . . . .	109.0	7,496	2,757	50.9	8.1	117.2
North . . . . .	141.3	8,588	3,419	68.0	11.1	161.0
Central . . . . .	115.6	8,870	3,458	57.8	9.2	146.0
South . . . . .	67.4	5,539	1,543	26.9	3.7	49.4
Islands . . . . .	68.2	5,542	1,827	28.2	4.6	56.2

(a) The following weights have been adopted: 3.2 motorised bicycles=1.7 motorcycles=one car.

tainment (Lire 5,263 per head), in the consumption of electric power for lighting purposes (90 kwh per inhabitant) and in the number of readers of the Review « Selezione » (16 per 1,000 inhabitants). Liguria also heads the index for the general average of the six consumption items with a figure of 161, followed by Lombardy with 147 and Piedmont with 143.

As regards the per capita averages for the six consumption items, the lowest levels are as usual those for the poor and moun-

tainous regions of the south: Basilicata (index figure 32) and Calabria (index 35); they are immediately preceded by the Abruzzi (index 46) and Apulia (index 58).

(19) Whereas the indices previously mentioned (figures per inhabitant) indicate the average degree of consumption, that is to say, the standard of living of the population, the percentage shares of the various regions in the total for the whole of Italy indicate the extent of the market.

SELECTED ITEMS OF CONSUMPTION AND EXPENDITURE IN 1954  
(Per capita index numbers and percentage share of each region in the total for Italy)

TABLE X

Regions	Radio subscribers	Expenditure on tobacco	Expenditure on public entertainments	Consumption of electric power for lighting	Readers of « Selezione » of « Reader's Digest »	Cars, motorcycles and motorized bicycles	Average of the six index numbers
Piedmont . . . . .	a) 153 b) 11.29	112 8.30	118 8.71	152 11.24	153 11.31	170 12.56	143 10.569
Valle d'Aosta . . . . .	a) 117 b) 0.23	121 0.24	118 0.24	180 0.36	144 0.29	131 0.26	139 0.270
Lombardy . . . . .	a) 147 b) 20.26	116 16.01	138 19.13	162 22.41	164 22.73	152 21.05	147 20.265
Trentino-Upper Adige . . . . .	a) 116 b) 1.79	114 1.76	72 1.11	117 1.80	125 1.92	97 1.49	107 1.645
Venetia . . . . .	a) 88 b) 7.10	100 8.00	86 6.92	96 7.72	90 7.29	95 7.60	93 7.438
Friuli-Julian Venetia . . . . .	a) 126 b) 3.18	126 3.19	125 3.16	129 3.26	151 3.80	113 2.85	128 3.240
Liguria . . . . .	a) 148 b) 4.86	141 4.63	191 6.28	177 5.83	198 6.52	110 3.61	161 5.288
Emilia-Romagna . . . . .	a) 116 b) 8.57	115 8.49	125 9.25	88 6.47	94 6.96	153 11.27	115 8.502
Tuscany . . . . .	a) 113 b) 7.48	122 8.02	127 8.36	106 6.98	102 6.77	141 9.32	119 7.822
Umbria . . . . .	a) 81 b) 1.35	84 1.40	51 0.85	69 1.16	67 1.12	100 1.67	75 1.258
Marche . . . . .	a) 83 b) 2.35	80 2.26	61 1.72	53 1.48	67 1.90	106 3.00	75 2.118
Latium . . . . .	a) 114 b) 8.21	138 9.96	167 12.00	155 11.14	152 10.94	122 8.78	141 10.172
Abruzzi-Molise . . . . .	a) 57 b) 2.00	64 2.24	35 1.23	40 1.40	40 1.38	40 1.38	46 1.605
Campania . . . . .	a) 74 b) 6.90	90 8.35	76 7.05	75 6.93	57 5.26	47 4.33	70 6.470
Apulia . . . . .	a) 66 b) 4.53	73 5.01	64 4.38	47 3.24	47 3.23	51 3.48	58 3.978
Basilicata . . . . .	a) 39 b) 0.52	51 0.68	21 0.28	29 0.39	30 0.39	19 0.26	32 0.420
Calabria . . . . .	a) 39 b) 1.70	55 2.39	28 1.20	32 1.39	30 1.28	28 1.21	35 1.529
Sicily . . . . .	a) 65 b) 6.16	74 6.99	69 6.60	54 5.15	51 4.83	50 4.76	61 5.748
Sardinia . . . . .	a) 55 b) 1.52	75 2.08	55 1.53	60 1.65	75 2.08	41 1.12	60 1.663
ITALY . . . . .	a) 100 b) 100	100 100	100 100	100 100	100 100	100 100	100 100
North . . . . .	a) 130 b) 57.28	115 50.62	124 54.80	134 59.09	137 60.82	137 60.69	130 57.217
Central . . . . .	a) 106 b) 19.39	118 21.64	125 22.93	114 20.76	114 20.73	125 22.77	117 21.370
South . . . . .	a) 62 b) 15.65	74 18.67	56 14.14	53 13.35	46 11.54	42 10.66	56 14.002
Islands . . . . .	a) 63 b) 7.68	74 9.07	66 8.13	55 6.80	57 6.91	48 5.88	61 7.411

Note: The data under letter (a) are regional indices (Italy=100) of consumption or expenditure per capita or per 1,000 inhabitants as follows:

- radio-subscribers per 1,000 inhabitants;
- per capita expenditure on tobacco (lire);
- per capita expenditure on public entertainments (lire);
- consumption of electric power for lighting (Kwh per capita);
- readers of « Selezione » per 1,000 inhabitants;
- cars, motorcycles and motorized bicycles per 1,000 inhabitants.

The data under letter (b) show the share of each region in the total for Italy made equal to 100.

with a proportion of 20%; then come Piedmont (10.5%), Latium (10.2%), Emilia (8.5 per cent), Tuscany (7.8%) and Venetia (7.4 per cent). Liguria, in spite of the high level of per capita consumption, figures for only 5.3% of the national total, because of its relatively small population. The lowest position is again occupied by Basilicata (0.4%), preceded by Umbria (1.2%), the Abruzzi (1.6%), Sardinia and Trentino.

10. — The data available do not permit of a comparison between consumption in 1938 and in 1954, as was possible in the case of income. We have had to confine ourselves, therefore, to showing the changes that occurred from 1953 to 1954.

Between these two years the six consumption items examined show an appreciable increase. This is true for the whole national territory and for each of the main geographical zones; but the progress (calculated of course in percentage terms) was more marked in southern Italy and the Islands than elsewhere, and consequently the share of the southern regions in the national total shifted in their favour, as will be seen from the following figures:

	1953 %	1954 %
Northern Italy . . . . .	58.32	57.22
Central Italy . . . . .	21.37	21.37
Southern Italy . . . . .	13.30	14.00
Sicily . . . . .	5.38	5.75
Sardinia . . . . .	1.63	1.66
<i>Italy</i> . . . . .	100.00	100.00

The relative progress of the south (southern regions and the Islands) is not, moreover, a phenomenon peculiar to 1954, but a well marked trend for some years past. The six items we have chosen for consideration have shown a continuous rise in all the years for which we have been able to obtain data, that is to say, from 1951 to 1954.

11. — If we divide, region by region, the consumption index by the income index,

we obtain a ratio which we may call the « index of propensity to consume » (a term to which, of course, we do not attach any rigid theoretical meaning). The ratios thus obtained are given in Table XI. Almost

TABLE XI

« PROPENSITY TO CONSUME » IN 1954

$$\left( \frac{\text{I.N. of consumption per inhabitant}}{\text{I.N. of income per inhabitant}} \right)$$

Regions	Ratio of Index numbers
Piedmont . . . . .	0.92
Valle d'Aosta . . . . .	0.72
Lombardy . . . . .	0.93
Trentino-Upper Adige . . . . .	0.84
Venetia . . . . .	0.98
Friuli-Julian Venetia . . . . .	1.23
Liguria . . . . .	1.00
Emilia-Romagna . . . . .	1.00
Tuscany . . . . .	1.10
Umbria . . . . .	0.96
Marche . . . . .	0.96
Latium . . . . .	1.17
Abruzzi-Molise . . . . .	0.86
Campania . . . . .	1.24
Apulia . . . . .	0.99
Basilicata . . . . .	0.62
Calabria . . . . .	0.83
Sicily . . . . .	1.04
Sardinia . . . . .	0.88
<i>ITALY</i> . . . . .	1.00
<i>North</i> . . . . .	0.96
<i>Central</i> . . . . .	1.11
<i>South</i> . . . . .	1.04
<i>Islands</i> . . . . .	1.00

all the Italian regions show a well-balanced situation, since their consumption-income ratio is not very far from unity. In two northern regions (Liguria and Emilia) it is in fact equal to unity. The situation shows a marked lack of balance in some of the poorer regions of the south: for example in Basilicata, where consumption (excluding foodstuffs) reaches barely 0.62 with respect to an unity of income, and for the Abruzzi where the ratio is only 0.86. Such disequilibria are readily understandable when it is remembered that the items of consumption taken into considera-

tion are not the more « essential » ones, and that therefore they are in relatively little demand in the poorer regions where the meagre income is almost entirely absorbed in the satisfaction of primary needs (20).

possible to sub-divide by regions and provinces (21) are bank and postal deposits.

Table XII shows, for each region, the total amount of saving deposits effected in 1954 with the banks (22) and postal system (23).

BANK (a) AND POSTAL DEPOSITS (b) BY REGIONS IN 1954

TABLE XII

Regions	Total Bank and Postal deposits (millions of lire)	Percentages of Italian total	Per capita deposits (lire)	Index numbers for per capita deposits (Average for Italy = 100)	Percentages of Postal to total deposits	Deposits for every 1000 lire of net product
Piedmont . . . . .	63,492	14.28	17,627	192.9	26.3	60.1
Valle d'Aosta . . . . .	1,387	0.31	14,300	156.5	39.1	39.3
Lombardy . . . . .	88,992	20.01	13,239	144.9	22.0	44.4
Trentino-Upper Adige . . . . .	9,955	2.24	13,273	145.3	17.8	55.4
Venetia . . . . .	28,142	6.33	7,196	78.8	24.3	40.2
Friuli-Julian Venetia . . . . .	15,199	3.42	12,367	135.3	21.9	63.1
Liguria . . . . .	20,901	4.70	13,047	142.8	32.5	45.0
Emilia-Romagna . . . . .	37,469	8.43	10,446	114.3	16.2	48.2
Tuscany . . . . .	35,709	8.03	11,128	121.8	18.2	54.8
Umbria . . . . .	4,764	1.07	5,853	64.1	28.4	39.8
Marche . . . . .	7,665	1.72	5,595	61.2	24.0	38.0
Latium . . . . .	40,466	9.10	11,555	126.5	29.9	51.2
Abruzzi-Molise . . . . .	9,493	2.14	5,587	61.1	43.9	55.1
Campania . . . . .	22,048	4.96	4,890	53.5	52.8	46.0
Apulia . . . . .	14,994	3.37	4,489	49.1	23.2	40.7
Basilicata . . . . .	2,592	0.58	4,006	43.8	49.2	41.2
Calabria . . . . .	11,546	2.60	5,488	60.1	43.7	69.0
Sicily . . . . .	23,491	5.38	5,178	56.7	26.5	47.1
Sardinia . . . . .	15,918	1.33	4,407	48.2	26.5	34.2
<i>ITALY</i> . . . . .	444,673	100.00	9,138	100.00	26.3	48.6
<i>North</i> . . . . .	265,537	59.72	12,351	135.6	23.2	48.6
<i>Central</i> . . . . .	88,604	19.92	9,961	109.0	28.9	50.2
<i>South</i> . . . . .	60,673	13.65	4,933	54.0	42.2	48.5
<i>Islands</i> . . . . .	29,859	6.71	5,004	54.8	26.5	43.8

(a) Saving deposits only. Customers' current accounts and interbank accounts are excluded.

(b) Current accounts and « Buoni Postali Fruttiferi ».

## B) Bank and postal deposits.

12. — The only two forms of monetary saving which the official statistics make it

It will be seen that the total amount of savings deposited with the banks and post offices

(21) Data are in fact lacking as to the regional totals for purchases of Treasury Bills and other government or industrial securities, for self-financing within industry, for premiums paid to insurance institutions, etc.

(22) The statistics compiled by the Bank of Italy cover 365 credit institutions (including saving banks) which together hold about 99% of the total deposits collected by the banking system as a whole.

We use the term « deposits » to indicate only saving deposits. Customers' current accounts, interbank accounts and foreign currency accounts are excluded.

(23) In the case of the postal system we use the term « deposits » to include both current accounts and interest-bearing Postal Bonds (« Buoni Postali Fruttiferi »).



in 1954 was about Lire 445 milliard as compared with 525 milliard in 1953 and 497 milliard in 1952. An explanation of the diminution which occurred in 1954 is to be found in the larger activity of the financial market, in heavier investment in shares and bonds (reflected in the rises in stock exchange quotations in the last two years) and in the development of life assurance business and instalment credit sales.

In 1954 Lombardy was the region which had the highest level of bank and postal saving, with a figure of nearly Lire 89 milliard, or about 20% of the national total for the year. Then followed Piedmont with over 63 milliard (14%), Latium with 40 milliard (9.1 per cent), Emilia with 37 milliard (8.4%), and Tuscany with 35 milliard (8%). In the lowest position we find Basilicata again, with barely 2½ milliard (0.58%). Basilicata was preceded by Umbria (1.07%), Sardinia (1.33 per cent) and Marche (1.72%).

In the classification of the regions on the basis of per capita bank and postal saving, Piedmont takes first place with an index figure of 192.9 (Italy = 100). Then come Trentino (145.3), Lombardy (144.9), Liguria (142.8), Friuli (135.3) and Latium (126.5). At the bottom of the list, as usual, comes Basilicata (43.8), preceded by Sardinia (48.2).

As is natural, the volume of per capita bank and postal saving tallies very closely with the per capita income situation. In the last column of Table XII the figures for savings in 1954 have been divided by the income figures. The resultant ratio can be regarded generically as reflecting the « propensity to save », or at least the propensity to place savings with the banks and postal saving system. It will be noted that bank and postal saving constitutes about 5% of the net domestic product; this percentage holds for each of the main geographical areas into which we have divided the country: northern Italy, central Italy, southern Italy and the Islands. On the other hand, considerable shifts are apparent from one region to another, the explanation of which would require a detailed analysis that would exceed the scope of the present article.

A little more than a quarter of total bank and postal saving accrued to the postal system in 1954, but in the southern regions the percentage rises notably (in Campania, for example, it reaches 52.8%), which was to be expected since postal saving is the typical form of saving in the agricultural regions.

13. — The three elements studied in this article (income, consumption other than foodstuffs, bank and postal savings) show a quite high degree of regional correlation (Table XIII). Northern Italy shares in the

TABLE XIII

INCOME, CONSUMPTION AND SAVINGS IN ITALY  
(Average 1953 and 1954; percentages of Italian total)

Territorial classification	Net Product	Six articles of consumption, food excluded	Bank and Postal Savings Deposits	Population
North . . . . .	59.74	57.77	59.45	44.19
Central . . . . .	19.00	21.37	19.92	18.56
South . . . . .	13.70	13.65	14.07	25.03
Islands . . . . .	7.56	7.21	6.56	12.22
Total Italy . . . . .	100.00	100.00	100.00	100.00

national total to the extent of about 59% in all three respects: income, consumption and savings; central Italy accounts for about 19 per cent, southern Italy for about 14% and the Islands for 7.5%. In the northern regions, relatively to the total for all Italy, consumption is slightly less than production and savings. The opposite is the case for central Italy. For southern Italy and the Islands, on the other hand, the three elements are fairly well balanced. In any case, however, the varying degree in which north and south participate in the national total, as regards income consumption and saving on the one hand, and population on the other, reflects the depressed state of the south and shows how much remains to be done to attenuate the present disequilibrium.

GUGLIELMO TAGLIACARNE

## METHODOLOGICAL NOTE

The following is a brief indication of the criteria adopted in the breakdown of the net national product among the individual Italian provinces and regions. For a fuller account we would refer the reader to the articles quoted in foot-note 3 (p. 215) of this article.

### I. - Agricultural sector - including stock farming and forestry

There are no difficulties in determining the agricultural income per region. The same criteria were adopted as those followed in the official calculation of the overall figure for Italy, that is to say, we calculated the so-called « saleable production » (which also includes that destined for direct consumption), multiplied the quantities produced in the individual provinces by the relative prices, and subtracted the value of the quantities re-employed and the expenses.

### II. - Fishing

For the provincial breakdown of the income from fishing we made use of the data supplied by the Central Institute of Statistics regarding the product of sea and lagoon fishing in the individual provinces, and of the average prices recorded by that Institute for the various sections of the coast.

### III. - Ownership of buildings

The breakdown among the provinces was made proportionately to the taxable income of the buildings as ascertained from data supplied to us by the Ministry of Finance.

### IV. - Industry, trade, banking, insurance and transport

In this sector items 4 to 10 in Table I (page 216) were taken together, except that from item 9 (« Commerce and sundry service ») we excluded the liberal professions, domestic and personal services and industrial services (24). There still remains a large figure (Lire 5,877 milliard) which covers activities in the industrial, trade, banking, insurance and transport sectors.

The breakdown of this figure among the provinces was a complicated task, and the results are to be

(24) The elements thus excluded were considered separately, we having been supplied with the relative figures and having been in a position to calculate the provincial income by means of appropriate indices, as we shall explain below.

regarded with considerable reserve, since it was not possible either to maintain a clear line of demarcation between the various branches of activity (industry, trade, etc.), or to make direct calculations as was done for agriculture and fishing.

We endeavoured to arrive at the provincial distribution of the total product of the above-mentioned activities by means of an index prepared for this particular purpose. That index comprises various elements closely connected with activities in the spheres of industry, trade, banking, transport, etc.; and we proceeded on the assumption that the quotas attributable to these activities in the individual provinces would be proportionate to the provincial value shown by the index. The « composite index » used in arriving at the provincial distribution of the sectional income in the field of industry, trade, etc., was compiled from the following series of provincial data:

1. Wages and salaries actually paid in industry, trade, banking, insurance and transport. They include the following: (a) Wages of industrial workers (25); (b) Wages of industrial employees (26); (c) Wages in the trade sector (27); (d) Salaries and wages of employees of banks, insurance institutions and fiscal services (28); (e) Wages of port personnel (29).

2. Industrial motor vehicles (30).

3. Electric power « for purposes other than lighting » (31).

4. Income tax, categories B and C<sup>1</sup> (excluding farming leases), supplemented by the addition of tax-free incomes and of the incomes of firms exempt from the obligation to render income tax returns (32).

5. Turnover Tax (IGE) paid in a lump sum (33).

6. Bank deposits and advances (34).

7. Overnight bookings in hotels, inns and boarding houses.

(25) Istituto Nazionale Assicurazioni Infortuni sul Lavoro (I.N.A.I.L.).

(26) Calculated on the basis of the average remuneration per province and of the number of employees in industry supplied to us by the Istituto Nazionale Assicurazione Malattie (I.N.A.M.).

(27) Calculated on the basis of contributions collected by I.N.A.M.

(28) Calculated on the basis of contributions collected by I.N.A.M.

(29) Source: Ministry of the Mercantile Marine.

(30) Source: Automobile Club for motor vehicles and Ministry of the Mercantile Marine for motor-boats and freighters.

(31) Source: Ministry of Finance.

(32) Source: Ministry of Finance and our own calculations.

(33) Source: Ministry of Finance.

(34) Source: Bank of Italy.

We calculated the average of the statistical series relating to items 2-7 above. The figure thus obtained was then used to obtain the final average for the group, together with the wage index. In this way the « composite index » used in arriving at the provincial and regional distribution of incomes in industry, trade, etc. was obtained from the simple average between total remuneration on the one hand and the total of the remaining six elements on the other (income tax B and C<sup>1</sup>; industrial motor vehicles; turnover tax; bank deposits and advances; electric power; bookings in hotels). In other words, a weight of 50% was given to the remuneration of labour.

In order to show more clearly the procedure adopted, we give below the actual calculation made for the provinces of Milan and Rome in 1954.

(Percentage participation, Italy=100)

	Milan	Rome
A. Total salaries and wages . .	18.85	7.02
B. Economic and fiscal indices :		
a) Industrial motor vehicles .	8.61	5.56
b) Electric power for purposes other than lighting . . . .	13.00	4.87
c) Income tax, categories B and C <sup>1</sup> (combined). . . . .	21.51	9.83
d) Turnover Tax paid in a lump sum . . . . .	14.43	6.50
e) Bank deposits and advances	17.27	13.66
f) Overnight bookings in ho- tels, inns and boarding hou- ses . . . . .	5.08	10.78
Arithmetical average of a) to f) .	13.50	8.53
Arithmetical average of A and B	16.18	7.78

The above percentages, 16.18 and 7.78 respectively, were applied to the figures of total income for the whole of Italy for industry, trade, etc. (Lire 5,877 milliard). In this way the total income of the province of Milan for those sectors works out at Lire 950.6 milliard, and that of the province of Rome at Lire 456.9 milliard.

#### V. - Liberal professions and services

For 1954 there was added to the income from trade that from the liberal professions, domestic and personal services, and industrial services. The income figures for these groups were:

Liberal professions . . . .	Lire 245 milliard
Domestic and personal ser- vices . . . . .	» 131 »
Various industrial services .	» 68 »

The distribution of the above figures was made as follows:

(a) for the liberal professions, on the basis of the returns of personal income in respect of professional and artistic activities;

(b) for paid domestic personnel, on the basis of the returns of the « Istituto Nazionale Assicurazione Malattie »;

(c) for industrial services, which include a heterogeneous group of activities (cinemas, theatres and sundry other services), on the basis of the provincial distribution of expenditure on entertainments.

#### VI. - Public Administration

As is known, the value of the product of the public administration sector is assumed to be equal to the total of the salaries and wages paid to the personnel.

We first calculated the remuneration of the state personnel in the individual provinces, taking as basis the number of wage and salary earners in the public administration, as shown by the statistics relating to registered members of the « Ente Nazionale di Previdenza ed Assistenza per i Dipendenti Statali ». We added the personnel of local public bodies, using the figures for contributions collected in the various provinces by the « Istituto Nazionale Assistenza Dipendenti Enti Locali ». Finally, we added the employees of public corporations, making use for this purpose of the data relating to contributions paid to the « Ente Nazionale di Previdenza per i Dipendenti degli Enti di Diritto Pubblico ».

The percentage values for the individual provinces were used to arrive at the distribution among the provinces of the total income (Lire 1,086 milliard) of the whole public administration of the country (Table I, last item but one).

#### VII. - Deductions

From the income obtained by totalling the various items mentioned in the preceding paragraphs two groups of duplications have then to be deducted.

One group comprises interest included in banking income (*i.e.*, interest paid to the banks by their industrial and commercial clients, etc.) and the differences between total accident insurance premiums and the total amount of claims met by the insurance institutions. The duplications for this sector amounted to Lire 280 milliard (Table I). This figure was divided among the provinces in proportion to the amount of the income of the private sector of the various provinces.

The other group of deductions relates to duplications of income as between the public administra-

tion and the private sector, resulting from the inclusion in the statistics for the private sector of goods and services of an « instrumental » character supplied to that sector by the public administration (totalling 541 milliard). The distribution by provinces of such deduction was made in proportion to the figures for the income of the public administration, determined in the manner explained in the preceding paragraph.

We are aware of the criticism that may be levelled

at these criteria, but it is not at present possible, on the basis of the data available, to devise more precise methods. Moreover, we wish to point out that many objections that might be made to some of the indices adopted for the purpose of our indirect calculations lose some of their significance when it is remembered that these indices have no importance *per se*, but serve only as a basis for effecting a proportionate distribution.

## Statistical Appendix for 1955

### The National Income.

The gross Italian national income at market prices amounted in 1955, according to *provisional* estimates, to 12,972 billion lire, with an increase of 10% on 1954 (11,797 billion lire). Net of amortisations, reckoned at 1,114 billion lire, the net national income stands at 11,858 billion lire as against 10,781 billion in 1954. When a further deduction of 25 billion is made for net incomes from abroad (23 billion in 1954), the net product at market prices stands at 11,833 billion, as compared to 10,758 billion in 1954. Net of the total amount of indirect taxes (1,803 billion lire in 1955 against 1,604 billion in 1954), the internal product at factor costs is estimated at 10,030 billion lire, being an increase of 9.5% over that of the previous year.

### GROSS NATIONAL PRODUCT

	1954 1955	
	(billion lire)	
Net domestic product at factor costs . . . . .	9,154	10,030
Plus: Indirect taxes . . . . .	1,604	1,803
Net domestic product at market prices . . . . .	10,758	11,833
Plus: Net income from abroad . . . . .	23	25
Net national income . . . . .	10,781	11,858
Plus: Maintenance and Depreciation . . . . .	1,015	1,114
Gross National Product at market prices . . . . .	11,797	12,972

The « composition » of the net product (at factor costs) for the main branches of activity shows coordinated progress in all the fundamental branches: the net product of agriculture shows an estimated increase of 11%, industry 12%, services 11%.

### NET PRODUCT AT FACTOR COSTS FOR THE MAIN BRANCHES OF ACTIVITY

(billion lire)

	1954	1955
Agriculture . . . . .	2,415	2,630
Industry . . . . .	3,845	4,550
Services . . . . .	3,410	3,750
	9,670	10,930
less: Duplications . . . . .	820	900
Net domestic product at factor costs . . . . .	8,850	10,030

The development of the net domestic product (total and *per capita*) in this post-war period, at market prices, is shown by the following table:

### THE NET DOMESTIC PRODUCT IN THE POST-WAR PERIOD

	Billions of current lire	Per capita lire
1938	136	3,122
1950	7,683	164,864
1951	8,822	187,974
1952	9,274	196,429
1953	10,106	213,031
1954	10,759	225,700
1955	11,833	246,520

The total national income increased from 1950 to 1955 by 54%; the *per capita* income over the same period by 49%. At 1950 prices (1) the net total product increased from 1950 to 1955 by 31%; the net *per capita* product over the same period by 27%. The real increase over the 1938 figures may be calculated respectively in 63% and in 48%.

Referring to the use made of the gross income it seems that the growth of investments from 1954 to 1955 (about 15%) was higher than that of consumption (about 10%). Gross investments, amounting to 2,940 billion lire, seem to have accounted for 22% of the gross national income:

### GROSS NATIONAL EXPENDITURE

(billion lire)

	1954	1955
Consumers' expenditure on goods and services . . . . .	8,723	9,220
Government current expenditure on goods and services . . . . .	862	990
Gross capital formation . . . . .	2,443	2,940
Exports of goods and services . . . . .	1,419	...
Total available resources . . . . .	13,447	...
Less: Imports of goods and services . . . . .	1,650	...
Gross National Product at market prices . . . . .	11,797	12,972

(1) The adjustment is obtained by applying to current values a weighted average index based on the cost of living index (weight 2) and the wholesale price index (weight 1).

### Employment and Unemployment.

According to the last enquiry made by the Central Institute of Statistics on the labor force (May 1955), a massive increase in the employment occurred during the twelve months ending April 1955.

These estimates however have to be regarded with cautiousness and to be considered, at best, only as a rough indication.

According to more recent estimates, borrowed from the first provisional data of the General Economic Report for 1955, the increase in employment in the extra-agricultural sectors amounted to 300,000 units. Such increase — together with the migration abroad — not only absorbed the new labor forces (active population over 14 years entering into the labor market), but reduced also the unemployment by about 190,000 units. Total unemployment has therefore decreased from 1,700 to 1,500 thousand units approximately.

### Agricultural Production.

The results of the agricultural year 1955 seem to have been particularly favorable, not only when compared to the previous year but also when compared to the exceptional yields obtained in 1953. The larger production obtained in Italy as a whole was essentially due to the cereal and industrial crops, and, although to a smaller extent, to fruit and vegetables and to animal husbandry.

This year again the wheat harvest gave the keynote to the general results of the agricultural year with a new record of 9.5 million tons, exceeding by 5% the exceptional crop of 1953 and by no less than 31% the 1954 harvest. Also the maize crop with 3.2 million tons was equal to the bumper crop of 1953 and exceeded by 10% that of 1954. While the volume of the rice crop (0.86 million tons) was the same as in 1954, the quality was higher; on the other hand, there was a net decline (11% below 1953) for leguminous plants.

Turning to the industrial crops there was an exceptional increase in the output of sugar-beets which rose to 9 million tons, an increase of no less than 45% over 1953 and 37% over 1954. On the other hand, the tobacco crop fell off by 10% as compared to 1954, and hemp by 6%.

The results of the fresh vegetable and fruit crops were generally speaking favorable, but varied widely for the different branches. Much larger yields for fruit as a whole (ranging from +26% to +30% over 1954 yields) were accompanied by small increases for the principal market garden crops (+7% for tomatoes and +3% for potatoes); for wine the situation remained stationary at 50-51 million hectolitres as in 1954, and there was a definite decline for citrus fruit

(-13% for lemons). The poor olive crop a serious matter, barely 190 thousand tons of oil were obtained as against 280,000 and 350,000 in the two previous years.

In the field of animal husbandry there was a 2-3% increase in the number of cattle slaughtered as compared to 1954, and a 3% increase in the output of milk and cheese, but the forage crops were scanty and so was the supply of hogs and sheep for slaughter.

The satisfactory results of the agricultural year 1954-55 were due to no small extent to the marked increase as compared to 1954 in the use of selected seed (+20%) agricultural machinery (+17%) and the use of the several kinds of fertilisers ranging from +8% up to +55%, for a total cost of 680 billion lire exceeding by 13% the 1954 level.

### Industrial Production.

The results obtained in 1955 by Italian industry were, generally speaking, satisfactory. Compared to 1938 the index number for production doubled. Compared to 1954 there has been an increase of about 9% due to an increase in employment and to a marked progress in productivity.

Among the leading branches of industry that in 1955 continued to expand at a markable rate were, first of all, those generating industrial power, which show a general increase of 9-10% over 1954.

The output of electric power rose to 37,259 millions of kWh, as compared with 34,259 millions in 1954, with an increase of 7-8% in 1954, and of 250% above 1938 level.

The output of methane gas rose 30% above the figure for 1954 and more than 260 times that for 1938.

As to crude oil, the output is still at a very low level; but the prospecting and research work carried out by private concerns and by those of the E.N.I. Group show that the total reserves of the three major oil-fields (Ragusa, Alanno and Vallecupa) are conservatively estimated at 40 million tons.

Among the manufacturing industries, those processing oil and coal are steadily progressing (+7% compared to 1954). The activity of the oil refineries in particular has increased 10 to 11 fold over that of 1938.

The metal industries are also definitely expanding. Output is more than double that of 1938 and shows a further increase of over 23% above that of 1954. Steel output in particular has risen from 4.2 million tons to 5.4 million tons (+28% compared to 1954, +135% compared to 1938).

The heavier output of the engineering trades (+15% over that of 1954) is essentially due to a 24% rise in the production of motor-vehicles, risen to 269,000 units, two and a half times larger than the pre-war record. There has also been a 19% increase

in the output of non-electric machines. In the case of electric engines and railway rolling stock, production tends to stagnate.

In their turn, the chemical industries have made marked progress (+17% over 1954; compared to 1938 the output has increased almost three-fold); so also the industries producing building materials, glass and pottery (+20% over 1954); progress has been made in the paper industry (+7.5% over 1954) rubber (+6%) and artificial and synthetic textile fibres (+3%).

The branches which are still stationary are those of the food and wood industries; there has been a definite decline in textile industries (-11% compared to 1954).

The building industry attained in 1955 a maximum in its post-war steady expansion, with 1.3 to 1.4 million rooms.

In short, 1955 seems to confirm the tendency of Italian industry to a structural shift from the production of non-durable consumption goods to that of durable goods whether for investment or consumption. It would seem that the output of the latter has accentuated in 1955 the rate of expansion which in 1954 was already 10% higher than the previous year.

#### Prices - Cost of Living - Wages.

Wholesale prices in 1955 have remained as a whole stable. The general index number, calculated by the Central Institute of Statistics on the basis of 1938, shows a very slight increase, rising from 52.93 in 1954 to 53.19 in 1955 (+0.50%).

The rise in the cost of living was more marked, the index number passing from 58.06 in 1954 to 59.69 in 1955, an increase of nearly 3%.

The index number for industrial wages, calculated on the average for the first 10 months of the year, stood at 69.53 (1938=1), being 5% higher than the corresponding index number for 1954; that for agricultural wages rose over the same period from 82.27 to 86.20 (+5%). A marked rise has taken place in the salaries of civil servants: in the same 10 months the index number rose to 54.78, 22% above the average for the previous year. The following figures show the trend of wholesale prices, cost of living, and remunerations from 1950 to 1955 (100=1950):

WHOLESALE PRICES, COST OF LIVING  
AND REMUNERATIONS

	Wholesale prices	Cost of living	Industrial wages	Agricul. wages	Civil Servants
1950	100	100	100	100	100
1955	108	123	127 (a)	124 (a)	148 (a)

(a) Calculated on the average of the first 10 months of the year.

These figures show that the rise in real wages and salaries, apart from those of civil servants, has been contained within rather narrow limits.

#### Foreign Trade.

A particularly favourable feature of the Italian foreign trade movement in 1955 has been the active recovery of exports as from March 1955. The rise in exports compared to 1954 may be reckoned for the whole year at some 13% against an increase of 8% in 1954 as compared to 1953. The total value of Italian exports in 1955 is therefore calculated in 1,160 billion lire as against 1,033 billion in 1954.

Again this year Italian exports have consisted mainly of finished goods. As compared to 1954 there has been a marked increase in exports of the steel industry (+125%) and in motor-vehicles (+60%). There has also been an 18% increase for chemical fertilizers, and 4% for gas-oil. There has been a 40% increase in exports of fresh vegetables and fruit and of 24% for non-metallic ores.

On the other hand, there has been a marked reduction in sales of oil and its by-products (-15%), rice (-18%), and citrus fruit (-13%).

As to the 1935 imports, they are estimated at a value of some 1,700 billion lire, an increase of some 11% over 1954 when the figure remained stationary at the total for 1953.

Imports of wheat in 1955 were nearly threefold those registered for 1954; this was due to the poor harvest obtained in that year. The other increases were, as usual, for raw materials and instrumental goods (pig-iron +60%, metal scrap +48%, building materials +28%, iron ore +14%, wood-pulp for the paper mills +13%, coal +12%, non-metallic ores +9%, crude oil +7%, oil seeds and fruit +77%, sundry chemical products +27%).

The reductions were few: fuel residuum from the oil refineries -20%, iron and steel plates -18%, raw cotton -17%.

The classification of exports by monetary areas shows an increase of 23% in the sales to the dollar area which represent now the 14% of total exports, and an increase of 26% in the exports to the countries with whom Italy has clearing agreements; while there has been a marked falling off in exports to the sterling area (-12%), which represent about 16% of total exports.

In the case of imports, while those from the sterling area remain unchanged (at 25% of total imports), there has been a rise of 7% in those from the other E.P.U. countries (41% of total imports), 25% from the dollar area (21% of total imports) and 18% from countries with whom Italy has clearing agreements (13% of the total).

In spite of the favourable expansion of exports, the steady growth of imports that accompanies this phase of active industrial expansion has led again in 1955 to a heavy trade deficit calculated in 532 billion lire, being 6% above that for 1954.

If we turn to the balance of payments we find that the heavier trade deficit of 1955 has been more than offset by the receipts obtained from the invisible items.

As a result, Italy's officially available resources in gold, foreign exchange and net credits abroad have increased from 1954 to 1955 by about 10%, and amounted at the end of November 1955 to a total of about 1,000 million dollars. This is the largest amount so far reached.

#### The Budget.

The provisional estimates now available for current receipts and expenditure for the financial year 1956-57 show a deficit of 271 billion lire, arising from receipts amounting to 2,647 billion lire and expenditures amounting to 2,918 billion. If we add to these figures those for receipts and expenditures on capital account the deficit would stand at 320 billion lire.

ITALIAN BUDGET: 1955-56 AND 1956-57

	Budget estimates (billion lire)	
	1955-56	1956-57
<i>Current</i>		
Expenditure . . . . .	2,726	2,918
Receipts . . . . .	2,446	2,647
Deficit . . . . .	280	271
<i>Capital Account</i>		
Expenditure . . . . .	62	73
Receipts . . . . .	17	24
Deficit . . . . .	45	49
<i>Total deficit</i> . . . . .	325	320

As these figures show, the increase in government expenditure amounts to about 7.2%, total receipts show an increase of 8.4%, leading to a slight reduction of the deficit (-1.5%). The estimated expenditure on investments stands at 469 billion lire, i.e. at 16% of total expenditure.

It should however be noted that both figures for the financial year 1955-56 and still more those for 1956-57 are estimates, likely to be substantially modified. The comparison with the ascertained deficits

of the previous financial years is given in the following table:

CURRENT DEFICITS FROM 1947 TO 1956-57

Financial Year	Billion lire
1947-48 . . . . .	844
1948-49 . . . . .	496
1949-50 . . . . .	297
1950-51 . . . . .	174
1951-52 . . . . .	392
1952-53 . . . . .	495
1953-54 . . . . .	391
1954-55 . . . . .	411
1955-56 (estimates) . . . . .	280
1956-57 (estimates) . . . . .	271

#### Fiscal Pressure.

The total fiscal charge affecting the national product is calculated for 1955 at 2,626 billion lire, of which 2,150 billion are government taxes (which therefore account for 88% of the total receipts, estimated for the financial year 1955-56 at 2,446 billion lire); 400 billion local taxes, and 75 billion other taxes. In percentage of the net national income (at market prices, some 11,800 billion), the fiscal pressure stands at 22% and, as shown by the following table, is practically the same as in the pre-war years:

PERCENTAGE RATIO BETWEEN FISCAL CHARGES  
AND NATIONAL INCOME

1938	21.0
1949	17.0
1950	17.5
1951	17.8
1952	19.8
1953	21.6
1954	22.0
1955	22.2

If we include the total amounts paid for social charges, i.e. 1,075 billion lire, the percentage reaches 32% of the National Income.

#### National Debt.

On 30th November, 1955, the National Debt stood at 4,452 billion lire, having increased by 9% over the 31st December 1954 figures (4,083 billion). 63% of the National Debt (2,741 billion lire) is accounted for by the floating debt (Treasury Bills 1,110 billion, interest bearing accounts 1,050 billion, advances by the Bank of Italy, 581 billion).

The National Debt has increased by over 56% in the last 5 years (1950: 2,609 billion lire).

#### The Money and Financial Market.

The total outstanding means of payment amounted at the end of November, 1955, to 4,633 billion lire, of which 2,892 billion was accounted for by «bank money» (sight deposits), 1,671 by Bank of Italy notes, and 70 billion by Treasury Notes. Compared to the means of payment circulating at the end of 1954 (4,133 billion lire) there has thus been an increase of 8.9% in keeping with that of the national income.

At the end of December bank deposits totalled 5,143 billion lire, showing a rise of 670 billion over those existing in December 1954. When converted into 1938 lire the total deposits represent a «real» increase of 70% over the amount of the bank deposits existing in 1938 (96 billion against 55.5 billion lire).

#### BANK DEPOSITS EXPRESSED IN 1938 LIRE (billion lire)

1938	55.5
1950	45.6
1951	48.1
1952	63.2
1953	74.5
1954	84.5
1955	95.8

If we add to bank deposits the total P.O. deposits, which on 31 December amounted to 1,577 billion, we have a total of deposits and current accounts of 6,720 billion lire, equal to 52% of the gross national income (12,970 billion lire) and to 57% of the net income (11,883 billion).

P.O. savings, which in 1938 accounted for 35% total deposits, and in 1950 for 29%, have fallen to 23% in 1955.

As to the bank credits, we find that on 30th September 1955, they amounted to 4,025 billion lire,

showing an increase, as compared to September 1954, of 17.5% (the increase in the amount of bank deposits in the same period was 11%).

#### The Financial Market.

After an exceptional rise of 26.7% that occurred between December 1954 and October 1955, the index number for share-quotations fell notably, as a result of the reaction of the financial market to the enactment of new fiscal measures (*perequazione tributaria*). As a result, the rise of the index number during the year stands as a whole at about 9%; the number of deals rose from 337 million in 1954 to 503 million in 1955 (+46%).

The total issues of shares rose from 261 to 295 billions of lire (+13%) while the issues of debentures passed from 65 to 135 billion lire.

The percentage of bonus shares to the total fell from 47% to 44%. The principal concerns that have had recourse to the issue of shares have been those owned by the *Istituto della Ricostruzione Industriale* - I.R.I. (the Holding for the State participation in banking and industrial concerns), accounting for 33% of the issues, and the concerns belonging to the E.N.I. (*Ente Nazionale Idrocarburi*, the Government Agency for Hydrocarbons) accounting for 12% of the total. Privately owned electric companies absorbed 8.7% of the issues, privately owned Oil companies 5%.

Only 7.2% of the debentures were issued by private companies: the remaining 92.8% were issued by the I.R.I., the two major Institutes for long-term industrial credits (*I.M.I.*; *Istituto di Credito per le Imprese di Pubblica Utilità*; and the *Consorzio di Credito per le Opere Pubbliche*).

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As usually, we give in the following pages some tables on the relevant aspects of the Italian economic situation.

## STATISTICAL APPENDIX

### ITALIAN BUDGET SUMMARY (billion lire)

Table A

Fiscal year beginning 1st July	Revenue			Expenditure			Deficit			Cash
	Assessed		Collected (a)	Obligated		Paid out (a)	Obligated		Total	
	Current	Movement of capital		Current	Movement of capital		Current	Movement of capital		
1938-39	27	3	—	39	2.8	—	— 12	+ 0.2	— 11.8	—
1949-50	1,419	252	1,618.2	1,716	232	1,703.9	— 297	+ 20	— 277	— 85.7
1950-51	1,720	272	1,658.4	1,894	319	1,820.0	— 174	— 47	— 221	— 161.6
1951-52	1,737	336	1,976.4	2,129	305	2,308.4	— 392	+ 31	— 361	— 332.0
1952-53	1,806	305	2,402.0	2,302	119	2,639.4	— 495	+ 185	— 310	— 237.4
1953-54	2,000	338	2,300.3	2,325	182	2,433.8	— 325	+ 156	— 169	— 133.5
1954-55	2,263	302	2,497.6	2,673	116	2,517.4	— 410	+ 186	— 224	— 19.8
1955-56 (b)	2,447	24	—	2,732	72	—	— 285	— 48	— 333	—

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

(b) Estimated at December 31, 1955.

Source: *Conto Riassuntivo del Tesoro*.

### ITALIAN DOMESTIC PUBLIC DEBT (billion lire - Index Numbers, 1938=100)

Table B

End of period	Consolidated debt		Redeemable debt		Floating debt					Total of domestic public debt		
	A-mount	I.N.	A-mount	I.N.	Treasury bills	Interest bearing current accounts	Advances by the Bank of Italy	Total		Treasury notes	Amount	I.N.
								Amount	I.N.			
1953 - June	53	100	1,025	2,091	908	998	449	2,355	7,850	38.2	3,471	2,600
1954 - March	53	100	1,212	2,473	966	1,079	447	2,492	8,306	45.7	3,803	2,849
June	53	100	1,212	2,473	998	1,052	538	2,589	8,630	46.5	3,811	2,855
September	53	100	1,230	2,510	1,042	1,125	535	2,703	9,010	50.4	4,036	3,023
December	53	100	1,259	2,569	1,059	1,115	544	2,718	9,060	53.5	4,083	3,058
1955 - March	53	100	1,490	3,040	1,058	1,100	526	2,684	8,946	55.4	4,282	3,207
June	53	100	1,498	3,057	1,064	1,016	570	2,650	8,833	56.4	4,257	3,200
September	53	100	1,506	3,073	1,108	1,087	566	2,761	9,203	57.8	4,377	3,290
October	53	100	1,506	3,073	1,110	1,099	539	2,748	9,160	57.9	4,365	3,281
November	53	100	1,506	3,073	1,124	1,119	590	2,835	9,450	57.9	4,452	3,347
December	53	100	1,501	3,063	1,124	1,092	623	2,839	9,460	57.9	4,451	3,347

Source: *Conto riassuntivo del Tesoro*.

### FACTORS AFFECTING THE CIRCULATION OF THE BANK OF ITALY

Table C

December 1953 - December 1954		December 1954 - December 1955	
	billion lire		billion lire
<i>Factors increasing the money circulation</i>		<i>Factors increasing the money circulation</i>	
Increase in: balances abroad	9.6	Increase in: gold and cash in hand	0.2
» credits to clients	41.2	» credits to Government	143.0
» credits to Government	142.3	» sundry debtors (*)	69.0
» sundry debtors (*)	8.6	Decrease in: Lira Counterpart Fund	15.7
» sundry accounts (assets)	1.9	<i>Total</i>	227.9
<i>Total</i>	203.6	<i>Factors decreasing the money circulation</i>	
<i>Factors decreasing the money circulation</i>		<i>Factors decreasing the money circulation</i>	
Decrease in: gold and cash in hand	3.8	Decrease in: balances abroad	2.7
Increase in: Lira Counterpart Fund	30.5	» credits to clients	3.7
» free and fixed deposits	68.7	» sundry accounts (assets)	0.2
» sundry accounts (liabilities)	14.7	Increase in: free and fixed deposits	83.4
<i>Total</i>	117.7	» sundry accounts (liabilities)	0.9
<i>Total</i>	117.7	<i>Total</i>	90.9
<i>Net increase of the circulation</i>	85.9	<i>Net increase of the circulation</i>	137.0

(\*) Mainly, export credits.









Table 5

 MINIMUM AND MAXIMUM QUOTATIONS OF SOME ITALIAN COMPANIES QUOTED ON STOCK EXCHANGES  
 (Lire)

Companies	1954		1955							
	IV Quarter		I Quarter		II Quarter		III Quarter		IV Quarter	
	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum
<i>Financial and Insurance</i>										
Strade Ferrate Meridionali (Bastogi) . . . . .	1,697	1,414	1,850	1,410	1,840	1,473	1,870	1,573	1,960	1,545
S.T.E.T. - Soc. Torinese Eserc. Telefonici . . . . .	2,705	2,340	2,950	2,200	2,450	2,245	2,810	2,380	2,830	2,380
La Centrale . . . . .	10,250	8,930	10,950	8,200	9,699	8,440	10,650	9,200	10,930	9,000
Pirelli & C. . . . .	2,705	1,965	3,180	2,500	2,996	2,525	3,479	2,897	3,503	2,605
Assicurazioni Generali . . . . .	18,600	16,370	19,795	15,830	19,100	16,200	22,090	18,900	22,350	18,300
Riunione Adriatica di Sicurtà . . . . .	7,800	6,950	8,050	6,895	7,500	6,600	8,330	7,165	8,225	6,790
<i>Textiles</i>										
Snia Viscosa . . . . .	1,740	1,414	1,883	1,340	1,530	1,280	1,845	1,425	1,945	1,500
Chatillon - Soc. Ital. Fibre Tessili Art. . . . .	2,530	2,150	2,465	2,165	2,350	1,930	2,800	2,110	2,640	2,150
Linificio e Canapificio Nazionale . . . . .	844	768	790	600	655	544	958	639	903	592
Cotonificio Vittorio Olcese . . . . .	1,915	1,500	1,635	1,030	1,080	796	1,500	860	1,290	1,000
Cucirini Cantoni Coats . . . . .	8,250	7,345	8,025	7,425	7,828	6,000	7,220	6,200	6,975	6,310
Cotonificio Cantoni . . . . .	13,850	12,030	13,780	10,325	11,150	9,950	12,300	10,600	11,510	9,700
Lanificio Rossi . . . . .	15,875	13,300	15,050	12,700	12,825	7,650	11,130	7,550	7,800	6,050
<i>Minerals, Metals and Engineering</i>										
Monte Amiata . . . . .	12,950	8,300	10,150	6,450	8,200	6,500	8,650	7,380	9,450	7,500
Iva Alti Forni e Acciaierie d'Italia . . . . .	332	283	402	331	486	366	658	440	668	540
Dalmine . . . . .	1,495	1,324	1,600	1,380	1,530	1,330	1,762	1,523	1,750	1,400
Terni . . . . .	245	218	268	209	283	217	415	270	428	298
P.I.A.T. . . . .	1,249	887	1,537	1,185	1,492	1,267	1,821	1,497	1,841	1,400
Ansaldo . . . . .	1,450	860	2,038	1,000	1,232	1,005	1,450	950	1,260	750
Bianchi Edoardo . . . . .	915	643	867	665	698	538	763	574	721	523
<i>Public Utilities</i>										
Società Edison . . . . .	2,536	2,321	3,010	2,475	2,765	2,383	3,045	2,723	3,142	2,680
C.I.E.L.I. . . . .	2,885	2,620	3,190	2,560	2,890	2,565	3,340	2,850	3,575	3,080
Soc. Adriatica di Elettricità . . . . .	1,190	1,102	1,375	1,220	1,453	1,250	1,396	1,248	1,447	1,270
S.I.P. - Soc. Idroelettrica Piemonte . . . . .	1,362	1,275	1,519	1,280	1,367	1,226	1,545	1,310	1,605	1,400
Soc. Meridionale di Elettricità . . . . .	1,195	1,128	1,240	1,084	1,325	1,155	1,525	1,295	1,615	1,400
Soc. Elettrica Selt - Valdarno . . . . .	4,570	4,300	5,050	4,500	5,040	2,400	3,230	2,600	3,350	2,830
Soc. Romana di Elettricità . . . . .	4,560	4,230	4,990	4,500	4,955	2,365	3,210	2,565	3,250	2,780
Soc. Telefonica Tirrena - Serie B . . . . .	3,550	3,230	3,945	3,100	3,495	2,143	2,910	2,410	2,990	2,610
Italcable . . . . .	5,560	4,425	5,705	4,600	5,100	4,760	5,890	5,190	6,370	4,900
<i>Foodstuffs</i>										
Eridania - Zuccherifici Nazionali . . . . .	26,800	24,400	28,400	22,900	25,800	22,750	26,375	24,400	26,675	20,250
Soc. Italiana Industria Zuccheri . . . . .	26,900	24,550	26,800	21,350	23,850	21,600	23,450	21,800	22,525	17,400
<i>Chemicals</i>										
Montecatini . . . . .	1,705	1,446	2,814	1,745	2,770	2,260	3,450	2,794	3,515	2,705
A.N.I.C. - Azienda Naz. Idr. Combustibili . . . . .	1,485	1,360	2,540	1,405	2,632	2,125	3,227	2,615	3,300	2,500
Società Italiana per il Gas . . . . .	1,500	1,315	1,640	1,367	1,687	1,455	1,827	1,594	1,832	1,430
<i>Sundry</i>										
Soc. Gen. Immobiliare . . . . .	552	431	683	520	660	557	852	650	878	670
Istituto Romano dei Beni Stabili . . . . .	9,675	8,500	9,850	8,300	9,000	7,990	9,690	8,600	10,320	8,800
Pirelli Soc. per Azioni . . . . .	2,735	2,080	3,250	2,600	3,160	2,660	3,600	3,040	3,630	2,840
Italcementi . . . . .	12,125	10,700	12,390	10,750	12,340	10,950	14,770	12,290	15,500	13,200
Cartiere Burgo . . . . .	13,600	12,700	14,125	12,200	13,200	12,150	14,460	12,775	14,625	13,050

Source: Bollettino Mensile di Statistica.