

Bank Credits in Italy

Classified by Business Branches and Bank Groups (1936-1946)

by
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Bank Credits, Deposits, Note-circulation and Prices (1936-1946)

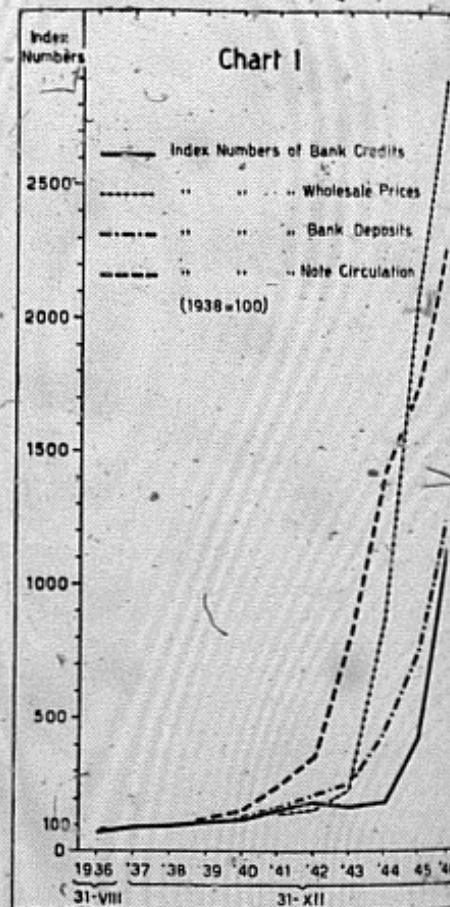
1. — As is shown by Table I and Chart I, the volume of outstanding credits extended by Italian banks in the period running from August 1936 to December 1939 followed an ascending curve, almost parallel to that of the note-circulation, prices, and deposits.

In June 1940 the note-circulation increased at an accelerated rate and the relative curve began to outdistance the others. From 1941 to the middle of 1943, the period of the most intensive military effort, this trend was accentuated, but credit also expanded, more especially for financing munition industries; yet more marked was the rate of increase of deposits; the only curve that seemed to remain relatively stationary was that of wholesale prices (1).

From the second half of 1943, as a result of the events following the conclusion of the armistice, the difference in the rate of growth of the four curves became more and more marked. By the end of 1944 they had opened out into a fan, whose upper portion was delimited by the circulation (14 times higher than in 1938) and the lower one by bank credits (increased barely 1.8 times). The price curve occupied an intermediate position (8.5 times), and so did deposits (4.5 times). It was during this period of economic stagnation that the Italian Banks reduced their advances to the lowest point, and assisted, on the other hand,

(1) It should however be remembered that in the first war years the wholesale price index numbers were compiled on the basis of official prices and therefore only partially reflected the real market situation.

in financing the Treasury by investing in government securities and by placing liquid re-



sources in accounts with the Treasury and with the Bank of Italy (2).

When the national territory was again united in April 1945 there was a temporary decline in the growth of the note circulation;

The curve for bank credits which, since the end of 1943, had been moving away from that for deposits, had come much nearer to it by end of 1946. On the other hand, there was still a wide spread between the bank deposits

BANK CREDITS, DEPOSITS, WHOLESALE PRICES AND NOTE-CIRCULATION IN ITALY TABLE I

	Bank Credits (a)		Deposits (d)		Wholesale Prices -	Note circulation (Bank of Italy and Amilre)	
	Amount (million lire)	Index Numbers (December 1938=100)	Amount (million lire)	Index Numbers (December 1938=100)	Index Numbers (December 1938=100)	Amount (million lire)	Index Numbers (December 1938=100)
August 31, 1936	27,146	77.5	—	—	79.5	18,542	82.4
June 30, 1937	29,755	85.0	52,973 (e)	95.4 (e)	—	18,837	83.7
December 31, 1937	33,010	94.2	55,120 (e)	99.3 (e)	93.1	20,512	91.2
June 30, 1938	32,282	92.2	52,989	95.4	—	19,386	861.9
December 31, 1938	35,027	100.0	55,532	100.0	100.0	22,495	100.0
June 30, 1939	34,543	98.6	56,126	107.0	—	23,192	103.7
December 31, 1939	38,731 (b)	110.6	60,666	109.8	104.3	28,545	126.9
June 30, 1940	39,671	113.3	58,873	106.0	—	30,966	137.6
December 31, 1940	43,624 (b)	124.5	72,458	130.5	121.7	35,495	157.4
June 30, 1941	42,169	120.4	80,448	144.9	—	40,572	180.4
December 31, 1941	55,507 (b)	158.5	93,634	168.6	135.8	54,924	244.2
June 30, 1942	55,977	159.8	99,998	180.1	—	61,192	272.0
December 31, 1942	66,396 (b)	189.5	117,936	212.4	152.6	79,166	351.9
June 30, 1943	—	—	139,147	250.6	—	98,913	439.7
December 31, 1943	59,594 (b)	170.1	143,258	258.0	228.9	181,234	805.7
June 30, 1944	—	—	—	—	—	237,921	1,057.7
December 31, 1944	65,205 (b)	186.1	248,985	448.0	89.2	319,234	1,419.1
June 30, 1945	—	—	305,254	549.7	—	378,210	1,681.3
December 31, 1945	147,793	421.9	406,586	732.2	2,059.7	389,810	1,732.9
June 30, 1946	226,960 (c)	647.9	532,705	959.3	—	402,402	1,788.8
December 31, 1946	396,397	1,131.7	698,055 (f)	1,257.0 (f)	2,883.9	512,711	2,279.2

(a) Series supplied by Table XXV of the Bulletin of the Bank of Italy, January-April 1947. (b) Data completed, for some half yearly data, by the series of table XLVI of the Bulletin of the Bank of Italy, Nov-Dec. 1946, p. 70. (c) Data supplied by Table XLVI of the Bulletin of the Bank of Italy, Nov-Dec. 1946; (d) Amount provided by Table XXII of the Bulletin of the Bank of Italy, Nov-Dec. 1946, p. 33; (e) Savings and sundry deposits and current accounts, except interbank; (f) Inclusive of interbank accounts; (g) Exclusive of valuta accounts.

price index numbers ran ahead of those of the circulation, deposits continued to increase, and bank credits showed lively signs of recovery. At the end of 1946 the four curves were moving upwards, but those of deposits and bank credit—which had increased respectively 12 1/2 and 11 times as compared to the figures for 1938—remained far behind the price curve (increased nearly 29 times), and that of the note-circulation (nearly 23 times) (3).

(3) See: M. MANCINI: *The Italian Money Market and the Financing of the Treasury*, in this Review, July 1947 (especially Table VI, p. 107).

(4) To the time-lag which occurred between the volume of bank credits and the volume of production and exchanges at

curve and that for the note-circulation, even though the ratio deposits-circulation, greatly reduced during the war years, rose slightly in 1946 (to about 1.80 as compared to 3.80 for the period 1935-1938). This spread, which it will be difficult to eliminate, is mainly due to the slowness with which savings deposits move (current accounts with clients have adjusted themselves more readily).

The dynamism shown by the bank credits

the new costs and new prices, attention has already been called in the Report of the Economic Committee of the Ministry for the Constituent Assembly - IV - Monetary Problems and Foreign Trade, Rome 1946, p. 5 and seq.

curve since the second quarter of 1946, and its tendency to outstrip that for deposits and to approach the circulation and price curves, has, since the beginning of 1947, claimed the attention of the banks and of the Monetary Authorities. The danger such growth represented for the financial and monetary situation of the country has already been illustrated in a preceding issue (July 1947) of this Review (4) in which reference was made to the new cautious credit policy adopted in 1947 by the banks. The "austerity" policy of the banks-

The Statistical Basis of the Present Analysis

2. — Statistical returns for bank investments classified by branches of economic activity date back barely a decade.

Their purpose was to ascertain, in connection with the duties assigned to the Monetary Authorities by the Bank Act of March 12, 1936, the nature of the purposes for which each bank, each category of banks, and lastly the banking system as a whole, granted credit.

The date of reference fixed for the first return was August 31, 1936. Some of the results of this first enquiry—which encountered many difficulties—were published, along with the return for June 30, 1937, in the Report of the Governor of the Bank of Italy of March 31, 1938. The interest aroused led at first to making half yearly returns. But later on, with a view to facilitating the work of the banks, the return was again made an annual one and June 30 was fixed as the date of reference instead of December 31, so as to avoid the date coinciding with that of the work for closing the balance-sheets.

As is shown by Table II, the returns were made until June 1942; and were then interrupted by the vicissitudes of the war and the division of the national territory. They were resumed on an annual basis as from December 31, 1945.

A special form (5) was drawn up for these returns, classified under four main branches of activity, i. e.:

- 1) financial, business, and non-commercial clients, covering 4 items;
- 2) public works and services, covering 9 items and 3 sub-items;
- 3) agriculture and foodstuffs, covering 17 items and 10 sub-items.

(4) See: A. GAMBINO: *Recent Developments in Banking Activity in Italy*, p. 105 et seq., and L. C., *Survey of the Italian Monetary Situation*, p. 126 et seq.

(5) A facsimile of the form and the general instructions were published in the Bulletin of the Credit Inspectorate (*Bollettino dell'Ispezzione del Credito*) n. 2, of August 15, 1936.

has, since August 1947, been confirmed by raising the bank-rate and by establishing a new system of reserve requirements. Since then we have entered a phase of credit stringency which has given rise to lively controversy on the problem of the qualitative and quantitative control of credit.

This problem, which is the problem of the day, may lend interest to a summary analysis of the principal features characterising the distribution of bank loans in the decade 1936-1946.

4) industry and commerce, exclusive of foodstuffs, covering 26 items and 24 sub-items.

There are in all 56 items and, to reduce the probability of errors of classification, 37 sub-items.

The general rule was that each debtor should be classified under a single branch of economic activity and that — should he be engaged in several belonging to diverse categories—the amount of credit enjoyed should be registered under the category referring to his chief activity. Moreover, the branch of economic activity registered was to be that of the person primarily liable to the Bank (6).

The returns are made for all the banking institutes, except Rural and Agricultural Banks (*Casse Rurali e Agrarie*) and Pledge Banks of 2nd category (*Monti di Pegno di seconda categoria*) (7).

Actual outstanding risks depending on credits granted in the form of cash must be classified, and specifically:

a) bill credits (accounting for the commercial and financial portfolios); b) lines of credit on ordinary current account (both uncovered and guaranteed) and correspondent current accounts (interbank accounts excluded); c) advances on securities and goods; d) contangos; e) farm working credit transactions; f) rediscounts; g) participations; mortgage and intermediate loans; agricultural improvement credit transactions.

The returns do not cover risks not entailing the disbursement of funds, such as endorsements, guaran-

(6) For instance, in the special case of the discount of commercial paper, the transactions would be classified taking into account the business in which the person who presents the bills for discount is engaged, and not that of the other parties.

(7) Later on (Bulletin of the Credit Inspectorate of Sept. 15, 1938) these exemptions were extended also to those banks which, at the end of the half year for which the return should have been made, held deposits of less than one million lire.

Table II - BANK CREDITS IN ITALY, BY BUSINESS BRANCHES

BUSINESS BRANCHES	August 31, 1936		December 31, 1936		June 30, 1942		December 31, 1945		December 31, 1946	
	million lire	% of total	million lire	% of total	million lire	% of total	million lire	% of total	million lire	% of total
1 - Professional (and consumer)	3,341	12.3	4,139	11.8	6,679	11.9	11,807	8.0	33,794	8.5
2 - Public institutions (institutions for specialised ec. activities excluded)	5,709	21.0	5,163	14.7	5,491	9.8	11,197	7.6	22,976	5.8
3 - Banks, exchanges, fin. and ins. Co.	3,607	13.3	3,390	9.7	5,566	10.0	14,254	9.6	23,350	5.9
4 - Transports and communications	501	1.9	547	1.6	987	1.9	3,324	2.3	10,255	2.6
5 - Electric power, gas, water	457	1.7	319	0.9	561	1.0	3,549	2.4	6,260	1.6
6 - Hotels, entertainments	221	0.8	286	0.8	401	0.7	919	0.6	2,700	0.7
7 - Building and property, public works, land-reclamation	3,406	12.5	4,211	12.0	5,195	9.3	9,333	6.3	28,217	7.1
8 - Agriculture and trade in materials and equipment, for agriculture	1,970	7.3	2,942	8.4	3,351	6.0	10,749	7.3	25,748	6.5
<i>Industry and wholesale trade in:</i>										
9 - Grain, foodstuffs, drink	2,458	9.1	4,315	12.3	6,274	11.2	31,241	21.1	97,901	24.7
10 - Wood and related products	333	1.2	510	1.5	1,078	1.9	3,874	2.6	8,828	2.2
11 - Non metallic minerals	609	2.3	909	2.6	1,362	2.4	3,527	2.4	8,713	2.2
12 - Steel, metal and engineering products	1,510	5.6	3,184	9.1	9,722	17.4	15,024	10.2	40,754	10.3
13 - Chemical products	309	1.1	588	1.7	1,465	2.6	4,330	2.9	13,482	3.4
14 - Paper and printing	256	0.9	351	1.0	458	0.8	1,783	1.2	4,788	1.2
15 - Hides and skins	324	1.2	576	1.6	707	1.3	2,524	1.7	11,017	2.8
16 - Textile products and clothing	1,168	4.3	2,238	6.4	4,052	7.2	11,985	8.1	36,168	9.1
17 - Other trades and industries	116	0.4	172	0.5	361	0.6	1,435	1.0	3,542	0.9
18 - Retail trade and miscellaneous services	841	3.1	1,179	3.4	2,267	4.1	6,938	4.7	17,821	4.5
Total	27,146	100.0	35,027	100.0	55,977	100.0	147,793	100.0	396,394	100.0

Chart II - EXPANSION IN BORROWING BY EACH BUSINESS BRANCH

Index numbers for December 31, 1946 (1938=100)

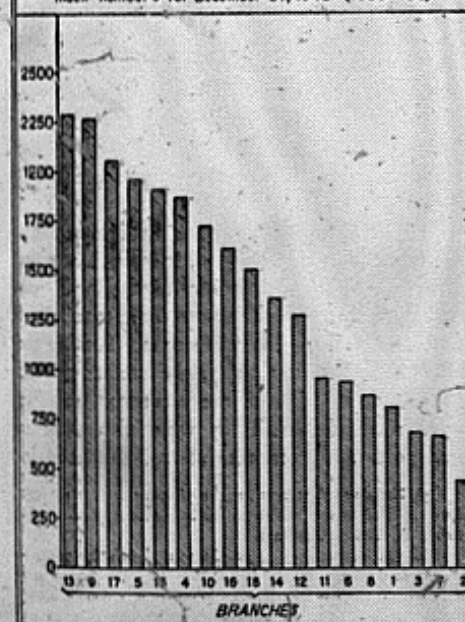
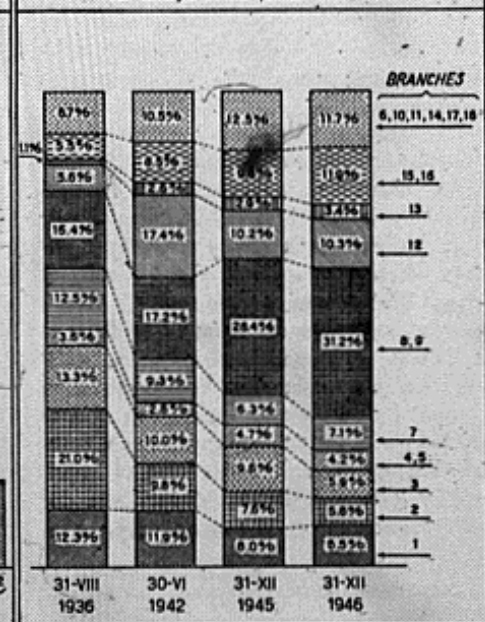


Chart III - PERCENTAGE SHARE OF BUSINESS BRANCHES IN BANK CREDITS

Main changes in the period 1936-1946



tees, acceptances for third parties, etc.; overdue credits, and loans granted by specialised credit institutes (agricultural, real estate, industrial). Moreover, as the purpose of the return is to follow the movement of credit in behalf of the various branches of economic activity, operations of a description akin to that of investments in government securities (such for instance as the discount of Treasury bills and funds deposited with the Treasury and the Banca d'Italia) are excluded.

These are still the guiding principles in force, though in recent years there has been no lack of proposals for filling some gaps which have come to light during the first period of application.

Recently, the Bank of Italy, which since 1936 has elaborated these statistics, has published the series of returns made from 1936 to 1946 (8) showing the bank

Distribution of Bank Credits by Business Branches

3. - For the purposes of this analysis we deem it advisable to divide the decade 1936-46 into three periods: (a) 1936-38; (b) 1939-43; (c) 1943-46.

(a) *During the period 1936-38*, the expansion of the total volume of credit is related to the development, first slow and later on more active, of autarkic trends in production, to the needs for financing the crops, and to the influence of the application of the extraordinary tax on the capital of joint stock companies and of the issue of the loan on real estate.

The examination of some branches of activity which in 1936 absorbed nearly 60%, and in 1938 nearly 63%, of the credits (see Table III) shows the heavy indebtedness of public institutions, which however has been gradually declining as a result of the scarcity of new operations (from 21% to 14.7%). Loans to public institutions are followed by those to the building trades and house property, public works and land-reclamation branch (about 12 per cent) for purposes to some extent akin to those on which the public institutions are engaged; the high figure for this kind of investment, at least until the end of 1937, was due to the application of the extraordinary tax on

credits classified by branches of economic activity and, for some years (1936, 1945 and 1946) also by groups of banks.

As the four main categories above mentioned seemed too synthetic for supplying a full picture of the distribution of credit in Italy, while on the other hand the details of the 56 items and 37 sub-items would be too analytical to afford a general view, tables have been prepared grouping the data in 18 categories whose component items are as nearly akin as possible. These 18 condensed categories appear in Table II (9).

The totals for credits shown by this return are lower than those shown by the usual general quarterly returns. The difference (10), accounted for by many reasons, does not however affect unfavourably the possibility of elaborating really reliable and significant tables.

real estate which reacted also on the branches relating to agriculture.

The policy of compulsory pools for agricultural products has contributed to the steady increase of the figures returned for the financing of the crops and the respective processing industries (from 9.1 to 12.3 per cent).

Credit expansion in the steel, metal, and engineering branch can be stressed (from 5.6 to 9.1 per cent), the larger grants being made to the vehicle, motor, and munition branches, and for the construction of other non-electric machinery and materials. Specially noteworthy is the growing recourse of the shipyard to bank credit as a result of the large volume of tonnage (more especially of motor-boats) then being built.

The credits granted to the textile and clothing branch, modest in 1936, increased later on, more especially in favour of business processing cotton, wool, hemp, flax, and allied fibres, as well as silk and rayon. Among the other branches of activity, the credits granted to the chemical and the electrical branches were relatively small, as were also those to transports and communications, the hotel in-

(9) The detailed returns for the 56 items and 37 sub-items above referred to are inserted in the *Statistical Appendix* of this issue, Table E, pp. 200-201.

(10) On December 31, 1946 the total figures for credits to clients stood at 445 milliard lire as shown by the general quarterly return; the special return by branches of economic activity for the same date showed a total credit of 396.4 milliards.

dustry, etc. Some reservations must however be made for these branches, as to secure a more definite knowledge of the credits obtained the enquiry should have been extended to the specialised credit institutes.

(b) *The period extending from 1939 to the first half of 1943* covers the years running from the outbreak of hostilities until the armistice, during which the banks were warned to avoid granting, increasing, or renewing cre-

other investments of slow economic yield; by the restrictions placed on peace time industries; by the wider habit of cash payments; by the improvement of conditions in some branches of production (agriculture) which had less recourse to credit and managed to pay off debts incurred in previous years with relative facility.

Though the study cannot be extended to the first half of 1943, when military and poli-

THE PRINCIPAL BORROWING BRANCHES IN 1936-38 TABLE III

Business Branches	Aug. 31, 1936	December 31, 1938	
	% of total bank credits	% of total bank credits	Index No ^o of the amounts loaned to each branch (August 1936 = 100)
— Public Institutions	21.0	14.7	90.4
— Building and house property, public works and land reclamation	12.5	12.0	123.6
— Agriculture and trade in materials and equipment for agriculture	7.3	8.4	149.3
<i>Industry and wholesale trade in:</i>			
— Grain, foodstuffs, drink	9.1	12.3	174.8
— Steel, metal, and engineering products	5.6	9.1	210.9
— Textile products and clothing	4.3	6.4	191.6
	59.8	62.9	

ditis that might feed any form of speculation connected with the contingent situation, and to give their assistance instead to business connected with war industries or activities, or for meeting the needs of essential branches of production. Available data show to what extent this direct action, taken to facilitate the shift of bank credits towards war industries and the purchase of government securities, was successful. Ever since 1939, and yet more in 1940, the year in which Italy entered the war, the expansion of bank credit, which had made itself so actively felt in almost all branches in the preceding period, ceased in some and fell off in many others, while on the other hand it was intensified in the case of war industries and activities engaged in the collective distribution of farm products. The decline or cessation noted in some branches is accounted for by the slowing down of land improvement activities and the renewal of fixed capital, and of all

tical vicissitudes altered the course of the war effort, yet the percentages and index numbers given in Table IV for June 1942 clearly show the shifts from one branch to another.

(c) *The period running from the middle of 1943 to the end of 1946* covers the years in which the national territory had become the field of war operations and was divided in two parts, and those in which the country was once more united and economic recovery began.

The returns here contain the gap above referred to. Uniform data, supplied by other general returns, point to a shrinkage of the total amount of bank credits in 1943 and 1944 (11); this phase was one of marked liquidity with growing investments in government securities and other similar operations (deposits with the Treasury and the Bank of Issue). Presumably the shrinkage affected almost all

(11) See: M. MANCINI, *The Italian Money Market*, etc., above cited.

(8) In the Bulletin of the Bank of Italy (*Bollettino del Servizio Studi Economici della Banca d'Italia*), Nov.-Dec. 1946 and Aug.-Sept. 1947.

branches of activity except those relating to the industry and trade in cereals and other foodstuffs. Indeed, during those years bank credits

and related activities. At the end of 1946 almost one third of all the credit granted was absorbed by such activities, to wit, 123.6 mil-

THE PRINCIPAL BORROWING BRANCHES IN 1938-1942 TABLE IV

Business Branches	Dec. 31, 1938	June 30, 1942	
	% of total bank credits	% of total bank credits	Index N. of the amounts loaned to each branch (December 1938=100)
— Public Institutions	7.7	9.8	106.4
— Building and house property, public works and land reclamation	12.0	9.3	123.4
— Agriculture and trade in materials and equipment for agriculture	8.4	6.0	113.9
<i>Industry and wholesale trade in:</i>			
— Grain, foodstuffs, drink	12.3	11.2	145.4
— Steel, metal, and engineering products	9.1	17.4	305.3
— Textile products and clothing	6.4	7.2	181.1
	62.9	60.9	

lions consisted chiefly in loans made to finance the farm products pools.

After the reunion of the national territory, bank credit was extended to all branches of activity, preference being shown for those of high and rapid yields (See Table V).

liard lire out of a total of 396.4 milliard. Of the 123.6 milliard lire, 25.7 were accounted for by loans to farmers, agricultural real estate companies, and to trade in raw materials and requisites for agriculture. The remainder, i. e. 97.9 milliards, were accounted for by a wide

THE PRINCIPAL BORROWING BRANCHES IN 1942-1946 TABLE V

Business Branches	June 30, 1942	December 31, 1946	
	% of total bank credits	% of total bank credits	Index N. of the amounts loaned to each branch (June 1942=100)
— Public Institutions	9.8	5.8	418.4
— Building and house property, public works and land reclamation	9.3	7.1	543.2
— Agriculture and trade in materials and equipment for agriculture	6.0	6.5	768.4
<i>Industry and wholesale trade in:</i>			
— Grain, foodstuffs, drink	11.2	24.7	560.4
— Steel, metal, and engineering products	17.4	10.3	419.2
— Textile products and clothing	7.2	9.1	892.6
	60.9	63.5	

An examination of bank credits at the end of 1945 and 1946 shows a high percentage granted to the agricultural and food branches

range of products among which cereals, sweets, groceries, vegetable and animal food preserves, wine, oil, beer, ice, milk and dairy products, su-

gar etc.; activities relating to threshing, canning, packing and the trade in wheat occupy the first place among these with a credit of no less than 33.5 milliard lire.

Credit to the branch engaged in the industry and trade in steel, metal, and engineering products rose in the period June 1942-December 1946 from 9.7 to 40.7 milliard lire, but the percentage ratio to total bank loans fell from 17.4 to 10.3 per cent.

Credit to the textile and clothing branch, whose activity at the close of the war is known, rose in absolute value from 4 to 36 milliards, and in percentage value from 7.2 to 9.1 per cent.

A detailed study of each specific business branch would lead to interesting observations but would exceed the scope of this article whose purpose is to give a synthetic picture. The statistical data condensed in Table II offer essential data for this purpose (12). Two charts have been added to make more evident the dynamism of the principal developments. Chart II shows the index of growth of the volume of credit granted to each of the business branches taken into consideration. The heaviest increase took place from 1936 to 1946 in the chemical branches and those dealing in cereals and other foodstuffs; electric power, gas

and water supplies; leather; transports and communications; wood and timber, textiles and clothing, etc. In several other branches of activity of no inconsiderable importance the increase in the grant of credit was notably below the figure for the general index; among these branches are public institutions, house property and the building trades, public works and land reclamation, and the non-ferrous ore mining industry.

Chart III completes the previous one, and sums up the chief variations in the distribution of the mass of bank credits among the several business branches for the decade. The shift which occurred in the branch of agriculture and related industries and trade is particularly striking; at the end of 1946 they held the lion's share (31%). Expansion reached a maximum in the steel, metal, and engineering branch in 1942, coinciding with the culminating point of war activities. Public institutions lost ground steadily, while the textile and clothing branches more than doubled their quota from 1936 to 1946; on the other hand, that of the branch "banks, exchanges, financial and insurance companies" was reduced to less than half.

Distribution of Total Bank Credits by Groups of Banks (13)

4. — The data contained in Table VI and Chart IV show that in 1936 the Savings Banks were those most active in financing economic activities; the 8.8 milliard lire they invested in such loans accounted for almost one third (32.3 per cent) of total bank financing. They were followed by the Public Law Credit Institutes (23.8%), and the Ordinary Credit Banks which, together with the Peoples Co-operative Banks, contributed in the ratio of 30.8%. The anomalous situation of the Banks of National Interest should be noted; in their case the ratio of credits to deposits was noticeably lower than that of the other banks (25.5%) and their share in total credit operations did not exceed

13.1%. This special situation should be considered in relation to the work undertaken by the Institute for Industrial Reconstruction (IRI) in 1933 for mobilising their frozen credits. A ratio of credits to deposits, notably inferior to 50%, is found also in the case of the Savings Banks and Pledge Banks; but these, as is known, hold large investments in government securities which are not included in our enquiry.

In the course of the decade the situation has been radically altered. At the end of 1946 the Banks of National Interest had enlarged their advances almost thirty-fold. Of the 396 mil-

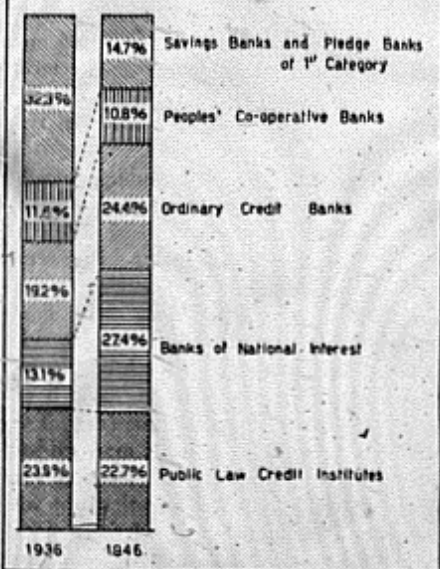
(12) See also Table E in the Statistical Appendix of this issue, pp. 200-201.

(13) For the classification by groups of the Italian Banks, see E. RIENZI, *The Distribution of Share Capital of Italian Banking Companies*, in this Review, April 1947, p. 12.

liard lire of total bank credits they had granted 108 milliards (27.4%), thus ranking ahead of all other groups of banks. As the Public Law Credit Institutes have remained at about the same percentage as in 1936, the credit expansion of the Banks of National Interest and the lesser one of the Ordinary Credit Banks has taken place to the detriment of the Savings Banks, whose participation in the total amount of bank loans has been more than halved, falling from 32.3 to 14.7%.

These changes may be ascribed not only to the new settlement brought about by the work of the IRI and to the policy followed by each group of banks during the war in conformity with their characteristic functions, but also to the flow of liquid funds arising not only from savings in the real sense of the word, but more especially from disinvestments. These funds took the direction mainly of the major banks which, when the business revival set in, found themselves able to dispose of larger means with which to help the national economy in the form of advances.

Chart IV - PERCENTAGE DISTRIBUTION OF TOTAL BANK CREDITS BY GROUPS OF BANKS (End of Calendar Year)



CREDITS TO CLIENTS AND DEPOSITS OF ITALIAN BANKS IN 1936 AND 1946 (End of Calendar Year)

TABLE VII

	1936				Ratio of Credits to Deposits %	1946				Index Numbers (1936 = 100)		
	Credits		Deposits			Credits		Deposits		Credits	Deposits	
	Amount (million lire)	% of total	Amount (million lire)	% of total		Amount (million lire)	% of total	Amount (million lire)	% of total			
Public Law Credit Institutes	6,466	23.8	7,228	13.5	89.4	90,156	22.7	142,540	20.4	63.2	1,394	1,072
Banks of National Interest	3,548	13.1	13,920	26.0	25.5	108,439	27.4	192,063	27.5	56.5	3,056	1,380
Ordinary Credit Banks	5,213	19.2	12,956	24.2	64.5	96,542	35.2	254,783	33.4	59.8	1,852	1,801
Peoples' Cooperative Banks	3,145	11.6	12,956	24.2	64.5	42,957	11.0	78,500	11.1	9.7	1,366	1,801
Savings Banks	8,774	32.3	19,435	36.3	45.1	58,300	14.7	130,169	15.7	44.8	657	670
Total	27,146	100.0	53,539	100.0	50.7	396,394	100.0	698,055	100.0	55.8	1,460	1,394

Business Branches and Groups of Banks

5. — The study of the credit dealings of the several groups of banks with the various branches of economic activity is so far possible only for the years 1936, 1945, and 1946. For a more thorough analysis of this subject, which

would exceed the limits of this summary examination, Tables VII and VIII should be consulted. Here we will only make a few remarks on two aspects: (A) how each business branch has distributed its banking indebted-

TABLE VII

BANKING INDEBTEDNESS OF EACH BUSINESS BRANCH — PERCENTAGE DISTRIBUTION BY GROUPS OF BANKS

Business Branches	Public Law Credit Institutes		Banks of National Interest		Ordinary Credit Banks		Peoples' Cooperative Banks		Savings Banks and Pledge Banks of 1st Category	
	1936	1945	1936	1945	1936	1945	1936	1945	1936	1945
1 - Professional (and consumer)	17.6	23.0	8.9	15.1	30.6	29.6	12.0	9.4	41.4	18.3
2 - Public Institutions (institutions for specialised activities excluded)	36.1	44.7	1.4	4.0	7.4	6.6	3.6	2.4	56.5	44.9
3 - Banks, exchanges, fin. and int. co.	23.6	45.0	10.1	18.0	13.2	28.3	6.5	4.2	37.8	7.4
4 - Transports and communications	25.1	30.2	32.9	21.6	24.2	22.0	7.8	11.9	11.0	9.7
5 - Electric power, gas, water	46.8	29.3	18.2	24.2	30.8	22.9	9.2	6.8	12.2	8.6
6 - Hotels, entertainments	14.9	27.0	8.6	22.2	25.5	28.9	22.6	14.7	29.9	16.7
7 - Building and house property, public works, land-reclamation	31.2	22.9	9.6	22.7	26.4	29.4	9.3	11.9	31.0	14.8
8 - Agriculture and trade in materials and equipment for agriculture	2.7	18.2	7.4	9.1	37.8	35.4	21.1	10.1	36.0	24.9
Industry and wholesale trade in:										
9 - Grain, foodstuffs, drink	20.3	21.9	21.8	28.5	23.0	23.7	16.8	10.7	17.0	21.1
10 - Wood and related products	12.6	13.8	25.2	30.7	27.4	24.8	23.7	22.8	9.3	7.8
11 - Non metallic minerals	25.4	29.0	26.8	28.0	24.5	26.5	14.8	13.7	14.5	6.4
12 - Steel, metal and engineering products	20.1	21.9	33.6	38.9	18.4	18.5	10.7	17.5	4.4	3.9
13 - Chemical products	17.9	23.5	36.6	45.0	24.5	22.0	18.1	10.6	6.1	2.6
14 - Paper and printing	27.4	26.8	19.5	32.1	31.3	19.9	16.8	14.9	7.0	3.2
15 - Hides and skins	14.5	18.5	22.6	32.0	25.8	22.3	21.3	15.6	5.2	4.8
16 - Textile products and clothing	11.8	12.7	28.2	30.1	32.6	27.7	18.5	17.6	6.5	3.6
17 - Other trades and industries	9.4	22.4	28.5	22.1	30.7	23.1	25.0	17.9	8.6	10.4
18 - Retail trade and miscellaneous services	19.6	22.0	18.2	17.8	28.9	28.7	20.3	14.5	15.5	7.5
Total	33.8	35.2	13.3	23.6	33.9	34.4	11.6	11.8	32.3	14.7

CREDITS OUTSTANDING FOR EACH GROUP OF BANKS — PERCENTAGE DISTRIBUTION BY BUSINESS BRANCHES

Business Branches	Public Law Credit Institutes			Banks of National Interest			Ordinary Credit Banks			Peoples' Co-operative Banks			Savings Banks and Pledge Banks of 1st Category			Total		
	1936	1945	1946	1936	1945	1946	1936	1945	1946	1936	1945	1946	1936	1945	1946	1936	1945	
	1 - Professional (and consumer)	9.1	7.3	8.6	8.4	5.1	6.1	12.9	10.2	10.4	12.7	6.6	7.4	12.7	11.1	10.6	12.3	8.0
2 - Public Institutions (Institutions for specialised ec. activities excluded)	31.9	13.4	9.1	2.2	1.3	2.1	2.6	2.2	1.6	6.6	1.5	1.4	6.6	36.8	17.7	21.0	7.6	8.8
3 - Banks, exchanges, fin. and ins. Co.	13.2	17.2	4.7	10.2	7.3	9.0	15.2	5.4	6.9	7.4	2.5	2.3	15.6	12.9	3.0	13.3	9.6	5.9
4 - Transports and communications	1.9	2.7	2.9	4.7	2.1	3.0	2.2	2.3	2.3	1.3	2.4	2.8	0.6	1.6	1.7	1.9	2.3	1.6
5 - Electric power, gas, water	3.3	4.8	2.2	2.3	2.5	1.8	1.2	3.1	4.5	1.3	1.4	0.7	0.6	1.4	0.9	1.7	2.4	1.6
6 - Hotels, entertainments	0.5	0.7	0.7	0.5	0.6	0.4	1.0	0.7	0.8	1.6	0.8	1.0	0.7	0.4	0.8	0.8	0.6	0.7
7 - Building and house property, public works, land-reclamation	16.5	5.7	7.9	9.2	6.1	5.9	12.4	7.0	7.4	10.0	6.3	7.8	12.0	6.6	7.1	12.6	6.3	7.1
8 - Agriculture and trade in materials and equipment for agriculture	0.8	5.2	5.9	4.1	2.8	2.0	12.4	11.5	9.4	13.2	6.2	6.2	8.1	11.7	11.0	7.3	7.3	6.5
Industry and wholesale trade in:																		
9 - Grain, foodstuffs, drink	7.7	18.3	21.2	15.2	25.5	23.8	11.4	20.4	24.1	13.2	19.1	21.5	4.8	21.8	35.4	9.1	21.2	24.7
10 - Wood and related products	0.6	1.4	1.5	2.4	2.9	2.5	1.9	3.0	2.3	2.5	6.1	4.5	3.4	0.9	1.2	1.2	1.6	2.2
11 - Non-metallic minerals	2.4	2.7	2.1	4.6	2.8	2.5	5.5	2.4	2.4	2.9	2.8	2.7	0.8	0.7	1.0	2.2	2.4	2.2
12 - Steel, metal and engineering products	4.7	8.5	10.1	14.3	16.8	14.2	6.9	7.8	7.8	8.7	15.1	12.6	0.7	2.1	2.7	5.6	10.2	10.3
13 - Chemical products	0.7	2.1	3.5	3.2	5.6	5.2	1.5	3.0	3.1	1.8	2.6	3.1	0.2	0.4	0.6	1.1	2.9	3.4
14 - Paper and printing	1.1	1.3	1.4	1.4	1.6	1.6	1.4	1.1	1.0	1.4	1.5	1.6	0.2	0.4	0.3	0.9	1.2	1.2
15 - Hides and skins	0.7	1.3	2.8	2.8	3.7	3.7	1.8	1.8	2.5	2.2	2.3	3.6	0.2	0.9	0.9	1.2	1.7	2.8
16 - Textile products and clothing	2.1	4.1	6.5	9.3	10.3	12.1	7.8	11.1	10.4	6.9	12.1	13.7	0.9	3.7	2.2	4.3	8.1	9.1
17 - Other trades and industries	0.2	0.9	0.9	0.9	0.9	1.0	0.6	1.3	0.8	0.9	1.5	1.1	0.1	0.4	0.6	0.4	1.0	0.9
18 - Retail trade and miscellaneous services	2.6	4.1	6.0	4.3	3.5	3.1	4.5	5.7	5.3	5.4	9.2	6.0	1.5	2.5	2.3	3.1	4.7	4.5

ness over the various groups of banks (Table VII); (B) how each group of banks has distributed its risks over the various branches of activity (Table VIII).

(A) In 1936 (see Table VII) public institutions were indebted more especially to the Public Law Credit Institutes and the Savings Banks and 1st category Pledge Banks (a total of 5.3 milliard lire on an indebtedness of 5.7 milliards, i. e. 92.6%). These same banks had also supplied most of the credit (62.2%) required by the building trades, house property, public works and land reclamation.

The credit required for financing agriculture and the trade in agricultural raw materials and farm requisites was supplied in very varying measure by the several categories of banks, ranging from a minimum of 2.7% of the total, obtained from Public Law Credit Institutes, to a maximum of 36.0% obtained from the Savings Banks and Pledge Banks of the 1st category. The credits to the industry and trade in cereals and other foodstuffs were distributed more evenly over the several groups of banks.

The industry and trade in non-metallic ores were chiefly financed in equal measure by the Banks of National Interest and by the Public Law Credit Institutes (in all 52.2%). On the other hand, in the case of the steel, metal, and engineering branches, the Banks of National Interest played the leading part (33.6%) together with the Ordinary Credit Banks (23.8 per cent). The two last groups of banks also provided the largest percentages of the credits granted to the chemical branch (61.5%), to leather (59.0%), and to textiles and clothing (63.1%).

At the end of 1946 the positions had altered, more especially owing to the shifts above referred to in the case of the Banks of National Interest and the Savings Banks. Several branches of activity obtained a high quota of their credit requirements from the Banks of National Interest: banks and exchanges, financial and insurance companies, 41.9%; the industry and trade in wood and lumber 30.7%; non-metallic ores 31.6%; steel, metal, and en-

gineering 37.6%; chemical products 41.9%; paper and printing 36.2%; leather 36.1%; textiles and clothing 36.3%; sundry industries and trades 30.5%. In these branches the Public Law Credit Institutes were outdistanced, although they provided large amounts of credit to the steel, metal and engineering and to the paper and printing branches. The Public Law Credit Institutes however held the first place in supplying credit to electric power, water, and gas branches (32.1%), and to retail trade and miscellaneous services (20.5%). The Ordinary Credit Banks, which followed close after the Public Law Credit Institutes, held the first place in providing professional and consumer credit (29.6%); and credit to hotels and public entertainments (28.9%), to building and house property (25.4%), to agriculture and the trade in agricultural raw materials and requisites (35.4%). The Savings Banks and 1st category Pledge Banks follow at a considerable distance, except in the case of credit to public institutions of which they supplied a high percentage (44.9%). The indebtedness of public institutions to the Savings Banks and Public Law Credit Institutes stands at 18.5 milliard lire out of a total indebtedness of some 23 milliards, i. e. 80.6%.

(B) In 1936 (see Table VIII) the banks had only just begun to finance the wheat pools, but by the end of 1946 credits in behalf of the trade and industry in cereals and other foodstuffs (14) had become much the largest investment of all the banks, taking precedence of all their other risks and attaining for each group of banks the following percentages of the total volume of loans supplied:

Savings Banks and 1st Cat. Pledge Banks	35.4%
Ordinary Credit Banks	24.1%
Banks of National Interest	23.8%
Peoples' Co-operative Banks	21.5%
Public Law Credit Institutes	21.2%

The other business branches which at the end of 1946 represented for each group of banks the largest risks, were:

(14) This category includes, as is known, the financing of the wheat and other pools by the Banks, which has led to their holding a credit on the State which has grown to large proportions, especially owing to the existence of arrears.

— for the Public Law Credit Institutes, the steel, metal, and engineering branches (12.1 per cent of total credit granted by the group) and public institutions (9.1 %). The reduction of the quota assigned to public institutions (from about 32 % in 1936 to 9.1 % in 1946) has contributed in recent years to make the distribution of the risks of Public Law Credit Institutes—viewed as a whole—more like that of the Banks of National Interest;

— for the Banks of National Interest, the steel, metal, and engineering (14.2 %) and the textile and clothing branches (12.1 %);

— for the Ordinary Credit Banks, the textile and clothing branch (10.4 %), and the professional and consumer credits (10.4 %);

— for the Peoples' Co-operative Banks, the textile and clothing branch (13.7 %), and the steel, metal, and engineering (12.6 %);

— for the Savings Banks and 1st category Pledge Banks, public institutions (17.7 %), and agricultural raw materials and equipment (11.0 per cent).

The chief alterations that have occurred in the distribution of risks from 1945 to 1946, i.e. during the period of rapid credit expansion, may deserve notice.

In the course of 1946 the quota of credit granted by the group of Public Law Credit Institutes to public institutions fell from 13.4 to 9.1 %; and to banks, exchanges and financial and insurance companies from 17.2 to 4.7 per cent; while, for the foodstuff industries and trade, it rose from 18.3 to 21.2 %, for the steel, metal, and engineering, from 8.8 to 12.2 %, and for the textile and clothing branch from 4.1 to 6.5 %.

In the case of the Banks of National Interest, the percentage quota assigned to food industries and trade declined from 25.5 to 23.8 per cent, and to the steel, metal, and engineering branches from 16.8 to 14.2 %; while for the public institutions it rose from 1.3 to 2.1 %, for the branch of banks, exchanges, etc., from 7.5 to 9 %, and for the textile and clothing branches from 10.3 to 12.1 %.

In the case of the Ordinary Credit Banks,

there was a rise in the quota assigned to banks, exchanges, etc. (from 5.4 to 6.9 %), and a reduction in that assigned to agriculture and materials for agriculture (from 11.5 to 9.4 %); on the other hand, there was an increase in the percentage granted to food industries and trade (from 20.4 to 24.1 %).

In the case of the Peoples' Co-operative Banks, there has been a reduction in the percentage of risks for the steel, metal, and engineering branch (from 15.1 to 12.6 %).

In the case of the Savings Banks, there has been a marked decline in the percentage in favour of banks, exchanges and financial and insurance companies (fallen from 12.9 to 3 %); while the quota assigned to food industries and trade has risen from 21.8 to 35.4 %.

Substantially, from 1945 to 1946, as recovery proceeded, leading to increased activity in new branches of production and the revival of foreign trade, the Italian credit system has introduced considerable variations into the distribution of the risks undertaken. This redistribution is still proceeding to meet the new needs of peace economy and to rectify situations which were the result of former trends. In the present transitional stage of affairs it would be rash to try to draw reliable conclusions; the contrasts and frictions arising from these changes are affecting the banking system no less than others, and just recently the policy of credit stringency has brought the whole matter to the front. So far, however, the Italian banking system as a whole has given proof of remarkable elasticity and adaptability. Evidence of this is afforded by the part it played in the pre-war years when Italian economy was following a policy directed towards self-sufficiency; then during the period of hostilities, when it came to the assistance of the munition industries and government finance; and lastly, after the end of the war, by the rapidity and intensity of its interventions for assisting the reconstructive effort of the country, interventions favoured by the substantially sound and very liquid situation prevailing in the banking system when the conflagration came to an end.

STATISTICAL APPENDIX

EXPLANATORY NOTES

The reading of the Tables given in the Statistical Appendix will be facilitated by the following explanatory notes which will be brought up-to-date whenever the organisations elaborating the data modify the criteria adopted in preparing them.

1. *Wholesale Prices.*— Instead of the series of wholesale prices compiled by the Concern's Statistics Center of Florence published in the first two numbers of this Review, Table D will give from now onwards the *wholesale price index numbers of the Central Institute of Statistics* (Istituto Centrale di Statistica, of Rome) which has resumed the publication of its series, interrupted during the war, in its *Bollettino dei Prezzi*. The index numbers of the Institute are compiled—with weighted geometrical averages—on the basis of the legal and of the actual prices returned for each of the Italian provinces. For methodological details see *Bollettino dei Prezzi*, No. 1 of May 1947 et seq.

2. *The index numbers for the cost of living and the cost of food* given in Table D are those of the Central Institute of Statistics of Rome, and replace the series published by the Edison Group used in the first two numbers of this Review. They are compiled on the basis of the consumption of a typical family of father, mother, and three children of 10, 7, and under 3 years of age. The family is subdivided under 5 chapters of expenditure: food, clothing, house rent, heating and light, and other expenses.

The index numbers are obtained from the weighted arithmetical average of the index numbers of 62 towns (communes) with a population not exceeding 50,000, in conformity with the principles stated in the *Bollettino dei Prezzi*, No. 4-5 of August-September 1947, p. 63 et seq. The quantities considered in the chapter for food, correspond to an average daily consumption of some 2,000 calories per head (exclusive of alcoholic beverages).

3. *The index numbers for share quotations* given in Table G are compiled by the *Technical Board of the Edison Group* (Gruppo Edison, of Milan) on the basis of 1938. They are published in the *Quaderni di Studi e Notizie* of the Edison Group. The index number is based on a small number of securities, which are the more important and also the most sensitive to fluctuations. They do not therefore reflect accurately the average variations of the quotations for the whole body of securities. Nevertheless, as they are published of each day, they are very valuable for obtaining a timely knowledge of the trend of the Italian stock-exchange.

4. *The index numbers of Italian industrial production* (Table H) are compiled by the *General Confederation of Italian Industry* (Confederazione Generale dell'Industria Italiana, of Rome) for the textile, mining, metal, building material, electric, and chemical branches, on the basis of the available statistical data which are for the time being scanty. This accounts for some gaps both in the index numbers for the several branches and the general index number. Among the index numbers now

lacking are those for the engineering, food and industrial building. Moreover, while the Confederation has been able to compile for some branches (the textile, mining, electrical and metal trades) index numbers representing the entire output, in the case of others (building material trades) the calculations are based only on the movement of some of the more important lines of production. The gaps are, however, being gradually filled.

It should be noted that (a) the average index number for each branch is obtained from the weighted arithmetical average of the elementary index numbers for the leading products of the branch; (b) the general index number is compiled on the basis of the weighted geometrical average of the index numbers for the branches, assigning to each branch a weight proportionate to the number of the persons it occupies and the power of the plants, as ascertained by the 1938 industrial census. The weighting coefficients used in compiling the general index number are the following:

Branch of Production	Weighting Coefficient
— Textile industries	34.46
— Mining industries	7.95
— Metal industries (steel and non-ferrous)	24.76
— Building materials industries	14.06
— Electrical industries	4.77
— Chemical industries	14.00
	100.00

For details see the Yearbook 1947 of the General Confederation of Italian Industry, Rome, 1947, p. 265 and the series of the *Notiziario* of the Confederation, 1946-47.

5. The data on *foreign trade* (Table I, L) are compiled by the Central Institute of Statistics (Rome) in conformity with the rules laid down by the International Convention for Economic Statistics of December 14, 1928. They are published in *Statistica del Commercio con l'Estero*, No. 6, January-June 1947.

They refer exclusively to the *special import and export trade* (the so-called General Trade and Transit Trade are not included).

In the case both of imports and exports the volume of goods is expressed in metric tons and is given for the *real net weight* of the goods (for some goods only is the *net legal weight* given).

The values given both for imports and exports refer to the goods delivered at the frontier, exclusive of customs duties.

The multilateral exchange regulations in force for Italian foreign trade make it impossible to calculate the precise values. The rule followed for the first six months of 1947 has been that of converting into Italian lire the value declared in foreign currency on the basis of the official rate of exchange then in force majored by 125% (e.g. 1 doll. = 225 lire). The values published are therefore indicative.

ITALIAN STATE BUDGET (a)
(in milliards of lire)

Table A

Fiscal Years beginning 1st July	Ascertained receipts					Engaged expenditure					Surplus or deficit		
	Actual receipts			Movement of capital	Total	Actual expenditure			Movement of capital	Total	Actual receipts and expenditure	Movement of capital	Total
	Ordinary receipts	Extraor- dinary receipts	Total			Ordinary expenditure	Extraor- dinary expenditure	Total					
1938/39	57	0.0	28	3	31	23	17	40	2.8	43	- 12	+ 0.2	- 11.8
1941/42	38	3	41	50	91	35	83	118	4	122	- 77	+ 29	- 31
1942/43	43	6	49	54	103	42	93	135	25	160	- 86	+ 29	- 31
1945/46	125	3	128	92	220	169	347	509	44	553	- 381	+ 48	- 331
1946/47	346	6	352	335	687	318	614	932	303	1,235	- 580	+ 31	- 549

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

Source: *Bollettino Mensile* of the Central Institute of Statistics (Istituto Centrale di Statistica), Rome, 1947.SITUATION OF THE INTERNAL NATIONAL DEBT
(in millions of lire)

Table B

Date	Consoli- dated and others	Redema- ble debt	Floating debt				Notes of the State	Total of internal public debt
			Treasury bills	Interest- bearing current accounts (a)	Advances by the Bank of Italy	Total		
1938 (June 30)	52,995	49,126	8,922	19,959	1,000	29,881	1,963	133,955
1943	52,945	178,092	53,130	55,306	59,882	168,318	5,919	495,471
1944	52,945	176,059	61,867	59,522	79,842	201,231	6,500	436,733
1945	52,945	206,293	157,695	93,085	330,686	581,466	7,281	847,689
1946	52,945	278,569	239,009	145,754	343,012	727,775	7,348	1,066,637
1947	52,947	428,851	279,327	175,238	365,891	820,756	6,617	1,309,171

(a) Cassa Depositi e Prestiti (Government Institution administering the postal deposits), Banking Institutes and others.
Source: *Bollettino mensile* of the Central Institute of Statistics (Istituto Centrale di Statistica), Rome, 15 July, 1947.RESERVES AND PRINCIPAL ITEMS OF THE BANK OF ITALY
(in milliards of lire)

Table C

End of period	Re- serves	Bill dis- counted	Advances made against securities and goods	Trea- sury bills	Securi- ties	Extraor- dinary advances to the Trea- sury	Debts at sight	Current accounts deposits	Interest- bearing time deposits by banks	Trea- sury current account	Operations made dur- ing the period	
											Dis- counts	Advan- ces
1938	3.8	3.7	2.7	-	0.8	2	0.9	0.9	-	0.8	13.9	36.6
1943	2.2	5.5	7.2	8	0.9	79	7.9	17.4	18.5	47.3 (a)	20.9	66.3
1944	0.5	3.8	4.1	30	0.9	202.7	14.2	24.6	81.9	98.4 (a)	12.6	39.3
1945	0.5	9.8	5.4	68	0.9	342.7	13.4	46.9	120.2	20.5	25.4	105.7
1946	0.5	44	13.1	68	37.8	342.7	15.1	59.1	101.2	10.1	97	264.6
1947 February	0.5	43.3	12.1	68	37.7	342.7	14.8	57.1	90.1	21.6	7.8	30.8
» March	0.5	41.7	12.2	68	37.7	342.7	16.2	52.4	91.7	7.8	24.8	47.9
» April	0.5	50.9	17.8	68	37.7	342.7	16.6	41.8	90.5	7.1	24.1	47.1
» May	0.5	61.7	18.3	78	37.0	342.7	16.6	41.8	90.5	7.1	24.1	47.1
» June	0.5	67.3	24.1	78	37.5	342.7	16.5	41.1	79.9	11.7	18.9	53.6
» July	0.5	80.5	21.9	-	37.5	342.7	19.1	43.4	69.6	6.4	34.5	62.5
» August	0.5	93.1	20.4	-	37.5	342.7	15.8	38.7	57.7	12.1	34.4	96.4

(a) Treasury debt.

Sources: *Bollettino Mensile* of the Central Institute of Statistics (Istituto Centrale di Statistica), Rome, 15 July, 1947.

Table D

Date	Note circulation		Foreign currencies		Fine Gold		Share quo- tations (c)	Living cost (b)	Food- stuffs cost (b)	Whole- sale prices (b)	Note circulation	
	Amount	Index	Dollar	Swiss Franc	Price 1 gram	Index					Dollar	Pound Sterling paper
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1945 December	369.8	1,732	2,026	3,000	823	3,165	517	2,764	3,576	-	1,732	-
1946 January	386.5	1,717	2,016	2,837	775	3,624	445	2,787	3,559	-	1,717	-
» July	415.2	1,845	2,110	2,860	710	3,620	635	2,950	3,272	2,016	1,845	162
» August	435.4	1,890	2,247	2,893	846	3,696	781	3,084	3,354	2,247	1,890	166
» September	439.6	1,959	2,249	2,906	947	4,429	820	2,779	3,551	2,249	1,959	169
» October	453.2	2,014	2,449	2,906	940	4,396	748	2,982	3,773	2,449	2,014	172
» November	465.6	2,069	2,668	2,906	1,012	4,733	1,059	3,173	4,063	2,668	2,069	144
» December	512.7	2,278	3,136	4,627	1,078	5,042	1,301	3,403	4,380	3,136	2,278	132
1947 January	593.6	2,238	3,136	3,076	911	4,260	1,191	3,662	4,663	3,136	2,238	132
» February	512.0	2,275	3,036	3,744	844	3,947	1,514	3,283	4,734	3,036	2,275	147
» March	531.6	2,318	3,226	4,045	909	3,496	2,024	3,029	4,835	3,226	2,318	169
» April	569.1	2,440	3,663	4,459	1,070	4,115	2,797	4,180	4,533	3,663	2,440	224
» May	565.1	2,511	4,226	4,934	1,134	4,361	3,169	4,359	5,203	4,226	2,511	308
» June	584.3	2,608	3,900	4,836	1,007	3,873	3,437	4,671	5,074	3,900	2,608	390
» July	619.8	2,767	3,536	4,669	943	3,627	2,906	4,813	5,279	3,536	2,767	354
» August	644.9	2,879	3,342	3,862	933	3,588	2,241	5,079	6,470	3,342	2,879	245
» September	674.6	2,998	3,404	4,000	1,046	4,023	2,006	5,334	6,846	3,404	2,998	197
» October	687.6	3,056	3,405	3,707	955	3,673	1,668	5,313	6,796	3,405	3,056	191

(a) In milliards of lire.

(b) 1938=100.

(c) May, 1946=100.

NOTE: CIRCULATION AND PRICES IN ITALY.

Table

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

	Animals, Foodstuffs and Tobacco	Oil seeds and fruits; oil and fats; waxes	Textile crude materials and their products	Metallic ores, metals, products of metallurgical industries, machinery, vehicles, etc.	Stones, earths and non-metallic ores, ceramics and glass products	Woods and allied products	Chemical and medicinal products, resins, dye-stuffs, tans	Other commodities	General Total
<i>Italy Imports</i>									
Weight (a)	1,312	58	241	393	3,995	112	1,910	164	8,095
Value (b)	26,731	4,908	45,466	11,562	42,341	1,872	28,490	17,104	194,404
<i>Italy Exports</i>									
Weight (a)	411	2	50	135	167	30	43	54	892
Value (b)	14,838	714	38,547	15,243	2,991	1,745	3,650	7,441	84,588

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

Source: *Statistica del commercio con l'estero* of the Central Institute of Statistics (Istituto Centrale di Statistica), January-June 1947, n. 6, p. 7.

IMPORTS AND EXPORTS BY LEADING COUNTRIES
from 1st January to 30th June 1947

Table I

Countries	Foodstuffs and crude materials for their production; livestock				Materials exclusive of foods and their products; auxiliary materials (coal, crude oil, etc.) ^a				Total value (million lire)	
	Weight (m. tons)		Value (million lire)		Weight (m. tons)		Value (million lire)		Imports	Exports
	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports		
Austria	77	14,520	9.0	575.9	71,826	13,435	1,467.0	570.4	1,837.0	1,076.3
Belgium-Luxemburg	6,529	14,051	761.0	722.3	191,123	23,422	7,588.3	1,451.9	8,340.3	2,174.2
Czechoslovakia	23,946	29,314	2,148.3	1,626.3	75,667	21,831	1,268.3	1,047.2	3,416.6	2,673.5
Denmark	19,999	4,000	1,286.4	151.0	1,078	9,798	139.3	1,837.2	1,425.7	1,988.2
France	2,406	1,265	348.7	221.4	113,013	14,523	2,720.3	2,245.1	3,069.0	2,466.5
Germany	—	3,766	—	181.2	98,972	6,141	1,461.7	517.3	1,461.7	698.5
Jugoslavia	1,613	1,348	301.7	112.4	112,225	4,501	1,038.3	667.3	1,340.0	779.7
Norway	11,849	85,972	1,004.8	912.0	5,359	4,207	217.9	1,300.7	1,222.7	2,212.7
Netherlands	14,398	17,777	870.2	347.4	99,890	10,854	1,918.9	2,107.1	2,789.1	2,454.3
Poland	—	1,245	—	54.9	187,123	13,865	2,094.8	170.6	2,094.8	225.5
United Kingdom	1,503	118,907	121.1	3,968.9	58,694	39,659	4,999.0	4,253.6	5,120.1	8,222.5
Spain	3,793	—	883.4	—	9,899	5,597	1,082.0	290.0	1,965.4	290.0
Sweden	2,786	27,023	266.3	1,183.7	44,177	16,474	1,908.4	4,522.0	2,174.5	5,795.7
Switzerland	10,269	76,349	1,632.9	3,327.4	32,338	91,742	4,589.3	6,378.1	6,222.2	9,795.5
Turkey	99,912	10	3,464.4	3.0	27,736	8,367	1,021.5	3,566.0	4,487.5	3,581.6
China	36	13	2.6	2.7	166	1,540	56.1	352.6	58.7	358.3
India	94	480	34.3	47.0	27,999	10,714	1,892.2	3,349.3	1,926.5	3,366.3
Dutch East Indies	339	12	61.1	3.0	251,713	2,176	2,832.4	734.3	2,893.5	734.3
Iran	—	11	—	3.1	392,246	988	2,861.2	1,025.0	2,861.2	1,025.0
Malay	54	15	11.8	3.3	1,230	2,647	228.5	458.8	240.3	461.1
Palestine	196	817	0.8	62.8	15,974	11,908	120.8	2,276.4	121.7	2,398.1
Syria	4,976	145	737.3	25.8	637	3,138	261.8	1,350.7	999.1	1,376.5
Africa	4	205	0.6	39.7	2,495	772	421.7	510.2	422.3	509.9
Egypt	47	2,097	2.5	179.9	25,853	14,100	4,855.5	3,870.5	4,855.5	4,050.4
Union of South Africa	4	115	0.5	13.1	100,684	4,769	7,547.5	2,456.3	7,547.5	2,456.3
Argentina	151,573	1,092	4,504.4	230.4	12,488	21,146	2,735.1	5,821.8	7,239.5	6,052.2
Brazil	10,067	1,499	1,522.5	461.2	34,232	11,142	4,181.9	2,131.5	5,704.4	2,592.7
Canada	41,719	1,315	1,335.0	49.9	5,810	2,588	474.2	258.2	1,809.2	361.1
United States of America	844,200	5,855	23,642.0	1,013.2	4,180,243	54,397	70,054.6	3,305.3	93,606.6	4,318.5
Uruguay	3	171	—	70.1	2,546	3,809	606.1	1,082.1	606.1	1,152.2
Venezuela	809	436	119.9	140.0	3,910	1,716	1,716	575.5	138.0	715.5
Australia	—	96	—	9.8	78,518	1,363	7,136.9	977.5	7,136.9	977.5
Allied	78,988	—	3,389.5	—	117,096	—	2,423.5	—	5,813.0	—
Other countries	27,664	22,994	2,331.1	789.6	352,723	35,072	5,452.5	6,665.2	7,783.6	7,454.8
Total	1,359,837	432,915	50,793.9	16,532.2	6,735,553	459,120	147,680.6	68,056.3	198,474.5	84,588.5

Source: *Statistica del Commercio con l'Estero* of the Central Institute of Statistics (Istituto Centrale di Statistica), January-June, 1947, n. 6, pp. 97-98.