

BANCA D'ITALIA

---

# ANNUAL REPORT

OF THE

GOVERNOR

TO THE

GENERAL MEETING OF THE SHAREHOLDERS

*HELD IN ROME, THE 25th MARCH, 1925*

---

**Year 1924**

---

ROMA

« L'UNIVERSALE » TIPOGRAFIA POLIGLOTTA

---

1925

BANCA D'ITALIA

---

# ANNUAL REPORT

OF THE

GOVERNOR

TO THE

GENERAL MEETING OF THE SHAREHOLDERS

*HELD IN ROME, THE 25th MARCH, 1925*

---

**Year 1924**

---

ROMA

« L'UNIVERSALE » TIPOGRAFIA POLIGLOTTA

—  
1925



**ANNUAL REPORT**  
OF THE  
**GOVERNOR OF THE BANCA D'ITALIA**  
TO THE  
Shareholders of the Bank at the General Meeting  
held in Rome on the 31st March, 1925 (\*)

---

**Review of General Conditions. The international Market.**

During the past year a fresh step has been made towards the desired economic world settlement, particularly with regard to European monetary conditions, although the political horizon is not yet entirely clear. The difficulties which are still in the way of a more rapid advance towards a full readjustment, prevent us from measuring the exact value of what has been so far achieved. Each day has its task. To-day, as probably to-morrow, disillusion would await those who, in considerable numbers, entertain impatient hopes as to the speed of progress of this readjustment. However, we can safely conclude that in the twelve months that have elapsed events clearly indicating a substantial progress have actually taken place.

In fact, after the provisions which were enacted for the reconstruction of Austria and Hungary, the efforts of the Great Powers were especially concerned with a much vaster proposition, namely dealing with the economic, financial and currency position of Germany, with the object of finding equitable means to put Germany in a condition to meet her Peace obligations. You know of the precedents that led the Reparation Commission to appoint two Expert Committees (30th November, 1923) "to consider the means of balancing the Budget and the measures to be taken to stabilise the German currency" (presided by the American General Charles C. Dawes) and "to enquire into the amount of German exported capital and to consider the means

(\*) Abridged translation of the Italian edition.

of bringing it back to Germany ” (presided by the Rt. Hon. Reginald McKenna). The reports of the said Committees were produced on April 9, 1924.

Equally well known are the agreements embodied in the conclusions of the London Conference (16th July-16th August 1924) with the main object of putting in operation the Dawes Plan (1) a plan of the highest importance, not only for the reconstruction of Germany and for fixing the value of the currency of that country (2) but also as a starting point towards the settlement of serious European economic and financial problems.

On October 14, 1924, the Reparation Commission acknowledged in its turn that the conditions required in the above mentioned plan, which had been accepted by Germany, had been actually fulfilled and therefore the working of the plan could be considered as effective (3).

Finally, there came the Paris Conference of last January, where the distribution of the first annuities to be paid under the Dawes Plan was fixed and more specially all outstanding accounts

(1) See the Agreements between the Reparation Commission and the German Government, between the Allied Governments and the German Government concerning the Agreement reached between that Government and the Reparation Commission; the Agreement between the Allied Governments and the German Government; the inter-Allied Agreement, all of which are in the Annex to the final Protocol of the Conference, dated 16th August, 1924.

(2) “ The stability of the German currency is the foundation of the Dawes Plan. It bears a direct influence on its working. The Reichmark, which is intended to solve definitely the currency problem, has been issued only just recently. It is the starting point of the recovery of Germany’s economic life ”. (See “ Le Plan Dawes et l’Economie allemande ”, “ edited by Berliner Handels Gesellschaft ”, January 1925).

(3) The conditions were the following :

- 1) Approval by the German Parliament and promulgation of the necessary laws for the definite working of the Dawes Plan.
- 2) Constitution of the executive and control organs.
- 3) Creation of the Bank of issue and of the German Railway Company.
- 4) Delivery to the Trustees of the Railway and Industrial debentures.
- 5) Agreements guaranteeing the floatation of a foreign loan of 800 million gold marks.

By the above acknowledgment the Reparation Commission partly renounced the

within the province of the Reparation Commission were dealt with. The said Conference was particularly important from a political point of view owing to the official intervention of the United States of America and to their admittance for the first time, though in a small proportion ( $2\frac{1}{4}\%$ ) to participate in the Reparation receipts (1) together with the other countries which fought side by side in the Great War.

Thus the way was cleared for carrying out the complex programme which originated in the international decisions culminating in the adoption of the document bearing the name of Dawes and its subsequent operation. Germany has been put on her feet again with the assent of all the Powers concerned, particularly owing to Anglo-Saxon pressure. Reasonable confidence should be entertained that the desired economic and financial revival of that country will be achieved together with an early and sound adjustment of other currencies which were seriously disturbed as a result of the War. According to justice, the fate of the victors should not be worse than that of the vanquished (2).

The Paris Conference was not intended to deal and did not deal with the question of interallied debts, in spite of the impression that the latter question cannot be dissociated from that of German reparations. Apart from the recurrent references which have been made in political quarters of the United States of America, it is well to recall the fact that on the 7th February ult. the British Government sent a Memorandum to the French Government embodying the views held by the London Cabinet regarding the settlement and the reimbursement of the amounts due by France. The said Memorandum aroused lively discussion on this side as well as on the other side of the Channel especially with

priority lien established by the Treaty of Versailles on all German assets. This was done in order that a part of these and German revenues should be applied to the service of the loan.

(1) See Agreement of January 14, 1925.

(2) See Norman Angel "Les Illusions de la Victoire" (Translation, Paris, 1924).

regard to the substantial differences existing between this and other plans, which were considered more favourable to the debtor, also on account of their closer connection with the problem of Reparations (1).

It is not our intention to express an opinion here on a delicate matter which is the subject of amicable discussion between two friendly Powers. We only mention it in order to keep in mind the possible consequences of the present British attitude concerning the general problem of settling interallied debts; a problem which has a bearing and not a light one also on Italy. Eventually, Italy cannot remain indifferent both financially and economically to the solution of this matter. We need not recall the arguments which we brought forward in previous reports about the financial and economic consequences of a settlement of the war debts by which an unbearable strain were to be placed on the debtor countries without due regard to their relative wealth and capacity to pay. Considering the position of Italy, anybody can appreciate what the consequences of such a strain would be on the budget and on the balance of international payments, and the more or less violent dislocation that would result on home production and foreign trade. In fact, it is felt that the present state of uncertainty regarding the solution which is awaiting this vexed question is not without effect on the rates of exchange which seem to be comparatively out of proportion considering the actual conditions of our country.

The following causes may be added :

a) The financial relation between Great Britain and the

(1) See Minutes of Interallied Conference on Reparations and Inter-allied debts held in London and Paris in December 1922 and January 1923, and especially the general plan for the settlement of Reparations and European Inter-allied debts presented on the 2nd January 1923 by the British Delegation in Paris. (Miscellaneous No. 3, A-1923, Inter-allied Conferences on Reparations and Inter-allied Debts. Reports and Secretaries Notes of Conversations). We may also recall the Notes despatched by the Earl of Balfour to the Representatives of the Allied Governments in London 1st August, 1922, regarding Inter-allied Debts. (Miscellaneous, No. 5, A-1922).

United States of America arising from the gradual repayment of the former's war debt as a result of the Agreement of June 1923.

b) The issue of a German loan of 800 million gold marks.

c) The practice of introducing in certain countries currency reforms affecting other neighbouring or distant countries. These factors which were felt on the market in the past year and at the beginning of the present year weighed obviously on the course of foreign exchanges and made matters more difficult for the countries whose monetary position was less strong, and whose currencies were therefore more liable to fluctuations in their relation with others (1).

On the other hand, the tendency of the pound sterling has been towards a gradual revaluation compared to the American dollar, so that we may look forward, perhaps in the near future, to reaching par of exchange between the two currencies and to the removal of the embargo on gold exports from Great Britain, which, however, would be due to expire at the end of the present year,

(1) It seems superfluous to demonstrate the disturbing effect which would result on the money market by exchange transactions due to international payments of an extraordinary nature, unevenly distributed.

The obvious concern of the experts, which led to the formulation of the report bearing the name of General Dawes on the subject of the monetary and exchange consequences of the transfers from Germany required in the plan, is shown at p. 27 of that Report.

The recent Paris Agreement officially recommends the spreading of the payments in the course of each year :

“ The Finance Ministers draw the attention of the Reparation Commission to the fact that the operation of the Dawes Plan would be greatly facilitated if the Agent General for Reparations Payments could so arrange that the annual payments to be made during the operation of the Dawes plan may be distributed throughout the course of each year ; and they request the Reparation Commission and the Agent General to consider what steps can be taken to secure this result which is of particular importance during the second and third years of the plan ”.

(See Art. 25 of the Agreement of January 14, 1925).

N. B. In the first six months since the operation of the Dawes Plan (1st September 1924, 28th February, 1925) the Agent General for Reparation Payments received a sum of 579.9 million gold marks and paid 463.7 million. In the last named figure, the sums remitted for Reparation Account amounted to 410.6 million gold marks.

1925. This important feature that would involve a return of the British currency to pre-War conditions, is discussed with disparaging opinions in financial circles of the City of London. The matter has received extensive consideration by the Chairmen at the recent general meetings of the big five London banks. The Rt. Hon. R. McKenna, a former Chancellor of the Exchequer, and now the illustrious chief of the Midland Bank, made the following statement: (1) "The movement in the American Exchange has quite recently brought the pound within measurable distance of parity with the dollar and the full restoration of the pre-War monetary system is generally expected. A reinstatement of the gold standard will be an event of first rate importance..." and further, "The pound sterling is now finding its way back to parity and will probably soon stand at its full gold value, not because it will have climbed up-hill to meet the dollar, but because the dollar, under the pressure of the surplus supply of gold, will have come down to the level of the pound." (2).

On the subject of this momentous argument general consent is however lacking. Some are doubtful as to the outcome of a too rapid revaluation of the pound and of a too speedy return

(1) Report to the General Meeting of Shareholders of the Midland Bank, held in London on the 27th January, 1925.

In his address delivered to the Commercial Committee of the House of Commons on the 4th March 1925, the Rt. Hon. McKenna dealt once more with the subject of the gold standard, expressing his confidence in it, whilst giving a general opinion contrary to the policy of the so-called "managed currency" as a permanent standard. (*The Times*, 5th March, 1925).

(2) Dr. Walter Leaf, Chairman of the Westminster Bank made in his turn the following statement at the General Meeting of the Shareholders of his Bank: "If notwithstanding adverse circumstances sterling has continued to rise, we can only attribute it, I believe, to an anxiety in the United States to employ on this side of the Atlantic that immense power of credit which has been given them by their accumulation of gold. America has grown tired of sterilising this great fund and is seeking to make some interest on it..."

N. B. — The amount of foreign loans placed in the United States during 1924 was of about 1210 million dollars: Of these, 944 million were new money, the balance consisting of renewals of previous loans. In the above figures, European loans alone accounted for 560 and 520 million dollars respectively.

to par, as they fear that some unpleasant uncertainty in the banking world might result, whilst holding that, apart from the reaction on prices and wages, it would be likely that these would be more unstable with the gold standard than with a managed currency (1). We do not say that such an opinion is correct, but we purposely mention the points of the argument in view of its bearing on the general currency problem and on the problems arising therefrom, of stabilisation, deflation, and devaluation which affect also Italy and are not simply a matter for academic arguments and discussions (2).

Finally, we draw your attention to the fact that the Commission on Gold and Silver of the United States Senate has handed to the President of the United States a voluminous report dealing with the monetary conditions of the principal countries, in which it recommends that he should summon an international monetary Conference with the object of re-establishing as soon as possible in every country the gold standard and that new gold parities should be adopted by these countries whose currencies have depreciated to such an extent that a speedy return to the pre-War parity of exchange. It is said that President Coolidge would be willing to take the initiative of calling without undue delay such a Conference.

Will this Conference take place and what may be its outcome?

It is well to be and to keep on guard, as it is not a matter of indifference for us and for others to be liable to influences which may be detrimental to the free development of our particular monetary policy, at a time when circumstances may not be considered ripe for taking irrevocable decisions as to the course to follow. Others are the objects of more or less heated scientific controversy, others

(1) See J. N. Keynes : A Tract on Monetary Reform, London, 1923, Chapter V, (Of this work an Italian translation is published by Casa Treves, Milan, 1925).

(2) See the authoritative and able publication by Senator Achille Loria " Le peripezie monetarie del dopo guerra ". (Milano, Ed. Università Bocconi, 1924).

the starting points of reforms that may compromise the present and future order of our finance and economic system (1).

Meanwhile, Italy has given and is giving proofs of proceeding with a right vision and effective system on the path of deflation, by reaching and safely maintaining a balanced budget, by a very substantial reduction of the floating debt and by providing for the curtailment by degrees, but with no hesitation, of the circulation of bank notes (2).

#### **The Italian Market.**

The expected results of the financial policy which has been firmly pursued by the Government did not fail to materialise: in fact, they surpassed with an actual deficit of 3,029 million lire, as against an estimated deficit of 4,000 million; the 1923-24 budget closed with a deficit of only 418 million lire whereas, according to the estimates the deficit was expected to reach about 1,087 million. From 1922-23 to 1923-24, we have therefore an encouraging progress: namely, an improvement of no less than 2,611 million lire.

For the present financial year, the Finance Minister after the first six months had elapsed, considered likely that there would be a surplus (3), and he declared moreover, that the financial year

(1) In a lecture delivered on December 19th, 1924, by Mr. J. Descamps, Director of the Economic Department of the Bank of France, before Members of Parliament of various groups, he was very outspoken against the devaluation or what he described as the *mutilation* of the franc (*La situation monétaire et l'avenir du franc*, Paris, 1925).

Views opposed to deflation are held by Charles Rist in his book "*La Déflation en pratique, Angleterre, États-Unis, France, Tchécoslovaquie*" (Paris, Giard, 1924).

(2) Regarding the intentions and the policy of the Finance Minister, see. "*Per la difesa della valuta*" an address in the Senate by Signor de' Stefani delivered on March 27, 1925, pp. 18-19. In that speech the following passage is remarkable: The surplus which will be attained in future budgets must be considered as a sacred patrimony for the reconstruction. It must be our *masse de manœuvre* together with in the balance of our international payments (p. 7).

(3) In the period between July, 1924 and January 1925, the actual yield of ordinary revenue was of 10,049.2 million lire as against total receipts of 0,964.9 million in the same period of the preceding year, total expenditure being 9,063.3 million in the seven months of the year 1924-25, as compared to 10,619.7 million in the same period of 1923-24. The budget figures for the seven months of the year 1924-25 show a deficit of 167,446,000 lire.

1925-26 will close with an excess of receipts over expenditure, of 178 million lire though the former are calculated as usual very conservatively, whilst the latter include more adequate provisions to meet the requirements of public services (1).

Having balanced the budget and set out for an era of budget surpluses, which will be assisted on the one hand by the increasing yield of permanent sources of revenue and on the other hand by a stringent control over expenditure, it seems that now, thanks to the wonderful patriotism of the Italian tax-payer, we can look forward to the future with the greatest confidence. The soundness of the public administration is evidenced by the redemption of debt which has taken place. During the financial year 1923-24 the National Debt was reduced by 1,614 million lire and accounting for the fall in Treasury balances during that period there was a net improvement in the capital account of 1,114 million lire (2).

Since July 1924, the favourable tendency has further developed (3).

A fact of considerable importance is the remarkable contraction which has taken place in the amount of Treasury bills outstanding and of the shorter dated Treasury Bonds (three and five years) as against an increase in the amount of debts maturing at more

(1) See "Dal disavanzo all'avanzo", An address in the House of Deputies by the Finance Minister, 20th December, 1914, p. 8.

(2) See same speech by Signor de' Stefani, p. 10.

(3) The total internal debt on 31st December, 1924, was composed as follows:

(In million lire :)

Pre-War Debts . . . . .	12,511	4 <sup>3</sup> / <sub>4</sub> % 25 Redeem. Bonds . . .	1,285
National Loans . . . . .	35,998	Treasury Bills . . . . .	20,077
3 and 5 years Treasury Bonds . . . . .	3,119	Currency Notes . . . . .	2,400
7 years Treasury Bonds . . . . .	4,000	Bank notes in circulation for	
9 " " " " . . . . .	4,000	Treasury Account . . . . .	7,243
3 <sup>1</sup> / <sub>2</sub> % Venetian War-damages		Credit of the Cassa Depositi e	
Indemnity Bonds . . . . .	695	Prestiti (State Bank) . . . . .	60

The Foreign Debt amounted at the same date to 23,100 million gold lire, with tendency to increase for the accruing of interests on same. (From the Official Gazette Supplement of 10th January, 1925).

distant dates. This change is very useful to the Treasury and it involves the reduction of outstanding securities which are more easily interchangeable with currency. During 1924 the Treasury notes in circulation decreased by 28 million lire and 512 million lire of bank notes issued for Treasury account were redeemed. The amount of notes in circulation under that heading is now in round figures about 7,100 million lire (1). On the other hand, the amount of notes issued by the three banks for trade account was increased. The difference between the total outstanding at the end of 1923 and at the end of 1924 was of 1,380.5 million lire. Therefore, the aggregate circulation of bank notes, accounting for the reduction of the issue for Treasury account and the expansion of the issue for trade requirements, was altogether larger by 867.6 million (2).

The expansion of the bank note circulation during the past year had four main causes : 1) The larger requirements of manufacturers

(1) The changes which have taken place in the amount of notes issued by the three banks for Treasury Account at the end of each of the last ten years are shown in the following figures (in million lire) :

1915 . . . . .	2,069	1920 . . . . .	10,743
1916 . . . . .	2,554	1921 . . . . .	8,505
1917 . . . . .	5,833	1922 . . . . .	8,077
1918 . . . . .	7,165	1923 . . . . .	7,754
1919 . . . . .	10,630	1924 . . . . .	7,242

On the 31st January 1925, the said circulation amounted to 7,146 million lire (See also table at page 29).

(2) The following are the figures relating to notes in circulation at the end of 1923 and 1924 (in million lire) :

	Bank notes		Treasury Notes	Total Notes
	for Trade	for Treasury account		
31 December 1923 . . . . .	9,492.2	7,754.4	2,427.8	19,674.4
31 December 1924 . . . . .	10,872.7	7,241.5	2,400.0	20,514.2
	+ 1,380.5	— 512.9	— 27.8	+ 839.8

The circulation of token coins, of 1 and 2 lire is altogether 281 million lire. For the changes in the circulation of Banca d'Italia notes see tables at pp. 47.

and trade in a phase of higher rates of exchange and of rising prices, which neutralised the favourable effect of reduced needs of currency in other departments ; 2) The deficiency of the wheat crop as compared to the 1923 season, and the soaring of the price of wheat resulting therefrom ; 3) The after effects of the credit readjustment and reconstruction work which were carried out in the year 1923 which were partly felt also in the past year ; 4) A reduction of the resources at the disposal of the note-issuing banks for their usual profit earning business, apart from those available through the issue of notes.

In fact, from one year to the other, we note an increase of 419 million lire in the amount of bills discounted by the three note-issuing banks, whereas advances against securities fell by 224.2 million and deferred payments at the clearing houses were 12.2 million less. Altogether, an increase of only about 183 million lire in spite of the diminished purchasing power of the currency in a period of intense industrial expansion.

With reference to the second point, we will examine later the agricultural position of last year. Here it will be sufficient to mention that the scarcity of the harvest and the higher price of wheat required larger means of payment at home and abroad, thus expanding the circulation and reacting unfavourably on the rates of exchange.

Regarding the third point, namely the settlement of the past, there was a considerable increase of the liabilities of the Special Independent Section of the Syndicate for Advances against Industrial Securities towards the note-issuing banks. A larger sum was required for the settlement of transactions started or concluded before December 31, 1923, as will be seen in another paragraph.

Finally, concerning the auxiliary resources at the disposal of the note-issuing banks, it will be seen that whilst between the 31st Dec. 1923 and the 31st Dec. 1924 the amount of sight drafts (money orders) increased from 1,263.4 to 1,717.2 million lire namely by 453.8

million, the amount of private deposits remained stationary at about 1,200 million and the Treasury balances (public deposits) were reduced by 1,203.5 million lire. Therefore, you can see that altogether there was a considerable fall in the available resources, which was not unconnected with the issue of additional notes. It should be noted however that the conclusions drawn by comparing temporary features, in circumstances that are apt to change suddenly, are likely to be imperfect. In any case, we must admit that as a consequence of circumstances explained above, an actual expansion in the circulation of notes has taken place especially in the last quarter of the year, and it is well for all purposes that steps should be taken for placing an effective check in that direction.

The policy of the note-issuing banks with regard to the discount rate is connected with the amount of notes in circulation for trade requirements. The rate was kept until a few days ago at 5 ½ per cent. for the considerations mentioned by the Finance Minister in his speech of the 20th December ult. (1). However, following the change in the general conditions also with regard to the boom which had taken place on the Bourses, the bank rate was raised to 6 per cent. for discounts and to 6 ½ per cent. for advances.

In 1924 the favourable development in all departments of the national activity was reflected on the tendency of the market. This was due to the considerable reduction of interest rates and to the smaller amount of renewals of Treasury bills which was accompanied by increased national savings. These added to their traditional preference for investments in Government securities, an inclination for investing in variable dividend securities, the prices of which were however excessively swollen by speculation (2).

(1) See p. 25 of the already mentioned speech.

(2) The index number of Italian Share values rose from 85.7 in December 1923 to 130.0 in 1924, 100 being equal to the value in December 1918. In January 1925 the index number stood at 131.2. For the prices of 3 ½ per cent. Rentes and 5 per cent. Consols, see the diagram annexed, noting, however, that the quotations of 3 ½ per cent. Rentes were affected by the restrictions in the market of

On the other hand a less favourable tendency was noticeable in the Foreign Exchange market and in the price-level of commodities. Such tendency was not entirely free from the influence of international factors that have been already mentioned.

Other adverse features at home were some elements of inflation or psychological suggestion as also the increased demand of wheat which followed the poor harvest and the high price of that commodity. Moreover, the problem of the settlement of war debts is still in the balance, bearing its influence both at home and abroad.

We find that the average, highest and lowest rates of exchange of the principal currencies, with the exception of French francs, were considerably worse in 1924 than in 1923. On the other hand, we note a steadier course of the lira as compared to the American currency. In spite of its being at a higher level, the dollar fluctuated within smaller margins in 1924 than in the previous year (the margin between the highest and the lowest rate for the dollar was 2.12 in 1924 as against 4.48 in 1923). This fact is evidence of a smaller degree of instability of the lira exchange as compared to gold (1). On the other hand international traffic developed in such a way as to reduce the adverse balance of trade. Between 1923 and 1924 imports increased by 12 per cent. and exports

that security following the theft of watermarked paper at the Government stationery office in Turin. When the old scrip will be replaced, dealings in that security will be fully restored.

(1) These are the relative data :—

	1923			1924		
	Lowest	Average	Highest	Lowest	Average	Highest
Gold . . . . .	373.36	419.69	463.17	429.05	443.43	461.58
New York . . . . .	19.35	21.74	23.83	22.24	22.98	24.36
Switzerland . . . . .	365.07	393.78	429.31	388.06	418.47	465.91
London . . . . .	90.18	99.80	108.82	95.19	101.47	113.22
Paris . . . . .	115.71	132.12	144.30	86.68	119.97	149.32

Regarding the exchange movements, see page 52 of this Report.

by 29 per cent. so that on the whole, the excess of the former over the latter showed a reduction of 17 per cent. The adverse balance of trade has fallen from 6,103 million lire in 1923 to 5,070 million in 1924, whilst in 1922, the deficit was 6,462 million lire. Naturally the above figures should be looked upon as an index, bearing in mind the specific character of customs statistics (1).

The compensating element of our trade deficit which consist of the remittances of emigrants does not seem to proceed as favourably as it did; but other elements of compensation of the existing adverse balance trade show greater or lesser progress, with encouraging prospects of a gradual redemption of the masses of Italian currency which have found their way over the borders.

Manufacturing activity was very keen and productive in the past year though the development was not equally distributed in all directions. Industries found reasons for greater vitality and expansion in the following: *a*) Social conditions which favoured a calm and orderly production; *b*) Larger output per head though labour has not yet resumed everywhere its pre-War efficiency; *c*) Increased capacity of the home markets; *d*) A more decided tendency to invest savings in industrial securities; *e*) Larger amount of available capital (2).

(1) The following are the official foreign trade returns in million lire:

	Imports	Exports	Adverse Balance
Year 1923 . . . . .	17,189	11,086	— 6,103
» 1924 . . . . .	19,388	14,318	— 5,070
	+ 2,199	+ 3,232	— 1,033

(2) According to the Italian Bankers Association the net investments of new capital in limited companies amounted last year to about 4,800 million lire with an increase of about 2,600 million over the total investments for the year 1923. On January, 1st, 1925, the aggregate nominal capital invested in limited companies was over 28,000 million lire. The larger flow of capital enabled industrial concerns to proceed with their own means to enlargements of the factories and to renewals of the machinery

The improvement which has taken place in the general conditions of Italian industry is evidenced by the following facts: a) The increased demand for raw materials and fuel and the greater consumption of electric power; b) The fall in unemployment figures due to the larger employment of non seasonal labour (1) c) The rise in traffic returns both by land and sea.

A friendly spirit having generally prevailed in all disputes between employers and employees, industrial strikes and stoppages were not frequent, and maintained a local character. Only in the last few weeks an extensive strike was declared which was occasioned by the request of increased wages as a result of the higher cost of living; but it was short-lived and equitably composed.

The relative stability of the exchange in the greater part of the year gave a better chance for estimates regarding the profits on production. It is true that the depreciation of the lira which followed in the last months, and the higher prices of many raw materials on the export markets have considerably raised the cost of production and the risk involved in its fluctuations. But such a burden may be considered as being partly compensated by the advantage of larger exports through the strong though artificial impulse given by adverse rates of exchange.

A definite settlement and a further expansion of certain important branches of industry appear to be closely connected with the future relations between Italy and some of the larger countries with regard to customs tariffs. Meanwhile, the sifting and settling process of the whole industrial system is being continued. It

thus eliminating or greatly reducing the necessity of seeking credits, which often involved a heavy burden owing to the high rate of interest charged on the loans. A stronger technical and financial position of the industrial concerns has been the outcome.

(1) The total number of unemployed at the end of 1924 was of 150,000 as against 259,000 at the end of 1923. The fall in the numbers of workmen employed at short-time is remarkable. The relative figures being of 9,500 at the end of December 1924 as against 52,700 at the end of January, of the same year.

involves the elimination of concerns which had been created in the exceptional period of the War for requirements of a purely temporary nature, and of all other concerns which were inadequately organised either from a technical or from an economic point of view. Certainly, there are still some shadows hanging over the brilliant prospects of Italian industry, but the good results which have been achieved by the manufacturers in the year 1924 cannot be disregarded and we have every reason for being fully satisfied, whilst trusting that nothing will arise to disturb such a state of affairs.

### **Industrial Results.**

Next in a general way, we will examine the principal branches of industry and with regard to each of these, we deem it expedient to refer to them, following the lines which have been used in former reports.

### **Silk.**

With favourable climatic conditions and better breeding facilities, the last season has been very satisfactory both for quantity and quality of cocoons (1). The prices of raw silk which had fallen in the first eight months of the year (on account of the world's large output and the decreased demand in the North American market which had purchased largely the cheaper Asiatic silks) were slightly higher in the latter part of the year. The silk manufacturing industry remained about normal, though somewhat hampered by the lower prices of silk during the first half of the year. The textile mills have closed their books with better margins of profit than those attained by the spinning industry. The former made a larger use of other fibres for the manufacture of mixed textiles and profited by the excellent demand for some qualities of fabrics which sold at prices only slightly lower than the preceding year.

(1) The 1924 production, according to the figures given by the Italian Silk Association, was about 57 million kilograms.

Competition in artificial silk products has become keener, mostly due to more perfected technical methods which enhanced their beauty at a smaller cost of production. This industry in the past year has been undoubtedly flourishing. Factories have worked at full speed and have obtained large profits. New factories have been and are being erected in order to meet the increased home demand as well as the expansion of foreign markets (1).

### Cotton.

The cotton industry started the year in difficulties owing to the high cost of the raw material in the former season. Conditions were unsatisfactory during the first half-year when the spinners were obliged to produce for stock rooms in order to ensure the continuance of their work, while the textile factories confined their output to what was required by the internal and foreign demand being satisfied with small margins of profit. The fall in the prices of raw cotton which took place in the second part of the year as a result of the large North American crop (2) stimulated the industry to a notable revival by permitting the disposal of stocks which could be replaced under more favourable conditions, for the consumers (3). The higher rates of exchange also contributed to increase the demand from foreign markets resulting in larger exports as compared to 1923 (4).

(1) Exports of artificial silk and waste which doubled as compared to 1923, amounted in 1924 to 5 ½ million kilograms.

Artificial silk is being largely used as a complementary element of other textile fibres in the production of fabrics.

(2) The following are the average prices for New Orleans middlings in cents, per pound :

1924 January . . . . .	34.25	1924 September . . . . .	21.10
» March . . . . .	29.38	» November . . . . .	24.70
» May . . . . .	31.75	1925 January . . . . .	23.75
» July . . . . .	28.60	» February . . . . .	24.35

(3) At the present moment, the industry has orders which will keep it busy until the end of June.

(4) It is reported that the exports of cotton manufactures are now equal to about 40 per cent. of the total production.

### **Wool.**

The Wool industry enjoyed in 1924 a very favourable year. The difficulty of obtaining raw wool which was in ever increasing demand, prevented the spinning mills from working to their full capacity during the greater part of the year, but in the last few months, work has been plentiful. The weaving industry was been very active. The increase in prices of the raw material (1) during the latter part of the year was followed only partially and by degrees in the selling prices of manufactured goods, thus avoiding damaging results to the trade. By proportioning its purchase of raw material to the wholesale demand of manufactured goods, the industry has avoided an accumulation of stock, thus protecting itself against the risk of lower prices in the future.

Exports have considerably expanded especially for yarns for which a decided advantage has been gained over foreign competition. Also in this case, the rates of exchange contributed to such development.

### **Hemp, Flax and Jute.**

The hemp and flax mills had a fairly steady production in the first half-year with sufficient profits, notwithstanding that prices of manufactures kept pace only partly and with delay with the market prices of the raw materials which, owing to the fall in the quality and in the quantity of the crop, have risen enormously. The jute industry has been working at full speed both for home and foreign demand, the latter being especially from the United States and France.

### **Iron, Steel and Engineering.**

The revival of mining activities has been an important factor in successfully overcoming the depression of these industries. The home production of metals has nearly reached pre-War proportions

(1) The prices of Australian and South American wool have shown a falling tendency in the first two months of the present year.

and considerable progress has been made in the extraction of iron and copper ores. Zinc and lead mines are by degrees returning to their former standard of activity. Sulphur production has greatly increased, while the output of quicksilver has shown a further advance.

The iron and steel industries have been busily engaged, with favourable results, increasing their production of pig iron and steel following a revival in the demand of the home market.

Engineering shops have worked almost everywhere to full capacity in view of the improved general conditions for production, new and better mechanical facilities, and also greater demand for machinery for hydroelectric and other plants. There has also been a progress in the manufacture of special apparel and instruments which in former times were exclusive foreign monopolies.

#### **Shipping and Naval Construction.**

In the past year these industries were busily engaged in reconstruction and benefited by the revival which took place in the international sea traffic. The national fleet has been considerably improved and increased by the launching of new units as well as the breaking up of less efficient vessels (1).

We have found some relief to the restrictions imposed by the United States to our emigration in the increased flow of our surplus population towards South America and in the larger traffic of first and second class passengers on our liners. Moreover, the solution of the outstanding problem of subsidised shipping lines will give fresh work to the home shipyards and will expedite the gradual renovation of the mercantile marine.

#### **Motor and Aircraft Industries.**

Fresh progress was achieved by the motorcar industry in 1924. Increased home demand and, especially, the demand from abroad cau-

(1) At the end of 1924, 23 ships of a gross tonnage of 169,000 tons were under construction as against 131,000 tons being built at the end of 1923. During 1924, 11 ships were launched aggregating 79,000 tons gross, as compared to the ships launched in 1923 totalling 66,500 tons.

sed the larger output of cars to be easily absorbed. In spite of the obstacles placed in the way of the export trade by high tariffs, and in spite of a strong competition in the larger countries, a decided advantage has been gained in foreign markets through the improved commercial and technical organisation shown by our best factories (1).

Also aircraft constructions were on a greater scale, especially for military requirements.

### **Electric Industries.**

Notwithstanding the unfavourable climatic conditions, also last year, a considerable expansion in the production and distribution of electric power (2) was recorded. The companies were generally able to strengthen their financial position by establishing a fairer proportion between the selling prices of electric power and its relative cost of production. New plants became operative and many others are nearing completion. Moreover an extensive interlacing of the power stations in the various districts has been achieved thanks to the large capital made available for the companies by the issue of new shares and through the credit put at their disposal. Also in the kindred industries there has been greater activity. Notable progress was achieved in the construction of high tension electric furnaces for the production of steel and of iron alloys. The use of machinery driven by electricity for agriculture (ploughing, thresh-

(1) A large part of the increased output of motorcars during the last year was absorbed by England, Spain, Poland, Holland, Scandinavia, and Switzerland, and outside Europe, by North Africa, Argentine, Brazil and Australia. There are still however considerable difficulties in placing our cars in North America.

(2) According to recent statistics, the amount of electric power produced by the existing hydroelectric plants is calculated to exceed 2,000,000 H.P. The actual consumption of power is reckoned at about 6,000 million kilowatt-hour per annum of which 7 per cent. are used for lighting purposes, 7 per cent. for traction and the balance for industrial purposes. The capital invested in the industry is more than 3,000 million lire.

ing, raising water for irrigation) and for land reclamation is gradually becoming more extensive (1).

### **Building Trade.**

In 1924 the building trade developed with even greater intensity than in the previous year. The revival was encouraged by amendments to the existing laws (2) and by the gradual return to freedom in the rental contracts between landlords and tenants. Thus capital has been attracted to this branch of industry in larger proportions than hitherto. However, building costs have remained very high owing to the high prices of building materials (3), of labour, and of building land. Besides the new constructions for housing purposes, especially of the cheaper description, there has been a great impulse in increasing the height of existing buildings. There has also been extensive construction and enlargement of industrial shops.

(1) In order to regulate the use of electric power in the districts where, owing to the scarce rainfall of the past year, water reserves were low and water power likely to fail, the Royal Decree of 12th February 1925, No. 101 provided for the appointment of a Special Commissioner for Lombardy and for the Provinces of Novara, Alessandria, Piacenza, Parma, Reggio Emilia and Modena, who received the authority of taking the necessary steps for safeguarding continued production by enforcing the best utilization and eventually imposing restrictions in the consumption of electric power.

(2) See Royal Decree of 16th October 1924, No. 1613, readjusting the rates of direct taxation. Article 8 of the same Decree provides that the property tax on houses, hotels, offices, and shops newly built, which will be completed after the period considered in the Royal Decree of 8th March, 1923, No. 695 (31st December, 1926) for a twenty-five years exemption from the tax, and not later than the 31st December 1930, will be applied at the rate of one-fifth of the normal, in the five years following the ordinary period of exemption established for new buildings in 1865 (two years). Therefore, the normal rate of taxation will be fully assessed only after the seventh year from completion of the buildings. Mention should be made also of the Royal Decree 4th May, 1924, No. 993 which provides special facilities for institutions and societies concerned with building loans.

(3) The production of building material has been insufficient to meet the demand which has greatly increased in recent times, owing to the pressure for completing existing constructions before 31st December, 1926, which is the final date for enjoying a twenty-five years exemption from taxation.

### **China and Glass Industries.**

The results in both these industries were satisfactory, and the allied industry of bricks and tiles manufacture has enjoyed, as seen above, unprecedented prosperity. However in the manufacture of bottles, German and Czecho-slovak competition is being keenly felt in view of the more perfected mechanical appliances existing in those countries.

### **Paper.**

Good results have also been achieved in the paper industry. The prices of paper which are dependent on the cost of raw materials, mostly imported from foreign countries, have shown a rising tendency due to the adverse move in the exchange (1).

### **Tanning and Shoes.**

The restriction on the export of raw hides has brought about a larger business in the tanning industry. Having started under very unfavourable conditions, the boot and shoe factories, have gradually increased their production. Better machinery, and a higher grade of foot wear have made it possible for the home production to satisfy the local demand.

### **Sugar.**

The sugar industry had a less favourable year in 1924. It is true that the larger output of the existing factories and the creation of new ones enabled the industry to cope with the abundant crop of beet. But the small percentage of sugar contained in the beet,

(1) Rags which at one time constituted an important and cheap reserve of raw material Italian paper mills are now exported in increasing quantities and are largely used by the textile industries. Therefore the prices which are now prevailing for rags make their use practically impossible for paper manufacturers.

whilst raising the cost of production, gave an opportunity to foreign competition which is said to have been carried out with heavy dumping. In order to meet the situation and to assist in absorbing the large stocks of local production, the Government has quite recently restored partly the customs duties on sugar which had been withdrawn in May, 1923 (1).

### Milling and Rice.

The rise in the wheat prices which started at the beginning of last year, was slight in the first half-year, but grew very rapidly in the second half-year as a result of the poor harvest in Italy and of the scarcity of the world production (2). The milling industry disposed of stocks which had been purchased at lower prices with large profit. Work was throughout intense and satisfactory. Exports of flour and wheat pastes were maintained in spite of great difficulty, due to high tariffs and foreign competition.

The rice industry had a good year. Though the year's crop was abundant, prices rose very considerably as a result of the fall in the lira exchange and of the poor Eastern crops.

(1) By Royal Decree of February, 11th, 1925, No. 92, the Customs Duty on sugar was re-established at the rate of 9 gold-lire per 100 kilogs. for first quality sugar and 6 gold-lire for second quality.

(2) See also the reference under the heading of Agriculture. The following are the monthly quotations of wheat on the Chicago market (Dollars per bushel).

Year	No. 1 Northern Spring	No. 2 Red Winter	Year	No. 1 Northern Spring	No. 2 Red Winter
1924 Jan. . . . .	1.09	1.11	1924 July. . . . .	1.32 1/2	1.23 1/2
» Feb. . . . .	1.11 3/8	1.10 3/8	» August . . . . .	1.34 3/4	1.33 1/4
» March. . . . .	1.08 1/4	1.06 1/4	» Sept. . . . .	1.28 1/2	1.34 1/2
» April. . . . .	1.06 1/2	1.02 1/2	» Oct. . . . .	1.53	1.59 1/2
» May . . . . .	1.12 1/4	1.06 1/4	» Nov. . . . .	1.57	1.58
» June. . . . .	1.24 1/2	1.15 1/2	» Dec. . . . .	1.66 7/8	1.76 7/8

After a further rise of the prices of wheat in January and February 1925, a falling tendency was shown in the month of March.

### **Wine.**

The year marked on the whole an improvement for the wine industry. Wine prices were somewhat lower before the vintage, on the assumption that this would again be very abundant. However, prices increased soon after, firstly, because of a larger demand and secondly, following a certain disappointment in the actual results of the vintage. So the producers were able to reap satisfactory profits. Exports were on a larger scale, especially to France, Switzerland, Austria and Czecho-Slovakia, and consequently the stocks left over from the previous year were to a large extent disposed of.

### **Agriculture.**

Especially with regard to winter cereals and wine, the 1924 crop was considerably smaller than in 1923. This is accounted for not so much by the scarcity of last year's crop, as by the extraordinary abundance of the previous year. In fact, the wheat harvest which compared to 1923 shows a fall of about, 1,500,000 metric tons was scarcely 100,000 tons less than the average for the last ten years. On the other hand, taking wine, we find that the reduction of 9 million hectolitres in 1924 as against 1923, compares with an increase of about 5,500,000 hectolitres over the average for the last ten years. The scarcity of wheat is mainly due to adverse climatic conditions in Southern Italy and in the Islands.

A draught in spring and strong south-eastern winds just before the harvest were the principal causes. But it was also partly due to the smaller acreage sown, which was about 110,000 hectares less than in the preceding year. Consequent on the smaller home production imports of grain had to be increased, affecting adversely foreign exchanges. As it often happens, the expansion of imports has not been strictly in proportion with the fall in the home crops, partly on account of the existing large stocks

left over from the exceptional harvest of 1923, partly on account of a certain reduction in the consumption of wheat in country districts.

With reference to the prospects of the coming season, according to the information so far at hand, it is reckoned that the acreage sown covers an area of 150,000 hectares more than in the last season. Sowing operations were encouraged by the higher prices of wheat (doubled within twelve months), and by favourable weather which enabled the farmers to proceed in that work during the whole month of January.

Winter hay was less plentiful in 1924 than in 1923, but summer hay was more abundant.

Maize was more plentiful than in any year since 1915, with a crop of 2,682,700 metric tons and an increase of about 400,000 tons over the 1923 crop.

The same can be said for rice, potatoes, and sugar beet, all of which were very abundant, yielding respectively 591,400, 1,959,900 and 3,720,000 metric tons or an increase of 70,000 tons for rice, 160,000 for potatoes and 1,000,000 for beetroot over the 1923 results. However, if compensation for the wheat deficiency was found in the more abundant crops of maize, rice and potatoes, the larger output of beet was nullified by a much poorer quality and by the competition of imported sugar.

The crop of tomatoes showed also an expansion from 436,700 metric tons in 1923 to 754,700 tons in 1924. This was partly due to the larger acreage cultivated with tomatoes, which was of 35,700 hectares in 1922, 40,000 in 1923, and 45,000 hectares in 1924.

The production of beans and other leguminous vegetables was also greater in 1924 than in 1923.

The olive oil production of 1924 is not yet definitely ascertained, but it is believed that it will exceed 2,000,000 hectolitres, or in other words, it may be somewhat larger than in 1923. The fruit crop, including chestnuts, was also larger than in the previous year, amounting altogether to about 1,400,000 metric tons.

On the whole, the agricultural year shows that compensation has not been lacking in other directions, to make good the poor-ness of the harvest, though such compensation may not have been equally distributed. The reason for this is that bread and its price are most important factors in social life and are apt to be reflected on the financial situation. However, it is satisfactory to note that labour conditions on the land remain good and that complete calm has prevailed throughout the year.

### **Legislation.**

No changes directly affecting the circulation of banknotes for trade requirements were introduced in the past year. We recall however, a Royal Decree of 16th February, 1924, No. 1692, by which the rediscounting of agricultural bills with the note-issuing banks was restricted to a number of approved Agrarian Banks. Another Decree which is also likely to bring about a contraction of the banknote circulation was issued the 30th December, 1924, with reference to the Syndicate for Advances against Industrial Securities of which further mention will be made elsewhere. By Article 2, of the said Decree, the maximum amount of bills which the note-issuing banks may rediscount to the Ordinary Section of the Syndicate was reduced from 875 to 650 million lire. The amount will be gradually diminished so as not to exceed 550 million by December 31st 1927 and 400 million by December 31st, 1930. The circulation of notes in respect of such rediscounts, will therefore descend to a corresponding amount (1).

Regarding the circulation of banknotes for Treasury account, a Royal Decree was issued the 30th Dec. 1924, No. 2105. This Decree empowers the Finance Minister to reduce gradually by means

(1) The Banca d'Italia is responsible for three-quarters of the said rediscounts.

of Ministerial Orders, the legal maximum amount of advances made to the Treasury by the note-issuing banks. The first of these orders was issued on the 5th January, 1925, providing for a reduction by 100 million lire of the limit for extraordinary advances. It should be noted however, that during 1924 the amount of banknotes issued for Treasury account or in other words, the total advances of the note-issuing banks to the Treasury, had already been reduced under various headings by 512.8 million lire. Out of the said amount, 338.5 million were in respect of the Banca d'Italia issue (1). This reduction took place in spite of a slight increase in the sums paid out to third parties on behalf

(1) The following table gives the figures of the circulation of notes in respect of advances to the Treasury by the three note-issuing banks together, and by the Banca d'Italia separately, at the end of 1923 and 1924 (in million lire).

	Total for three Banks of Issue		Banca d'Italia		Increase + or Decrease —	
	31 Dec. 1923	31 Dec. 1924	31 Dec. 1923	31 Dec. 1924	Three Banks	Banca d'Italia
Ordinary Advances . . . .	485.0	485.0	360.0	360.0	—	—
Extraordinary Advances:						
for general purposes . .	4,580.3	4,515.0	3,374.0	3,346.7	— 65.3	— 27.3
for redemption of Treasury Bills . . . . .	1,000.0	1,000.0	924.0	924.0	—	—
against notes of the Cassa Veneta . . . . .	40.0	—	26.7	—	— 40.0	26.7
for exchange of Austro-Hungarian currency . .	764.1	450.0	509.4	300.0	314.1	— 209.4
	6,384.4	5,965.0	4,834.1	4,570.7	— 419.4	— 263.4
Statutory deliveries to Cassa Depositi e Prestiti . . .	700.0	586.1	516.0	432.8	— 113.9	— 83.2
Advances to third parties for Treasury account . .	185.0	205.5	128.5	136.6	+ 20.5	+ 8.1
TOTAL . . .	7,754.4	7,241.6	5,838.6	5,500.1	— 512.8	— 338.5

of the Treasury, which are included in the total advances to the Treasury (1).

Another Decree of October 16th, 1924 No. 1692, provided for the gradual redemption of the advances made by the Banks of Issue to farmers, on behalf of the Treasury, for extending the cultivation of cereals. It is understood that all existing liabilities arising therefrom, will be henceforth a direct charge on the Treasury.

Finally, an Order issued by the Minister of National Economy November 15th, 1924, deals with a bank for agrarian credit in Central Italy, which has been created with a participation of our Bank to its capital.

#### Syndicate for Advances against Industrial Securities.

As in our previous Report, we will deal separately with the two sections of the Syndicate.

(1) The following were the changes and the distribution of payments and receipts on behalf of the Treasury (in million lire).

	Total for three Banks of Issue		Banca d'Italia	
	31 Dec. 1923	31 Dec. 1924	31 Dec. 1923	31 Dec. 1924
NOTES ISSUED FOR ADVANCES				
of various kinds in favour of agriculture . . . . .	212.2	204.4	—	—
to Istituto nazionale di credito per la cooperazione . . . . .	6.3	4.1	6.3	4.1
to Istituto federale di credito per le Venezie . . . . .	320.0	320.0	320.0	320.0
to the State for sulphur supplies . . . . .	56.5	56.5	—	—
Total (payments) . . . . .	595.0	585.0	326.3	324.1
Credit balance in favour of the Treasury (receipts) . . . . .	409.9	379.5	197.8	187.5
Notes outstanding . . . . .	185.1	205.5	128.5	136.6

*Ordinary Section.*

In the following table, we compare the main items of the Balance Sheet at the end of 1923 and 1924, showing the development of this Section (in million lire):

	1923	1924	Difference
Paid up capital . . . . .	125.0	125.0	—
Legal limit for transactions . . . . .	875.0	875.0	—
Actual transactions :			
Advances against securities . . . . .	30.6	38.0	+ 7.4
Advances against merchandise . . . . .	12.8	27.1	+ 14.3
Warrants . . . . .	1.3	0.8	— 0.5
Industrial bills discounted . . . . .	377.9	384.0	+ 6.1
Shipping credits . . . . .	149.2	171.8	+ 22.6
Total . . . . .	571.8	621.7	+ 49.9
Total re-discounts with Banks of Issue . . . . .	568.6	625.6	+ 57.0 <sup>(1)</sup>
Guarantee Fund . . . . .	42.4	51.5	+ 9.1

It will be seen that the Directors were concerned with leaving a wide margin between the maximum amount of transactions consented to the Section and the actual amount of bills rediscounted with the note-issuing banks. This action, was particularly desirable, and avoided producing an undue pressure on the circulation of notes.

Advances against securities which had developed in 1921 and especially in 1922 as a result of the Banca Italiana di Sconto trouble, are now reduced to a very small amount. Advances against industrial bills expanded. Also shipping credits have rapidly and considerably increased in the last years owing to the unstable condition of shipping.

On the other hand, a very remarkable addition was made to the guarantee fund of the Section. At the end of 1920, the fund stood at 14,600,000 lire, at the end of 1923, it amounted to about 42,500,000 lire, and now it exceeds 51,500,000 lire. Really it should stand to-day at no less than 66,500,000 lire accounting for the sum of 15,000,000 lire which in 1921 was transferred to capital out of the profits accrued to reserve.

In the future the yearly additions to the guarantee fund are bound to be on a smaller scale, because also in 1924 the whole of the net profits of the Section, together with a larger proportion of the profits made by the note-issuing banks with the rediscount of the Section's bills, were added to the guarantee fund reserve. But in the future, the net profits of the Section will be allocated as follows: 5 per cent. to the guarantee fund; an interest at the maximum rate of 5 per cent. on the paid-up capital; the balance to be divided in equal parts between the guarantee fund and pro rata to the members of the Syndicate. The contribution of the note-issuing banks will be reduced to one-eighth of the net profit obtained by them on the rediscount of bills of the Section, whereas so far, the contribution was at the rate of one-quarter of the said net profit, up to a total of bills rediscounted amounting to 450,000,000 lire. These alterations which are justified by the sound conditions of this Section of the Syndicate, and by the necessity of allowing the member-banks a fair return on their capital, were sanctioned by the Royal Decree of December 30th, 1924, No. 2103. By the same Decree the life of the Ordinary Section had been extended until the 31st December 1930, fixing the date for finally winding up all existing transactions, to December 31st, 1932.

In the Decree there is an implicate appreciation of the valuable services rendered by the Ordinary Section of the Syndicate to the industrial and economic life of the country. The advantage of keeping it in existence is recognized and it is deemed expedient to gradually reduce the amount of bills that it may rediscount

with the note-issuing banks. Further the Section is authorized to issue interest bearing Bonds having fixed maturities, so as to obtain from the market what ever funds may be necessary, without affecting the circulation of bank notes (1). Regarding the amount of business which the Section may transact, the Decree provides that at no time the total liabilities of the Section will exceed the sum of 800 million lire. The maximum amount of bills that the note-issuing banks may rediscount, is reduced, as already said, to 650 million, and will be gradually diminished so that it will not exceed 550 million at the end of 1927 and 400 million at the end of 1930.

#### **Special Independent Section.**

This Section which was created by the Decree of March 4th, 1922, is managed quite apart from the Ordinary Section (2). During last year, a rapid expansion of business was witnessed, but the

(1) In order to assist in placing the bonds which the Syndicate is authorized to issue, the rate of Income Tax on the interest of the bonds is reduced to one half of the normal rate, namely, 12 per cent. instead of 24 per cent.

(2) The particular nature of the Special Independent Section is described in Articles 8, 9 and 10 of the Decree issued on December 30, 1924, which provides that :—

i) The Special Independent Section of the Syndicate for Advances against Industrial Securities will have a Central Administrative Committee that will meet in Rome under the Chairmanship of the Governor of the Banca d'Italia. Moreover the Committee will consist of the Governors of the Banco di Napoli and Banco di Sicilia, and of the Representatives of the Treasury appointed by the Finance Minister. The quorum for the Committee meetings is three, and of those present one at least must be a Treasury representative.

ii) Provincial committees of the Section will be composed of representatives of the three note-issuing banks. Such committees will be presided over by the representative of the Banca d'Italia, with the exception of the Provincial Committee of Rome which will be presided by a special delegate appointed by the Central Office of the same Bank.

iii) A Counsellor of the Corte dei Conti (State Accountancy Department) appointed every twelve months by the Finance Minister on the recommendation of the President of the Corte dei Conti, will supervise the working of the Section and report to the Finance Minister. He will be entitled to be present at all meetings of the Central Administrative Committee of the Section.

expansion was still in connection with the disturbance caused by the financial trouble of 1921. Adequate means were obviously necessary to meet the requirements.

However, as was mentioned in our last Report, the Decree of January 1st, 1924, No. 5, ruled that the Special Independent Section could not undertake any fresh business as from that date, but it did not prevent the carrying out of business connected with the settlement of existing transactions; in other words, business already entered into before the end of 1923 and therefore involving actual engagements, could be carried out, subject to the approval of the Finance Minister.

The required controls were regularly performed and the stoppage of all fresh business, according to the provision of the Decree, was scrupulously observed under Government supervision. As from December 31st, 1923, the note-issuing banks altered the entries in their books, and separated the normal bills discounted, including rediscounts on behalf of the Ordinary Section of the Syndicate, from the extraordinary transactions on behalf of the Special Independent Section. The latter, which at that date amounted to a total of 3,306,354,000 lire, were entered as a credit against the S. I. S. A year later, namely December 31, 1924, that credit was thus composed: (In thousands of lire):—

<u>Assets:</u>	<u>Unrealised:</u>	<u>Realised:</u>	<u>Total:</u>
Banca d'Italia . . . . .	2,860,632	286,379	3,147,011
Banco di Napoli . . . . .	694,413	57,961	752,374
Banco di Sicilia . . . . .	168,622	13,929	182,551
	<u>3,723,667</u>	<u>358,269</u>	<u>4,081,936</u>

It will be seen that, in 1924, there was an increase in the credit of the note-issuing Banks against the Section of 775,582,000 lire (1).

(1) The increase is mainly in respect of payments to the Banca Italiana di Sconto in liquidation, to meet the terms of the Agreement concluded with its creditors. Moreover it includes payments to the Company which is liquidating the frozen assets of the Banco di Roma, particularly for restoring subsidiary business which had been approved before December 31, 1923; it includes also payments to the

The credit includes also, naturally, the realised assets which have been invested in Treasury bills, amounting at the end of the year to 358.3 million lire. Therefore the balance of unrealised assets is in round figures 3,724 million lire. Since December 31, 1924, the liquidation of frozen assets has continued and large amounts are expected to be realised in the course of the present year.

Against the said sum of unrealised assets, and in order to face the possible losses arising therefrom, we have the reserve fund set up in accordance with the contents of the above mentioned Decree of September 27, 1923. At the end of last year, the reserve fund totalled approximately 898 million lire (1).

There is a certain analogy between what has been done in 1923 to meet the losses of the Special Independent Section and what was done in 1897 for the reconstruction of the Banco di Napoli. That is to say, all sums placed to Reserve have been invested as on that occasion in Treasury Bills or equivalent securities, and the accruing interests are added to the fund needed to offset the eventual losses or, in other words, to protect the notes in circulation which are not covered by a statutory reserve of specie or self-liquidating assets. However, by that system, a considerable delay would have been interposed for the final redemption of the notes in circulation which had as cover an equivalent amount of Treasury Bills or securities placed in the Reserve and the interest on same. Equally delayed would have been the redemption of notes in circulation in respect of the realised assets of the Section. This drawback has been removed by a Decree issued the 3rd March, 1925, No. 198, which provides that the Finance Minister is empow-

Ansaldo Company for resuming ship-building operations which had been suspended. Finally, an item of the increase is the transfer to the Section of an amount due to the note-issuing banks by the Banks Syndicate which was formed in November 1921 in order to assist the Banca Italiana di Sconto, following the final winding up of that Syndicate.

(1) Reserve Fund of the Special Independent Section, end 1924: Profits of the Section and contribution of the note-issuing banks' profits, 268,2 million lire; Contribution out of the Tax on banknotes in circulation, 929,7 million lire — Grand total: 897,9 million lire. (End 1923: 505,3 million lire).

ered to use the proceeds of the sale of nine years Premium Treasury Bonds for the redemption of Treasury Bills and other Government securities held by the Special Independent Section of the Syndicate. Moreover the Section will be credited in a special current account of interest, at the rate of 4 ½ per cent per annum, on the amount of the redeemed securities. The advantage is obvious. By redeeming short-dated securities with long-dated ones, the Treasury avoids the inflating effect of the former. The notes collected in the sale of Treasury Bonds, which are utilised for the reimbursement of the securities held by the Section, are finally cancelled, and the debt of the latter towards the three issuing Banks is reduced by an equivalent amount. Had it not been so, the Section would have added to its Reserve the interest accruing on the Government securities invested therein, and therefore it is reasonable that the Treasury should have consented to allow interest at the mentioned rate of 4 ½ per cent., on the amount of securities thus redeemed from its Reserve in order not to hinder the normal addition to the same reserve which must ultimately meet the losses which will arise and which will be entirely wiped out at the final winding up of the Section.

In the last few days, a first redemption took place for an amount of 400 million lire, involving a corresponding cancellation of bank notes.

#### **Italian National Institute of Exchange.**

As in previous years, also in 1924, this Institution developed its activity in aid of Government finances by providing the foreign currencies which were necessary for Treasury payments abroad. Moreover, the Institute greatly contributed towards avoiding large fluctuation in prices, by its moderating influence on the Exchange market whenever this was deemed to be necessary in order to meet the pressure of excessive speculation or unreasonably wide fluctuations in the rates of exchange.

Apart from its normal activity, the Institute was again conspicuous in the past year for its financial contribution to the promotion or the assistance of Italian enterprise abroad (1).

#### **Branches in the Colonies.**

Your administration by desire of the Colonial Secretary decided last October to open a branch at Chisimaio and all arrangements have been made to open this new branch as soon as the Italian occupation of this new territory in Jubaland will be completed. It may be useful to take this opportunity for making a short survey of the activities of our Bank in the Colonies.

Our first Colonial Branch was opened in Tripoli in May, 1913, and on that occasion, it was deemed desirable to establish rules for the working of our branches in the Colonies somewhat on different lines than those fixed in our Home Statutes. Therefore, we arranged that our first affiliation would have to draw its funds:—  
*a)* From a special working capital which the Bank placed at its disposal from the Special Shareholders' Reserve; *b)* From the profits on normal transactions; *c)* Eventually, from the rediscount of bills with the Rome Office.

This system which proved to be advantageous in the case of our first colonial branch, was extended to the Branches that were subsequently opened, of, Bengazi in Cyrenaica, Asmara in Eritrea, with sub-agencies in Massawah, Cheren and Adi-Caieh, Mogadiscio in Somaliland, and it will now be extended to Chisimaio.

(1) The necessary means for such operations are drawn from a special fund set up with a percentage of the net profits which are added to the Reserve of the Institute. The said Reserve which constituted the working capital for the normal activity of the Institute is to-day very conspicuous and according to its constitution, should the Institute be suppressed, the Reserve would be divided between the Treasury and the three note-issuing banks, in the proportion of  $\frac{3}{4}$  to the former and  $\frac{1}{4}$  pro rata to the banks.

The part assigned to the note-issuing banks must be used for strengthening their respective gold reserves.

N. B. — In the occasion of the Italian issues of the Hungarian and German loans of 1924, the Institute was among the underwriters for considerable amounts in each instance.

The contribution of our Colonial Branches has been conspicuous in regulating the currency problem in times of depression in the various colonies. Even before the opening of the Branch in Mogadiscio, our Bank was able to suggest the means of avoiding serious trouble in Italian Somaliland by the issue of rupee notes bearing a fixed rate of exchange with the English currency at 15 rupees to the pound. The notes were fully guaranteed by an equivalent amount of silver rupees coined by the Mint, and held by the Bank. The native population welcomed the issue and the notes were soon in active circulation quickly restoring confidence and commercial intercourse, notwithstanding the faults inherent to a monetary system which is based on silver and which has a fixed relation to the pound sterling. Though the use of the said currency is strictly confined to that Colony, we hope nevertheless, that the intention of the Government to extend the Italian monetary system also to Somaliland, will be soon put into practice. The happy results of the issue of rupee notes and the notable progress of the Colony through the successful enterprise of H. R. H. the Duke of Abruzzi, should be instrumental in achieving this change.

The activity of our Bank in the Colonies developed also in other directions: In the participation to the capital of Saving Banks in Tripolitania and Cyrenaica to further agricultural credit; in the reconstruction of the Massawah docks after the earthquake, in taking over the administration of the Tripoli docks, etc.

Table II shows the main items reflecting the activity of our Colonial Branches (see page 62).

At the present moment, namely, before the opening of a branch in the new Trans-Juba Italian possession, the working capital of our Colonial branches which has been drawn from the Special Reserve Fund belonging to our shareholders, amounts altogether to 8,500,000 lire and at the same time, a special reserve has been built up by those branches totalling 5,500,000 lire. We have every reason for being satisfied with the organisation of our Colonial offices

to which greater freedom is left than to our home branches in order that they may more effectively assist in developing the economic resources of the Italian Colonies.

### Clearing Houses.

The aggregate total of the Bank's clearing-house returns of the cities of Florence, Genoa, Milan, Rome, Trieste and Venice, was of approximately 872,785 million lire, whilst the cash balances to be paid were of 18,745 million lire or 2.14 per cent. of the total clearings (1).

### Hungarian and German Loans.

Following the Geneva protocols of March 14th, 1924, the Hungarian Law No. 4 of the year 1924, and the Resolution adopted by the Council of the League of Nations on June 14, 1924, the Hungarian Government was authorised to issue an international loan for an amount equivalent to 250 million gold crowns.

Following the decision of the London Conference of August, 1924, the German Government proceeded with the issue of the international loan recommended by the Dawes Plan for an amount sufficient to provide an actual sum equivalent to 800 million gold marks.

Both loans were guaranteed by a prior call on the gross revenues of the borrowing States and particularly on the customs,

(1) The following are the clearing returns for Florence, Genoa, Rome, Trieste and Venice, from 1919-1924 (In million lire) :

Year	Total returns	Sums cleaned	Cash used	Percentage of cash to cleanings
1919 . . . . .	259,319.9	251,736.1	7,583.8	2.92
1920 . . . . .	519,916.6	510,009.9	9,906.7	1.92
1921 . . . . .	649,481.8	637,612.4	11,869.3	1.82
1922 . . . . .	577,916.1	565,959.6	11,956.5	2.06
1923 . . . . .	805,741.9	793,687.8	12,054.1	1.48
1924 . . . . .	882,785.4	854,040.0	18,745.4	2.14

on the tobacco monopoly, on the duties on sugar and other minor taxes. The Italian Finance Minister authorised the issue in the Kingdom of tranches of the said loans for a nominal amount of 170 million lire, in the case of the Hungarian Loan, and of 100 million lire in the case of the German Loan. The first named issue was of 340,000,500 lire Bonds to be redeemed in 20 years; the second, for 200,000,500 lire Bonds, redeemable in 25 years. For each of the Loans the redemption is arranged by yearly drawings or repurchases in the open market.

In both cases, the interest on the bonds was of 7 per cent. per annum; both were exempt from any Hungarian or German present or future taxes, and moreover, the bonds were free of the Italian Income Tax and of the Coupon Tax of 15 per cent. which, together with the Italian stamp on the bonds, was charged to the respective borrowing Governments. Both issues were underwritten by a Syndicate, presided by the Governor of the Banca d'Italia, which included the largest joint stock banks.

The note-issuing banks whilst not being a party to the underwriting Syndicate, in view of the fact that the bonds were in no way guaranteed by the Italian Government, gave their assistance in organising the Loans, and accepted subscriptions.

Both loans were issued at the price of 92 per cent, plus matured interest, and though the public subscription was in each instance open for one day only (on July 10, the Hungarian Loan and on October 30, the German Loan) the issues were largely oversubscribed, the Hungarian more than three times and the German nearly fifty six times over. The allotments were at the rate of about 29 per cent. and 1 ½ per cent. respectively, special consideration being given to small investors.

The Hungarian Government have handed the final bonds which have been already delivered through the Banca d'Italia, to the holders in exchange of the certificates issued on allotment. As for the German bonds it is expected that they will be completed and handed over by the German Government very soon.

The Banca d'Italia took every desirable step so that the rates of the lira exchange should be affected as little as possible by the issue of these loans.

**Cash displacements and Reserve.**

The general cash turnover reached in 1924 the grand total of 579,500 million lire as against 574,500 million in the previous year.

Receipts amounted to . . . . . L. 289,594,426,628.—  
and Payments, to . . . . . » 290,004,715,972.—

At the end of 1924 the specie holdings of the Bank were 973.9 million lire or 12.9 million more than at the same date of 1923. This change is due to an increase of the specie belonging to the Treasury by 14.1 million against a reduction of the specie belonging to the Bank by 1.2 million. The reserve at the end of 1924 was thus composed, in million gold lire :—

Gold . . . . .	889.6
Silver, 5 lire coins . . . . .	72.4
Silver, other coins (1) . . . . .	11.9
	84.3
Total gold and silver . . . . .	973.9
Certificates of gold deposits abroad . . . . .	380.4
Certificates of silver deposits abroad . . . . .	1.0
Certificates of credits abroad . . . . .	90.7
Foreign Treasury Bills . . . . .	18.1
Foreign notes . . . . .	0.1
	490.3
Total Reserve . . . . .	1,464.2

(1) Including 2,293,051 silver rupees which at their nominal value, of 1.68 lire to a rupee, are equivalent to a sum of 3.8 million lire.

The following table shows the changes in the Reserve at the end of each year from 1917 to 1923 :—

(in million lire)

	1917	1918	1919	1920	1921	1922	1923	1924
Gold holdings . . . . .	835.9	817.8	804.8	819.3	850.0	883.9	875.7	889.6
Silver holdings . . . . .	87.4	77.1	75.1	75.0	74.3	75.8	85.3	84.3
Total coin and bullion . .	923.3	894.9	879.9	894.3	924.3	959.7	961.0	973.9
Balances abroad :								
Certificates of Gold deposits abroad . . . . .	366.8	384.8	394.8	380.4	380.4	380.4	380.4	380.4
Certificates of Silver deposits abroad . . . . .	—	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Credit certificates . . . . .	80.9	310.4	347.9	381.8	296.8	320.1	113.1	90.7
Other currencies . . . . .	34.9	350.6	33.3	27.7	16.2	9.6	15.7	18.2
Total balances abroad . .	482.6	1,046.8	777.0	790.9	694.4	711.1	510.2	490.3
Grand total . . . . .	1,405.9	1,941.6	1,656.9	1,685.2	1,618.7	1,670.8	1,471.2	1,464.2

As against the above mentioned increase of specie holdings, a further fall has taken place in the amount of our balances abroad. As in the previous year, this is due to the smaller amount of credit certificates following transactions of the Bank with the Italian National Institute of Exchange.

The ratio (per cent) of the Reserve to the notes in circulation requiring a statutory reserve cover, shows the following changes at the end of each year from 1917 to 1924 :

1917	1918	1919	1920	1921	1922	1923	1924
40.87	36.40	25.91	18.53	18.39	20.45	19.91	16.55

The fall in the proportion is entirely due to the reduction of our balances abroad. However, it should be noted that the above ratio is between a gold reserve calculated at par, and a currency which has depreciated to the extent of about 78 per cent.

The following table shows the amount of gold and silver in the reserve which are the property of the Bank, including certifica-

tes in respect of gold belonging to the Bank which was remitted abroad for Treasury account during the War. (in million gold lire).

31 December	1917	1918	1919	1920	1921	1922	1923	1924
Specie held . . . . .	897.3	868.8	855.0	869.3	868.6	869.9	855.7	854.5
Certificates . . . . .	94.7	113.7	123.7	109.3	109.3	109.3	109.3	109.3

**Deposits.**

The turnover of current accounts, namely the Debit and Credit entries passed in our books in 1924, aggregated, 62,421,742,593 lire which compares with 64,881,442,784 lire during the previous year. The balance of deposits at the end of the year was 754,276,164 lire or 68,468,930 lire less than at the end of 1923. The average amount of deposits during the year was of 1,057,742,444 lire as against 820,092,545 lire in 1923. The maximum was reached on April 20, with deposits totalling 1,296.6 million lire, and the minimum was 754.3 million on December 31. In the first six months, the average amount of deposits was 1,048.1 million lire and in the second half-year, 967.4 million (1).

**Discounts.**

The average amount of bills discounted in 1924 was of 3,254.7 million lire. The highest level was reached on December 31, with 3,789.5 million and the lowest on June 10, with 2,974.1 million. It was only in the last two months of the year that the amount of bills discounted exceeded the average figure for 1923, viz., in November, by 145.7 million and in December, by 333.7 mil-

(1) The following figures show the changes in the first months of 1925 :—  
 31 January . . . . . 874.2 million lire  
 28 February . . . . . 845.1 » »  
 10 March . . . . . 786.6 » »

lion. Some reduction followed however in the first weeks of 1925 (1).

The liabilities of the Special Independent Section of the Syndicate for Advances against Industrial Securities, which, in 1923, were included among Inland bills, totalled at the end of 1924, 3,147 million lire, as against 2,564.6 million at the end of 1923. The rise of 582.4 million in that item has been already explained elsewhere. Therefore, adding the normal bills discounted to the liabilities of the Special Independent Section, the figure of outstanding discounts was altogether of 6,936.5 million lire on December 31st, 1924, with an increase of 916.1 million over the corresponding total at the end of 1923. During 1924, 1,570,330 bills were discounted for an aggregate amount of 13,999,344,187 lire with an increase of 113,949 in the number of bills discounted as against a reduction of 5,479,918,492 lire in the amount compared with the previous year. The latter reduction is only due to the fact that in the figures relating to 1923, the bills rediscounted to the Special Independent Section of the Syndicate for Advances against Industrial Securities were included, whereas in 1924, those transactions were entered separately. Of the described transactions, 1,375.1 million lire were in respect of rediscounts on behalf of the Ordinary Section of the Syndicate, 20 million were discounted for supplies on Treasury account and 1,011.5 million were bills discounted to agricultural banks. Moreover, securities and coupons discounted in the year amounted to 216.5 million lire.

Bills discounted below the bank rate were in the proportion of 17.05 per cent. of the total discounts, as against a ratio of 38.46 per cent in the previous year. The average discount rate was last year 5.29 per cent as against 4.95 per cent in 1923 and 5.55 per cent in 1922. Total discounts for the year can be

(1) The following are the figures relating to the present year :—

31 January . . . . .	3,685.2 million lire
28 February . . . . .	3,741.9   "   "
10 March . . . . .	3,729.4   "   "

classified as follows, according to the rates of interest applied thereto :—

rate of	4 — %	L.	1,375,080,554	or	9.82 %	of the total
»	»	»	1,011,540,245	»	7.23	» » » »
»	»	»	11,432,419,738	»	81.66	» » » »
other rates (in the Colonies)		»	180,303,650	»	1.29	» » » »
		L.	<u>13,999,344,187</u>		<u>100.00</u>	

The minimum rate of 4 per cent was charged to the Ordinary Section of the Syndicate and a rate of 4 ½ per cent was charged to the agricultural banks. The Bank rate remained unchanged throughout the year, at 5 ½ per cent.

#### Advances.

In 1924, the advances amounted altogether to 20,563,241,548 lire or 75,797,008 lire more than in 1923. Deferred payments at the Clearing Houses are not included in that figure.

The average amount of advances declined however, from 2,162,235,266 in 1923, to 2,056,571,454 lire in 1924. The highest level for 1924 was reached at the end of the year with 2,733 million and the lowest on August 10th, with 1,521.7 million lire. The former figure compares with 2,881.1 million lire being the total advances outstanding on December 31, 1923 (1).

(1) In the new year, the following changes have taken place in the relative figures :—

31 January . . . . .	2,169.6 million lire
28 February . . . . .	2,407.6   »   »
10 March . . . . .	2,387.8   »   »

The following table shows the average discounts, advances and deferred payments at the Clearing Houses for the last ten years :—

(in million lire)

YEARS	Inland Bills	Advances	Deferred Payments at the Clearing Houses	Total	Credit against Special Independent Section of Syndicate for A. a. I. S.	Grand Total
1915 . . . . .	683.7	221.2	11.2	916.1	—	916.1
1916 . . . . .	466.6	245.3	5.2	717.1	—	717.1
1917 . . . . .	600.4	399.0	65.6	1065.0	—	1065.0
1918 . . . . .	768.3	626.0	59.7	1454.0	—	1454.0
1919 . . . . .	862.5	782.0	86.2	1730.7	—	1730.7
1920 . . . . .	2423.6	2079.4	244.0	4747.0	—	4747.0
1921 . . . . .	3189.3	2401.1	261.3	5851.7	—	5851.7
1922 . . . . .	4440.7	2841.3	201.7	7483.7	—	7483.7
1923 . . . . .	4954.4	2162.2	300.4	7417.0	—	7417.0
1924 . . . . .	3254.1	2056.6	262.4	5573.1	3049.4	8622.5

Moreover the monthly figures relating to the year 1924 are given below :—

(in million lire)

YEARS	Inland Bills	Advances	Deferred Payments at the Clearing Houses	Total	Credit against Special Independent Section of Syndicate for A. a. I. S.	Grand Total
31 January . . . . .	3255.2	2630.4	291.0	6176.6	2863.0	9039.6
28 February . . . . .	3194.5	2627.0	308.8	6130.3	2923.1	9053.4
31 March . . . . .	3144.4	2428.8	419.6	5992.8	3038.9	9031.7
30 April . . . . .	3126.0	2083.0	344.6	5553.6	3043.0	8596.6
31 May . . . . .	3043.8	1894.0	222.7	5160.5	3048.6	8209.1
30 June . . . . .	3386.0	2118.8	410.7	5915.5	3081.4	8996.9
31 July . . . . .	3345.1	1767.5	273.4	5386.0	3110.2	8496.2
31 August . . . . .	3294.5	1800.3	321.1	5415.9	3124.0	8539.9
30 September . . . . .	3266.2	1889.5	277.9	5433.6	3124.6	8558.2
31 October . . . . .	3387.0	2442.1	268.5	6097.6	3128.3	9225.9
30 November . . . . .	3556.7	2247.8	211.4	6015.9	3131.4	9147.3
31 December . . . . .	3789.5	2733.0	398.6	6921.1	3147.0	10068.1

At the end of the year the amount of bills, advances and deferred payments was altogether of 6,921.1 million lire, or, 141.1 million more than at the same date of the previous year. The increase is due to an expansion of 333.7 million in bills against a reduction of 148.1 million in advances and of 44.5 million in deferred payments. In the last quarter of 1924, the normal business of the Bank has shown a considerable development. This is due firstly to seasonal factors, in the second place to the larger requirements of wheat and finally to the effects on trade of greater activity and of the higher cost of raw materials.

Of the total bills held by the Bank at the end of the year, 469.2 million lire, were discounted to the Ordinary Section of the Syndicate for Advances against Industrial Securities.

### Circulation.

The average circulation of Banca d'Italia notes which had been of 12,861,477,645 lire in 1923, was increased to 13,011,168,484 lire in 1924. The following table shows the relation of the reserves to the note circulation :

(in million lire)

	Reserve cover		Without cover	Total
	40 %	33.3 %		
Within normal limits	according to art. 6 of the Law. . .	660.0	—	660.0
	according to Royal Decrees No. 791 and 825 (year 1914) . . . . .	440.0	—	440.0
	according to Royal Decree No. 1284 (year 1914) . . . . .	220.0	—	220.0
		1,320.0	—	1,320.0
Over normal limits	up to 70 million . . . . .	70.0	—	2,161.7
	over 70 and up to 140 million . .	70.0	—	
	over 140 and up to 210 million . .	70.0	—	
	over 210 million. . . . .	1,441.0	—	
		—	510.7	
Bills re-discounted on behalf of the Syndicate for advances against I. S. or other Institutions . . . . .	386.9	—	3,475.6	3,682.5
Ordinary Advances to the Treasury . . . . .	—	360.0	—	5,667.0
Extra-ordinary Advances to the Treasury . .	—	—	3,359.0	
Advances for State account . . . . .	—	—	1,496.7	
Statutory deliveries to the Treasury . . . . .	—	—	451.3	
	3,357.9	360.0	9,293.3	3,011.2

From the above, it will be seen that out of the average total circulation, 5,667 million lire were issued for account of the Treasury and of these, 5,307 million lire did not require a statutory reserve cover.

The following are the changes in the notes outstanding for Treasury account as compared with the year 1923 :—

	31 December		Increase + or Decrease —
	1923	1924	
Ordinary Advances . . . . .	360,000,000.00	360,000,000.00	—
Extraordinary advances . . . . .	3,374,042,525.00	3,346,652,566.45	— 27,389,958.55
Statutory deliveries . . . . .	516,000,000.00	432,803,081.28	— 83,196,918.72
Advances for State account to various Institutions or for supplies . . . . .	128,459,485.46	136,640,741.76	+ 8,181,256.30
Advances against notes of the Cassa Veneta . . . . .	26,700,000.00	—	— 26,700,000.00
Advances for the exchange of Austro-Hungarian Notes . . . . .	509,370,000.00	300,000,000.00	— 209,370,000.00
Advances for the redemption of Treasury Bills . . . . .	924,000,000.00	924,000,000.00	—
	5,838,572,010.46	5,500,096,389.49	— 338,475,620.97

Altogether, it will be seen that the circulation of banknotes for Treasury account has been reduced by 338.5 million lire in the course of the year.

The notes in circulation for trade requirements exceeded also last year the legal limits, on an average, by 1,634.8 million lire in the first half-year and by 2,688.6 million in the second half-year, the yearly average excess over legal limits being thus 2,161.7 million. The following table shows the average monthly circulation of Banca d'Italia notes in the last eight years :—

(in million lire)

Months	1917	1918	1919	1920	1921	1922	1923	1924
January . . . . .	3,888.6	6,562.3	9,079.9	12,150.8	15,038.9	14,609.1	13,537.0	12,485.3
February . . . . .	3,872.3	6,628.9	8,952.4	11,757.1	14,637.6	14,173.0	13,158.6	12,307.7
March . . . . .	3,879.8	6,872.6	9,027.1	11,868.4	14,466.9	13,955.1	12,971.7	12,382.0
April . . . . .	3,975.6	7,170.5	9,352.3	12,292.8	14,115.5	13,709.6	12,720.1	12,610.0
May . . . . .	4,065.9	7,365.6	9,293.1	12,726.3	13,803.9	13,328.3	12,236.5	12,366.1
June . . . . .	4,283.2	7,652.2	9,375.5	13,454.6	13,729.0	13,599.5	12,509.5	12,831.9
July . . . . .	4,557.6	7,968.2	9,938.8	13,819.7	13,934.7	14,056.8	13,115.7	13,234.6
August . . . . .	4,649.5	8,007.2	10,288.5	13,903.4	13,813.9	13,844.3	12,920.7	13,211.1
September . . . . .	4,850.9	8,369.0	10,768.5	14,498.3	14,098.4	13,799.8	12,835.0	13,310.9
October . . . . .	5,242.3	8,834.1	11,704.2	15,227.4	14,295.1	14,070.8	12,950.9	13,788.9
November . . . . .	6,186.5	9,082.2	12,155.6	15,369.0	14,015.5	14,042.5	12,736.8	13,842.7
December . . . . .	6,466.7	9,184.3	12,420.5	15,298.3	13,954.7	13,769.9	12,645.1	13,762.8

As regards the average half-yearly circulation, we find that as compared with 1923, there was a reduction of 358.4 million in the first half-year, and an increase of 657.8 million in the second. The highest and lowest figures of the note circulation in the past year are given below, with due reference to the separate classes of notes outstanding for trade and for Treasury account (in million lire).

Total Circulation	}	highest	L.	14,052	—	10 November
		lowest	»	12,151	—	20 February
Circulation for trade account	}	highest	»	8,518	—	10 November
		lowest	»	6,313	—	20 February
Circulation for Treasury account	}	highest	»	5,838	—	10 January
		lowest	»	5,500	—	30 November

The following table shows the changes which have taken place at the end of each month in the two classes of notes in circulation for the last five years :—

**Banca d'Italia Notes in circulation.**

(in million lire).

	For Trade account					For Treasury account				
	1920	1921	1922	1923	1924	1920	1921	1922	1923	1924
31 January . . .	4094.7	7052.8	8045.8	7346.0	6635.9	7895.3	7866.7	6501.0	6091.8	5837.9
28-29 February .	3971.5	6951.3	7529.9	7059.7	6522.9	7767.2	7697.5	6582.3	6074.7	5837.7
31 March . . . .	4335.2	7004.7	7575.4	7000.4	6836.4	7709.8	7478.7	6474.3	6065.3	5746.7
30 April . . . . .	4861.4	6900.5	7258.4	6553.0	6934.9	7683.9	7126.1	6350.0	6058.4	5701.2
31 May . . . . .	5162.0	6989.9	7219.0	6353.4	6745.9	7766.2	6773.5	6107.5	5832.5	5667.7
30 June . . . . .	6098.5	7490.9	7785.1	7234.2	7703.5	7729.1	6436.1	6147.3	5834.9	5651.9
31 July . . . . .	6238.0	7643.1	7912.8	7321.4	7687.7	7660.9	6362.0	6151.6	5833.9	5633.9
31 August . . . . .	5985.7	7519.6	7716.5	7051.0	7596.0	7999.0	6358.9	6088.8	5833.8	5600.4
30 September . .	6827.0	7780.4	7885.8	7089.8	8036.2	8076.4	6542.3	6101.5	5839.7	5567.0
31 October . . .	7049.6	7665.1	8125.9	7136.2	8433.1	8229.3	6661.0	6105.4	5839.1	5533.4
30 November . .	7135.6	7312.2	7850.0	6866.7	8285.5	8284.1	6580.0	6108.2	5839.0	5500.1
31 December . .	7400.2	8439.9	7809.7	7029.2	8486.8	8036.7	6407.5	6111.9	5838.6	5500.1

We also give below a table showing the amount of demand drafts (money orders) issued, of private deposits and of public deposits (Treasury balances) at the end of each month :

1924	Money orders	Deposits	Treasury Balances	Total
31 January . . . . .	913.5	860.4	1956.8	3730.7
29 February . . . . .	884.9	871.3	2188.8	3945.0
31 March . . . . .	912.2	976.9	1525.8	3414.9
30 April . . . . .	793.5	1114.6	1038.8	2946.9
31 May . . . . .	976.3	1113.6	608.7	2698.6
30 June . . . . .	1074.9	929.3	756.5	2760.7
31 July . . . . .	891.2	1068.8	129.8	2089.8
31 August . . . . .	904.2	1004.8	615.9	2525.2
30 September . . . . .	900.6	908.8	172.7	1982.1
31 October . . . . .	809.0	866.1	572.2	2247.3
30 November . . . . .	886.2	792.2	575.6	2254.0
31 December . . . . .	1347.8	754.3	807.7	2909.8

From the end of January to December 31, the resources which these items represent were reduced by 821 million lire, and this should be kept in mind when analysing the expansion which has taken place in the circulation of notes for trade account. The Treasury balances alone have fallen in the course of 1924 by 1,203.5 million lire. In order to better appreciate this point, we give below a table showing the changes in the main items of our Balance Sheet at the end of each month, from December 31, 1923 up to February 28, 1925.

Finally, we give a table showing the monthly changes that have taken place in the circulation of our banknotes classified according to the relative reserve covers :—

(in million lire)

Date	Circulation for trade account					Circulation for Treasury account				
	within normal limits	over normal limits		advances to various institutions		with 33.3 % cover	without cover			
	with 40 % cover	with 40 % cover	insufficiently covered	with 40 % cover	without cover	ordinary advances to the Treasury	extraordinary advances to the Treasury	advances to third parties for State account	statutory notes supply	
31 December 1923 . . .	1320.0	1756.9	952.8	301.0	3058.5	360.0	3374.0	1588.5	516.0	
31 January 1924 . . .	1320.0	1675.6	»	344.7	3295.7	360.0	3374.0	1587.8	516.0	
29 February » . . .	1320.0	1481.5	»	548.6	3172.9	360.0	3374.0	1587.6	516.0	
31 March » . . .	1320.0	1681.7	»	354.5	3480.2	360.0	3365.6	1588.3	432.8	
31 April » . . .	1320.0	1732.5	10.4	303.6	3568.4	360.0	3365.6	1542.8	432.8	
31 May » . . .	1320.0	1561.0	»	475.8	3389.1	360.0	3365.6	1509.3	432.8	
31 June » . . .	1320.0	1688.0	745.5	349.2	3600.8	360.0	3365.6	1493.5	432.8	
31 July » . . .	1320.0	1706.6	715.0	335.3	3610.7	360.0	3346.7	1494.4	432.8	
31 August » . . .	1320.0	1729.9	617.3	314.8	3614.0	360.0	3346.7	1460.9	432.8	
31 September » . . .	1320.0	1739.9	1053.6	305.2	3617.5	360.0	3346.7	1427.5	432.8	
31 October » . . .	1320.0	1740.2	1459.6	300.3	3613.0	360.0	3346.7	1393.9	432.8	
31 November » . . .	1320.0	1724.3	1285.7	317.5	3638.0	360.0	3346.7	1360.6	432.8	
31 December » . . .	1320.0	1719.7	1443.9	320.7	3682.5	360.0	3346.7	1360.6	432.8	

### Foreign Business.

In 1924 purchases and sales of foreign exchanges were reduced by 43,833,080 million lire as compared with 1923, the total amount of the said transactions being of 63,817,870 lire. On December 31, 1924 the Bank balances abroad were lower at 113,551,630 as against 148,281,459 lire at the end of 1923, a net reduction of 34,729,829 lire. The balances abroad at the end of December, 1924 were as follows :—

a) Bills and credits abroad not placed in the reserve . . . . .	L.	4,691,732
b) Credit certificates and foreign Treasury Bills placed in the Reserve . . . . .	»	108,859,898

In the following tables we show as usual the movements which have taken place in the foreign exchange market. In the first table, the changes in the rate of the French franc against the lira in the last three years are recorded. The second table shows the changes in the rates of pounds, dollars, Swiss francs and gold, as from December, 1920. The third gives the rates of the principal European exchanges quoted on the New York market as from December, 1923, and finally we compare the monthly changes in the index numbers of wholesale prices for the last two years in Italy, Great Britain and the United States.

**Exchange rates of lire to 100 French francs.**

	1922			1923			1924		
	Highest	Lowest	Average	Highest	Lowest	Average	Highest	Lowest	Average
January . . . . .	191.96	181.71	187.08	144.30	125.28	136.70	117.28	100.54	107.79
February . . . . .	183.07	173.51	178.82	133.19	125.13	127.66	107.46	96.81	101.99
March . . . . .	179.61	171.23	176.37	137.96	126.46	130.42	128.39	86.68	109.10
April . . . . .	175.03	170.81	172.46	137.87	130.27	134.49	149.38	126.66	138.40
May . . . . .	177.86	171.14	173.60	139.49	135.33	137.41	145.23	117.40	130.98
June . . . . .	180.90	174.65	176.51	139.49	136.79	137.95	128.46	113.69	121.07
July . . . . .	183.27	178.54	180.38	137.78	134.52	136.56	121.65	115.44	119.07
August . . . . .	181.49	175.19	177.35	133.93	129.74	132.16	124.83	116.90	122.23
September . . . . .	181.43	176.61	179.38	136.80	128.46	132.10	122.59	119.79	121.13
October . . . . .	180.30	174.84	177.62	134.17	129.90	132.14	120.98	118.45	120.25
November . . . . .	165.22	137.71	151.03	129.76	123.31	126.52	123.12	120.43	121.92
December . . . . .	146.94	140.47	143.46	124.93	115.71	121.23	129.30	124.12	125.65

## Exchange rates of the pounds, dollars, Swiss francs and gold on the Italian markets <sup>(a)</sup>

*(Lire to 1 £., to 1 \$., to 100 Swiss francs and to 100 gold lire).*

MONTHS	LONDON			NEW YORK			SWITZERLAND			GOLD LIRE		
	Highest	Lowest	Average	Highest	Lowest	Average	Highest	Lowest	Average	Highest	Lowest	Average
December . . . 1920	105.67	95.06	99.79	29.88	27.10	28.57	456.51	426.29	441.02	418.96	376.92	395.95
» . . . 1921	98.30	90.46	93.91	23.99	21.58	22.70	462.41	419.00	440.18	462.89	416.30	437.93
» . . . 1922	93.48	90.43	91.54	20.70	19.44	19.89	386.87	370.17	374.54	399.41	372.22	383.55
January . . . 1923	98.51	90.18	95.33	21.26	19.35	20.49	396.86	368.51	384.95	410.21	373.36	395.51
February . . . »	98.43	96.75	97.52	21.14	20.55	20.78	395.75	388.32	390.98	407.91	396.52	401.19
March . . . . . »	99.19	93.61	97.01	21.09	20.00	20.64	393.12	369.25	383.99	406.93	385.90	398.37
April . . . . . »	94.78	93.24	93.97	20.42	19.99	20.16	370.17	365.07	368.02	394.01	384.94	389.16
May . . . . . »	97.81	94.24	95.68	21.17	20.33	20.67	381.70	369.19	372.97	408.50	392.27	398.88
June . . . . . »	104.80	98.54	100.86	22.82	21.30	21.86	405.55	383.28	392.32	440.33	410.99	421.82
July . . . . . »	108.82	104.68	106.21	23.83	22.62	23.12	410.69	398.63	406.07	459.81	436.56	446.24
August . . . . . »	107.60	105.19	105.97	23.47	23.05	23.20	429.31	412.28	419.08	452.95	444.75	447.71
September . . . »	107.36	98.23	102.97	23.58	21.47	22.65	426.05	386.19	405.27	454.98	414.27	436.29
October . . . . . »	102.47	98.68	100.29	22.65	21.81	22.16	402.45	391.65	395.94	437.04	420.83	427.49
November . . . . »	102.65	100.20	100.92	23.79	22.47	23.07	413.03	400.55	403.75	463.17	433.54	446.30
December . . . . »	101.13	100.09	100.62	23.22	22.95	23.08	404.06	401.10	402.47	447.94	442.89	445.37
January . . . . 1924	100.23	95.19	98.09	23.51	22.47	23.05	407.46	388.06	398.84	453.56	433.57	444.69
February . . . . »	100.34	98.05	99.18	23.40	22.76	23.04	404.23	396.18	399.76	451.59	439.14	444.59
March . . . . . »	103.67	98.56	100.51	24.36	22.94	23.43	418.04	398.84	404.53	470.11	442.60	452.05
April . . . . . »	98.76	98.84	98.01	22.94	22.33	22.55	398.71	394.09	396.63	442.65	430.84	435.04
May . . . . . »	99.09	97.60	98.27	23.06	22.24	22.54	404.83	396.02	399.20	444.87	429.05	434.79
June . . . . . »	100.71	99.06	99.73	23.22	22.97	23.04	412.34	404.03	407.07	447.98	443.21	445.44
July . . . . . »	102.12	100.44	101.58	23.50	23.11	23.27	429.05	413.12	422.30	453.38	445.91	448.95
August . . . . . »	102.02	100.84	101.49	23.13	22.27	22.64	429.80	419.33	425.20	446.22	429.76	436.95
September . . . . »	102.05	101.41	101.83	22.99	22.57	22.81	437.43	424.25	430.64	443.73	435.51	440.18
October . . . . . »	104.52	101.89	103.13	23.30	22.83	22.99	446.81	434.68	440.85	449.50	440.59	443.71
November . . . . »	107.34	104.62	106.59	23.31	23.01	23.10	449.52	443.19	445.35	449.70	443.97	445.73
December . . . . »	113.22	106.64	109.22	23.92	23.00	23.27	465.91	444.14	450.80	461.58	443.79	449.07

(a) From the average rates published by the Minister of National Economy.

**New York rates on:**

DATE	ITALY	PARIS	BELGIUM	SWITZERLAND	SPAIN	HOLLAND	LONDON
	Dollars to 100 lire	Dollars to 100 Francs	Dollars to 100 Francs	Dollars to 100 Francs	Dollars to 100 Pesetas	Dollars to 100 Guilders	Dollars to the £
<i>Par of exchange . . . . .</i>	<i>19.30</i>	<i>19.30</i>	<i>19.30</i>	<i>19.30</i>	<i>19.30</i>	<i>40.20</i>	<i>4.8665</i>
<b>1923</b>							
Dec. 31 . . . . .	4.32	5.10	4.48	17.46	12.90	37.93	4.3187
<b>1924</b>							
Jan. 31 . . . . .	4.36	4.699	4.17	17.31	12.81	37.48	4.31 1/8
Feb. 29 . . . . .	4.31	4.15	3.63	17.33	12.59	37.51	4.30
Mar. 31 . . . . .	4.29	5.53	4.34	17.47	13.58	37.02	4.29
Apr. 30 . . . . .	4.47	6.44	5.42	17.84	13.82	37.37	4.38
May 31 . . . . .	4.34	5.09	4.41	17.62	13.63	37.40	4.31
Jun. 31 . . . . .	4.31	5.28	4.60	17.76	13.41	37.58	4.32
Jul. 31 . . . . .	4.33	5.07	4.61	18.65	13.37	38.22	4.40
Aug. 31 . . . . .	4.43	5.40	5.02	18.82	13.34	38.70	4.49
Sep. 30 . . . . .	4.38	5.29	4.85	19.07	13.37	38.61	4.46
Oct. 31 . . . . .	4.35	5.27	4.83	19.25	13.46	39.44	4.53
Nov. 30 . . . . .	4.34	5.40	4.89	19.31	13.68	40.39	4.63
Dec. 31 . . . . .	4.25	5.43	4.99	19.48	13.98	40.52	4.73
<b>1925</b>							
Jan. 31 . . . . .	4.18	5.43	5.20	19.30	14.32	40.28	4.80
Feb. 28 . . . . .	4.03 1/2	5.13	5.02	19.21 1/2	14.20	40.01	4.763/4
Mar. 16 . . . . .	4.09	5.14	5.06	19.29	14.21	39.92	4.783/8

**Index Numbers of Wholesale Prices.**

1913 Average = 100	ITALY (Bachi)		GREAT BRITAIN (Statist.)		UNITED STATES OF AMERICA (Off. Lab. St.)	
	1923	1924	1923	1924	1923	1924
January . . . . .	575.3	570.8	153.2	161.4	156	151
February . . . . .	582.1	572.8	155.2	163.3	157	152
March . . . . .	586.9	578.7	156.1	161.2	159	150
April . . . . .	588.4	578.7	157.6	160.9	159	148
May . . . . .	580.3	570.7	155.5	160.5	156	147
June . . . . .	568.9	566.1	150.5	160.4	153	145
July . . . . .	566.0	567.4	146.8	162.8	151	147
August . . . . .	566.7	572.3	147.1	162.4	150	150
September . . . . .	569.2	580.1	150.4	166.2	154	149
October . . . . .	563.4	601.7	150.2	171.9	153	152
November . . . . .	571.4	620.5	155.8	171.2	152	153
December . . . . .	577.2	639.8	156.7	173.8	151	157

The features of the French exchange at the end of 1923 and in the first quarter of 1924 are sufficiently well known. But even after overcoming last winter's serious crisis, the franc has been unable to go back to the average rates prevailing in 1922 and the quotations of that currency require a constant defence. Such a state of affairs explains the relative position of the lira with regard to the French currency. An entirely different position has arisen, however, in the relation of our currency with dollars, pounds, Swiss francs and guilders. As compared with these currencies, the lira depreciated, and the fall has been more noticeable in the case of pounds, Swiss francs and guilders. As shown in the third table, the above currencies have moved gradually towards parity with the dollar and as a matter of fact, Swiss francs and guilders were occasionally above parity.

#### **Profits.**

The gross profits for the year 1924 amounted to Lire 436,473,997, which is 51,269,848 less than in 1923. The gross income from discounts was of 168,550,323 lire, or 12,823,223 less than in the previous year. The profit arising from advances was also some five million lower, at 131,240,850 lire. Deferred payments at the Clearing Houses produced 14,141,631 lire as against 16,728,424 lire in 1923. The profits from foreign business increased from 4,033,174 in 1923 to 4,119,544 lire in 1924. Other services yielded 19,977,977 lire including commissions amounting to 3,336,373 lire. The interest on investments amounted altogether to 32,673,781 lire, of which 26,854,701 lire were interest on our investments in Government Securities.

Moreover, the following items must be added to the profits of the year :

a) The sum of 40 million written off against bad or doubtful debts in the resolution of our last General Meeting.

b) Our participation in the net profits of the Bank's Syndicate of 9 million lire (set against an equivalent amount on the other

side of the balance sheet) which amount has been paid to the Reserve Fund of the Special Independent Section of the Syndicate for Advances against Industrial Securities.

c) The taxes paid by the Bank in respect of the notes issued on behalf of the Special Independent Section, viz., 11,200,000 lire which are charged to the latter's account.

**Expenditure and Taxes.**

The total expenditure in 1924 amounted to 360,151,458 lire, or 56,285,483 lire less than in 1923. Administration costs in 1924, were 72,109,118 lire or, 3,542,170 lire more than in the previous year. The inclusive salaries of the staff, have increased by 3.5 million to 56,613,536 lire. The printing of notes involved an expenditure of 3,841,413 lire or nearly three million more than in 1923. The outlay for taxes amounted to Lire 124,804,913 which is 41.5 million less than in 1923 (1).

Out of the sum of 105.7 million lire, forming the amount of tax on the notes in circulation, the Treasury received 33.6 million and the balance of 72.1 million was placed in the Reserve Fund of the Special Independent Section and invested in Treasury Bills.

As was stated in our previous Report, the reduction which took place in the said item of expenditure is mainly due to the new terms of taxation applied to the notes in circulation on behalf of the Special Independent Section of the Syndicate for Advances against Industrial Securities, following the Decree of Jan-

(1) The amount in round figure 124,805,000 lire is made up as follows :— (In thousands of lire).

Tax on notes in circulation . . . . .	L.	105,710
Tax on Money Orders in circulation . . . . .	»	1,722
Income Tax . . . . .	»	14,148
Land Tax . . . . .	»	890
Other taxes . . . . .	»	2,335

uary 2nd, 1923 (1). Interest on private deposits accounted for 28,249,959 lire or, 6.8 million more than in 1923. Interest on public deposits (Treasury balances) amounted to 12,816,692 lire, and the interest on the balances of the Italian National Institute of Exchange with our Bank accounted for 29,963,554 lire. The amount set aside against ordinary depreciation, to meet bad or doubtful debts, is of 19,691,423 lire, or 5.4 million less than in the previous year, in view of the smaller figure of bills inscribed to loss, which fell from 13 million in 1923 to 8.5 million lire in 1924. Moreover, the amount of 9 million is set against the equivalent amount mentioned above among the Profits. Finally, in accordance with precedent, we have resolved to write off from our assets a further sum of 35 million lire, which compares with 40 million written off last year, against depreciation or possible losses.

**Dividend.**

We have therefore a gross profit for the year

aggregating . . . . .	L.	436,473,997.42
and gross expenditure of . . . . .	»	360,151,458.03
leaving a net profit of . . . . .	L.	<u>76,322,539.39</u>

which shows an increase of Lire 9,330,979.69 over the net profit for 1923.

Having received the report of our Auditors and in consideration of the provisions of the Royal Decree dated September 27, 1923; on the results of the Profit and Loss Account for the year 1924, the distribution of the net profit shall be as follows:—

(1) As we mentioned in last year's report, the said Decree provides that the notes in circulation on behalf of the Section need no more have a statutory cover in specie or equivalent assets, and whilst the tax is at the rate of  $\frac{1}{10}$  th of one per cent for such notes as are protected by the statutory cover of 40 per cent, the unprotected or insufficiently protected balance is charged at the rate of one quarter of the official bank rate of the time being.

To the Treasury as participation in equal measure to what was assigned in the years 1922 and 1923 . . .	L. 13,874,116.26
To the Shareholders, a dividend equal to the one distributed for the years 1922 and 1923, at the rate of 10 per cent. on the paid up capital, which is equivalent to 60 lire per share, or . . .	» 18,000,000 —
and to be added to the Special Reserve which is the property of the Shareholders . . .	» 5,193,056.26
To the Reserve Fund of the Credito Fondiario the usual sum of . . . . .	» 281,060.00
To the Special Independent Section of the Syndicate for Advances against Industrial Securities to be added to its Reserve Fund, the balance of. . . . .	» 38,974,306.87
	<u>L. 76,322,539.39</u>

Adding the amount of 9 million lire paid into the Fund of the Special Independent Section, as our part in the profits of the Banks' Syndicate, we find that our contribution to the said Fund in 1924 was of about 48 million, following our contribution of 41 million lire in 1923.

Through our contributions, added to the profits made by the Section, we have been able so far to place in the Reserve Fund set up in order to meet the losses of the Special Independent Section a round sum of 260 million lire.

**Conclusion.**

Gentlemen,

The importance and the extent of the labours of the Banca d'Italia during the past year clearly stand out in the contents of this Report, and you can appreciate our contribution towards the economic readjustment and the development of the Country. You will have noticed that also in the past year our Bank was

charged with the duty of carrying further directly, or through its affiliations, the settlement of a situation brought about by the after-War financial crisis. But the heavy liquidation, involving the displacement of large sums of money, could not be carried out without expanding temporarily the issue of banknotes. Now the crisis is happily overcome and the period of deflation of such additional notes has definitely set in, whilst there is a steady growth of the reserve funds which have been created for providing a full cover to the circulation of notes which was not guaranteed by real assets. We are on the right way, and we intend to keep to it firmly to the end, in full agreement with the Government and our two sister banks. If we consider what has been done in Italy in these last years from an economic and even more from a financial point of view, in spite of the enormous obstacles of every description that had to be overcome after the terrible strain of the War, we have every reason to feel proud. Our motto must be, "Forward, with patience and strong will".

TABLE I.

	CIRCULATION OF NOTES			OTHER LIABILITIES				ASSETS					
	For Trade Account	For Treasury Account	Total	Money Orders	Deposits	Treasury Balances	Total	Bills Discounted	Advances	Deferred Payments	Total	Credit against the special and . . . . .	Grand Total
1923 December . . . . .	7,029.2	5,838.6	12,867.8	946.8	822.7	2,011.2	3,780.7	3,455.8	2,881.1	443.1	6,780.0	2,564.6	9,344.6
1924 January . . . . .	6,635.9	5,837.9	12,473.8	913.5	860.4	1,956.8	3,730.7	3,255.2	2,630.4	291.0	6,176.6	2,863.0	9,039.6
» February . . . . .	6,522.9	5,837.7	12,360.6	884.9	871.3	2,188.8	3,945.0	3,194.5	2,627.0	308.8	6,130.3	2,923.1	9,053.4
» March . . . . .	6,836.4	5,746.7	12,583.1	912.2	976.9	1,525.8	3,414.9	3,144.4	2,428.8	419.6	5,992.8	3,038.9	9,031.7
» April . . . . .	6,934.9	5,701.2	12,636.1	793.5	1,114.6	1,038.8	2,946.9	3,126.0	2,083.0	344.6	5,553.6	3,043.0	8,596.6
» May . . . . .	6,745.9	5,667.7	12,413.6	976.3	1,113.6	608.7	2,698.6	3,043.8	1,894.0	222.7	5,160.5	3,048.6	8,209.1
» June . . . . .	7,703.5	5,651.9	13,355.4	1,074.9	929.3	756.5	2,760.7	3,386.0	2,118.8	410.7	5,915.5	3,081.4	8,996.9
» July . . . . .	7,687.7	5,633.9	13,321.6	891.2	1,068.8	129.8	2,089.8	3,345.1	1,767.5	273.4	5,386.0	3,110.2	8,496.2
» August . . . . .	7,596.0	5,600.4	13,196.4	904.5	1,004.8	615.9	2,525.2	3,294.5	1,800.3	321.1	5,415.9	3,124.0	8,539.9
» September . . . . .	8,036.2	5,567.0	13,603.2	900.6	908.8	172.7	1,982.1	3,266.2	1,889.5	277.9	5,433.6	3,124.6	8,558.2
» October . . . . .	8,433.1	5,533.4	13,966.5	809.0	866.1	572.2	2,247.3	3,387.0	2,442.1	268.5	6,097.6	3,128.3	9,225.9
» November . . . . .	8,285.5	5,500.1	13,785.6	886.2	792.2	575.6	2,254.0	3,556.7	2,247.8	211.4	6,015.9	3,131.4	9,147.3
» December . . . . .	8,486.8	5,500.1	13,986.9	1,347.8	754.3	807.7	2,909.8	3,789.5	2,733.0	398.6	6,921.1	3,147.0	10,068.1
1925 January . . . . .	8,217.0	5,433.4	13,650.4	922.8	874.2	586.3	2,383.3	3,685.2	2,169.6	205.0	6,059.8	3,172.4	9,282.2
» February . . . . .	8,005.5	5,433.4	13,438.9	977.7	845.1	1,092.7	2,915.5	3,741.9	2,407.6	248.2	6,397.7	3,177.1	9,574.8
Difference between 31 Dec. 1923 and 31 Dec. 1924:													
increase . . . . .	1,457.6	—	1,119.1	401.0	—	—	—	333.7	—	—	141.1	582.4	723.5
decrease . . . . .	—	338.5	—	—	68.4	1,203.5	870.9	—	148.1	44.5	—	—	—

TABLE II. — Business of our Colonial Branches.  
(000 omitted).

Branches	Business	1922	1923	1924	
Tripoli . . .	Cash displacements . . . . .	receipts . . . . .	644,911	686,462	981,905
		payments . . . . .	608,939	670,100	994,458
	Discounts . . . . .	42,586	55,712	56,456	
	Advances . . . . .	2,729	2,654	3,318	
	Current accounts . . . . .	receipts . . . . .	19,139	22,692	42,997
		payments . . . . .	20,208	21,202	43,089
	Deposits . . . . .	receipts . . . . .	5,162	8,712	5,451
payments . . . . .		2,938	8,278	6,423	
Net profits . . . . .		448	659	459	
Bengasi . . .	Cash displacements . . . . .	receipts . . . . .	414,364	557,278	738,297
		payments . . . . .	413,934	554,739	738,067
	Discounts . . . . .	27,980	31,763	34,362	
	Advances . . . . .	925	1,283	1,107	
	Current accounts . . . . .	receipts . . . . .	24,829	40,752	46,146
		payments . . . . .	26,001	39,504	45,220
	Deposits . . . . .	receipts . . . . .	1,106	1,600	4,274
payments . . . . .		894	1,105	2,967	
Net profits . . . . .		270	270	303	
Asmara . . .	Cash displacements . . . . .	receipts . . . . .	500,311	454,956	496,943
		payments . . . . .	413,934	449,928	437,453
	Discounts . . . . .	96,229	61,818	82,826	
	Advances . . . . .	16,372	11,902	12,558	
	Current Accounts . . . . .	receipts . . . . .	42,570	48,188	61,109
		payments . . . . .	43,026	50,731	59,369
	Deposits . . . . .	receipts . . . . .	6,695	6,370	5,932
payments . . . . .		6,243	5,372	4,918	
Foreign currencies . . . . .		7,519	9,981	12,726	
Net profits . . . . .		268	353	401	
Mogadiscio .	Cash displacements . . . . .	receipts . . . . .	122,207	117,120	129,607
		payments . . . . .	124,116	115,217	127,057
	Discounts . . . . .	11,828	16,573	28,898	
	Advances . . . . .	13,502	13,918	18,681	
	Current accounts . . . . .	receipts . . . . .	18,365	16,202	29,268
		payments . . . . .	19,659	16,018	28,703
	Deposits . . . . .	receipts . . . . .	2,042	1,297	1,315
payments . . . . .		1,937	1,752	1,301	
Foreign currencies . . . . .		12,737	19,952	20,317	
Net profits . . . . .		208	300	542	



**BALANCE-SHEET**

*December 31<sup>st</sup> 1924*

---

**PROFIT AND LOSS ACCOUNT**

# BANCA

PAID UP CAPITAL

## BALANCE-SHEET

### ASSETS

Total Cash holdings	Gold and silver . . . . .	L.	973,880,471.43	973,880,471.43		
	Certificates of gold deposited abroad, Certificates of credits abroad, foreign Treasury bills, and foreign Bank-notes . . . . .	»	490,281,899.94			
	<b>TOTAL RESERVE . . . . .</b>	<b>L.</b>	<b>1,464,162,371.37</b>			
Total Cash	Currency Notes . . . . .	L.	321,517,041.00		1,622,313,583.01	
	Notes and sight drafts of other Note-issuing Banks . . . . .	»	241,226,782.09			
	Foreign Bank-notes . . . . .	»	504,013.68			
	Postal orders etc . . . . .	»	34,166,491.43			
	Silver coin . . . . .	»	590,533.56			
	Copper and nickel coin . . . . .	»	47,982,808.22			
	Silver rupees . . . . .	»	2,445,441.60			
<b>Inland Bills . . . . .</b>					<b>L.</b>	<b>3,789,512,130.61</b>
<b>Foreign Bills . . . . .</b>					»	<b>18,163,593.06</b>
<b>Bills for collection . . . . .</b>					»	<b>41,325,056.93</b>
<b>Loans and Advances . . . . .</b>					»	<b>2,732,956,756.85</b>
<b>Liabilities of the Special Independent Section of the Syndicate for Advances against Industrial Securities:</b>						
Advances to the Treasury	Unrealised . . . . .	L.	2,860,631,907.40			3,147,011,512.16
	Realised . . . . .	»	286,379,604.76			
	Ordinary . . . . .	»	360,000,000.00			
	Extra-ordinary . . . . .	»	3,346,652,566.45			
	For statutory deliveries . . . . .	»	432,803,081.28			5,500,096,389.49
	For redemption of Treasury bills . . . . .	»	924,000,000.00			
	For redemption of Austro-Hungarian Notes . . . . .	»	300,000,000.00			
	To third parties for Treasury account . . . . .	»	136,640,741.76			
	Free Fund . . . . .	»	30,984,898.25			
	Partial investment of Statutory Reserve . . . . .	»	10,227,163.83			
	Guarantee for Treasury Services . . . . .	»	112,832,239.71			379,291,801.79
	Investment of other Reserves . . . . .	»	4,864,000.00			
Against issue of money orders . . . . .	»	220,383,500.00				
<b>Cr. Bankers' accounts</b> { In Italy . . . . .		»	537,606,721.01			1,014,378,458.10
{ In Foreign Countries . . . . .		»	476,771,737.09			
<b>Liability of the Shareholders in Respect of unpaid Balance of Subscribed Capital . . . . .</b>					L.	<b>60,000,000.00</b>
<b>Buildings for Bank Premises . . . . .</b>					»	<b>75,583,842.28</b>
<b>Operations for State Account . . . . .</b>					»	<b>7,850,389.66</b>
Other Assets	" Credito Fondiario " Fund . . . . .	L.	30,000,000.00			
	Colonial Branches Reserve . . . . .	»	4,000,000.00			
	Participation to the Capital of the " Credito Agrario per il Lazio " . . . . .	»	500,000.00			
	Participation to the Capital of the Italian National Institute of Exchange . . . . .	»	7,200,000.00			
	Liabilities of the " Società pel Risanamento di Napoli " . . . . .	»	563,859.98			
	Liabilities of other note issuing Banks . . . . .	»	13,663,948.18			
	Special Reserve, which is the property of the Shareholders . . . . .	»	104,408,000.00			1,858,849,373.62
	Investment of extraordinary Reserve . . . . .	»	12,025,000.00			
	Investment of the Banca d'Italia Pensions fund . . . . .	»	134,741,016.69			
	Bills receivable . . . . .	»	63,160,677.86			
	Treasury Bills and Bonds for Investment of Special Reserve Fund (D. L. 27 September 1923, No. 2158) . . . . .	»	609,449,874.98			
Other debtors . . . . .	»	879,136,995.93				
		L.				20,247,332,887.56
By Securities deposited	in custody . . . . .	L.	13,288,218,821.48			
	as collateral . . . . .	»	12,874,803,029.23			
	pledged . . . . .	»	92,947,380.00			39,975,890,590.94
	for Treasury account . . . . .	»	12,681,601,403.47			
for the Bank's account . . . . .	»	1,038,319,956.76				
		L.				60,223,223,478.50
<b>By Amounts written off in past Years . . . . .</b>		»				<b>86,760,423.56</b>
				<b>TOTAL . . . . .</b>	<b>L.</b>	<b>60,309,983,902.06</b>

L. 180,000,000

DECEMBER 31st, 1924

## LIABILITIES

<b>Capital and Statutory Reserve</b>	Subscribed Capital . . . . .	L.	240,000,000.00	
	Statutory ordinary Reserve . . . . .	»	48,000,000.00	300,025,412.33
	Extra-ordinary Reserve . . . . .	»	12,025,412.33	
<b>Notes in Circulation</b>			L.	13,986,908,600.00
<b>Sight Drafts</b>			»	1,347,846,847.00
<b>Current and Deposits Accounts</b>			»	754,276,164.67
<b>Other Accounts</b>			»	258,972,276.45
<b>Services for Treasury and Provincial Account</b>	Treasury balances . . . . .	L.	807,735,216.52	918,816,704.35
	Other Treasury accounts . . . . .	»	3,038,843.12	
	Current account for certificates to order in respect of customs duties . . . . .	»	105,962,179.00	
	Provincial Inland Revenue departments . . . . .	»	2,080,465.71	
	Miscellaneous contingency funds . . . . .	»	5,590,593.87	
	Securities depreciation fund . . . . .	»	12,781,259.80	
<b>Other Liabilities</b>	"Credito Fondiario" cash service . . . . .	»	501.90	
	Funds for communal and other services . . . . .	»	44,659,873.05	
	Under the terms art. 3 and 4 of the Decree of 27th September 1923 n. 2158 L. 183,247,096.81	L.	183,247,096.81	609,449,874.98
	Under the terms of art. 5 of the said Decree . . . . .	»	426,202,778.17	
	Employees pensions fund . . . . .	L.	138,985,233.96	2,604,164,343.37
	Colonial Branches Reserve . . . . .	»	4,000,000.00	
	Special Reserve which is the property of the shareholders . . . . .	»	104,664,708.47	
	Inland Bills discount profits carried forward . . . . .	»	28,108,013.76	
	Bills depreciation fund . . . . .	»	74,438,583.68	
	Special fund from the Reserve which is the property of the Shareholders for building and purchasing new premises . . . . .	»	18,800,000.00	
Other creditors . . . . .	»	1,562,685,699.90		
<b>Net Profit for the Year</b>			L.	76,322,539.39
			L.	20,247,332,887.56
<b>To Securities deposited</b>			»	39,975,890,590.94
			L.	60,223,223,478.50
<b>To Amounts written off in past Years</b>			»	86,760,423.56
			L.	60,309,983,902.09
			<b>TOTAL . . . L.</b>	

# PROFIT AND Year

		DR.				
Expenditure	Expenses in respect of:	Administration . . . . .	L. 72,109,118.38	80,960,954.19		
		Board of Directors etc. . . . .	» 1,790,227.19			
		Transport of specie, notes and other valuables . . . . .	» 1,669,605.87			
		Notes printing . . . . .	» 3,841,412.86			
		Buildings which are the property of the Bank . . . . .	» 1,505,879.13			
		Stamps and commissions on foreign business . . . . .	» 44,710.76			
		Tax on notes in circulation . . . . .	» 105,709,586.64			205,765,867.71
		Tax on money orders and sight drafts in circulation . . . . .	» 1,722,182.25			
		Income tax . . . . .	» 14,147,776.41			
		Land tax . . . . .	» 890,058.26			
	Bank shares transfer tax . . . . .	» 995,070.00				
	Weights and measures control tax . . . . .	» 1,212.20				
	Stamp duties . . . . .	» 562,805.17				
	Contribution for Government supervision . . . . .	» 100,000.00				
	Other tributes . . . . .	» 676,222.59				
			124,804,913.52			
	Unpaid bills . . . . .			L. 6,408,796.75		
	Amounts written off . . . . .			» 19,691,423.11		
	Interests and annuities . . . . .			» 78,024,945.31		
	Benevolent contributions . . . . .			» 732,170.15		
Contribution to Employees Pension Fund . . . . .			» 5,528,255.00			
To bills depreciation fund . . . . .			» 35,000,000.00			
Transfer to the Special Independent Section of the Syndicate for Advances against Industrial Securities of the profits assigned to the Bank on the operations of the Banks' Syndicate . . . . .			» 9,000,000.00			
Net profit to be divided . . . . .			L. 360,151,458.03			
			» 76,322,539.39			
		TOTAL . . . . .	L. 436,473,997.42			

## DISTRIBUTION

Dividend on No. 300,000 shares at the rate of L. 60 per share . . . .  
 Annual contribution to the Reserve Fund of the "Credito Fondiario" . . . .  
 Treasury participation . . . . .  
 To Special Reserve which is the property of the Shareholders . . . .  
 To the Special Independent Section of the Syndicate for Advances  
 art. 4 of the Decree 27th September 1923, No. 2158 . . . . .

Rome, 31st March 1925.

VITTORIO ARTOM  
 GIUSEPPE CORNAGLIOTTO  
 VITTORIO TIBERIO DECIANI  
 DOMENICO MAROCCO  
 LEOPOLDO VIALI  
*Auditors.*

ALESSANDRO RIPETTI  
*Chief Accountant.*

# LOSS ACCOUNT

1924.

CR.

Profits from the Year's Business	By Balance from last account	L.	25,824,689.81	
	Year's discounts . . . . .	»	170,833,646.87	
		L.	196,658,336.68	
	less: discounts carried forward	»	28,108,013.76	
	Interest on Advances . . . . .	L.	168,550,322.92	
	Interest on current deposit accounts . . . . .	»	131,240,850.04	
	Commissions . . . . .	»	19,705,063.88	
	Interests, discounts, and exchange profits on foreign business, less re-discount charge . . . . .	»	3,336,372.67	
	Other profits . . . . .	»	4,119,544.56	
				16,641,604.33
Profits from Investments	Interest etc. on Government Securities . . . . .	L.	26,854,700.79	343,593,758.40
	Interest on the "Credito Fondiario" Fund . . . . .	»	1,153,600.00	
	Interest on liability of the "Società per il Ri- sanamento di Napoli" . . . . .	»	40,065.99	
	Revenue of House property . . . . .	»	2,745,450.32	
	Interest on the Colonial Branches Fund . . . . .	»	147,375.00	
	Profits arising from the liquidation of late note- issuing Banks . . . . .	»	1,732,588.67	
				32,673,780.77
by Special bills depreciation fund adopted for the year 1923 and carried forward as profit for the year 1924 . . . . .	L.		40,000,000.00	
by Profits assigned to the Bank on the operations of the Banks' Syndicate . . . . .	»		9,000,000.00	
Amount of the tax on notes in circulation charged to the Special Independent Section of the Syndicate for Advances against Industrial Securities . . . . .	»		11,206,458.25	
TOTAL . . . L.				436,473,997.42

## OF NET PROFIT

. . . . .	L.	18,000,000.00
. . . . .	»	281,060.00
. . . . .	»	13,874,116.26
. . . . .	»	5,193,056.26
against Industrial securities, under the terms of . . . . .	»	38,974,306.87
TOTAL PROFIT TO BE DIVIDED . . . L.		76,322,539.39

BONALDO STRINGHER

Governor.



## DIAGRAMS

## EQUIVALENT IN ENGLISH OF ITALIAN HEADINGS

### FIRST TABLE :

Corsi mensili al netto degli interessi . . .	=	Average monthly prices net from interest.
Consolidato 5 % . . . . .	=	5 % Consols.
Rendita Italiana 3,50 % (ex 3,75 %) . . .	=	3 ½ % Rentes.

### SECOND TABLE :

Circolazione bancaria e di Stato e riserve per i biglietti (Situazione a fine mese).	=	Bank-notes and currency notes in circulation and reserve against notes (at the end of each month).
Circolazione dei tre Istituti (Totale) . . .	=	Notes' circulation of the three note-issuing Banks (Total).
Id. p. c. del Commercio . . . . .	=	Ditto for trade account.
Totale dei tre Istituti e di Stato . . . . .	=	Total of the three note-issuing Banks, and currency notes.
Riserva dei tre Istituti . . . . .	=	Reserve of the three note-issuing Banks.
Id. totale dei tre Istituti e di Stato . . . . .	=	Total reserve of the three note-issuing Banks and of the Treasury.

### THIRD TABLE :

Vaglia cambiari . . . . .	=	Bank money orders.
Biglietti per conto dello Stato. . . . .	=	Notes in circulation for Treasury account.
Biglietti per conto del Commercio . . . . .	=	Notes in circulation for trade account.
Circolazione dei biglietti . . . . .	=	Bank notes in circulation.
Circolazione totale dei biglietti e dei vaglia cambiari.	=	Total circulation of notes and Bank money orders.

### FOURTH TABLE :

Debiti a vista e depositi in c/c (Situazione a fine mese).	=	Sight drafts and current account deposits (at the end of each month).
Istituti di emissione . . . . .	=	Three note-issuing Banks.

### FIFTH TABLE :

Corso medio mensile del cambio . . . . .	=	Average monthly exchange rates.
su Francia . . . . .	=	on France.
su Svizzera . . . . .	=	on Switzerland.
su Londra (in ragione percentuale) . . . . .	=	on London (percentage over parity).
su New York id. id. . . . .	=	on New York d. d.



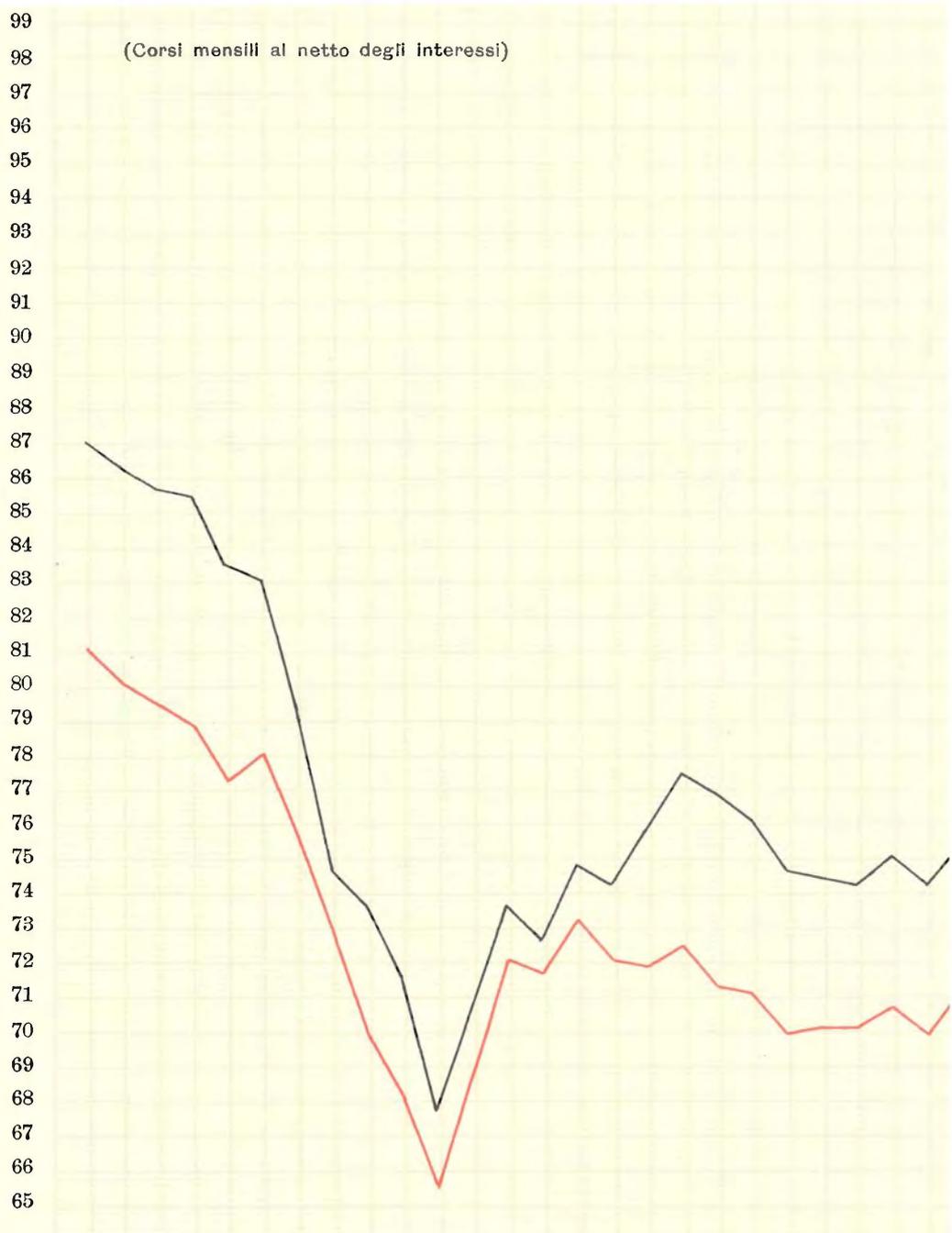
1919

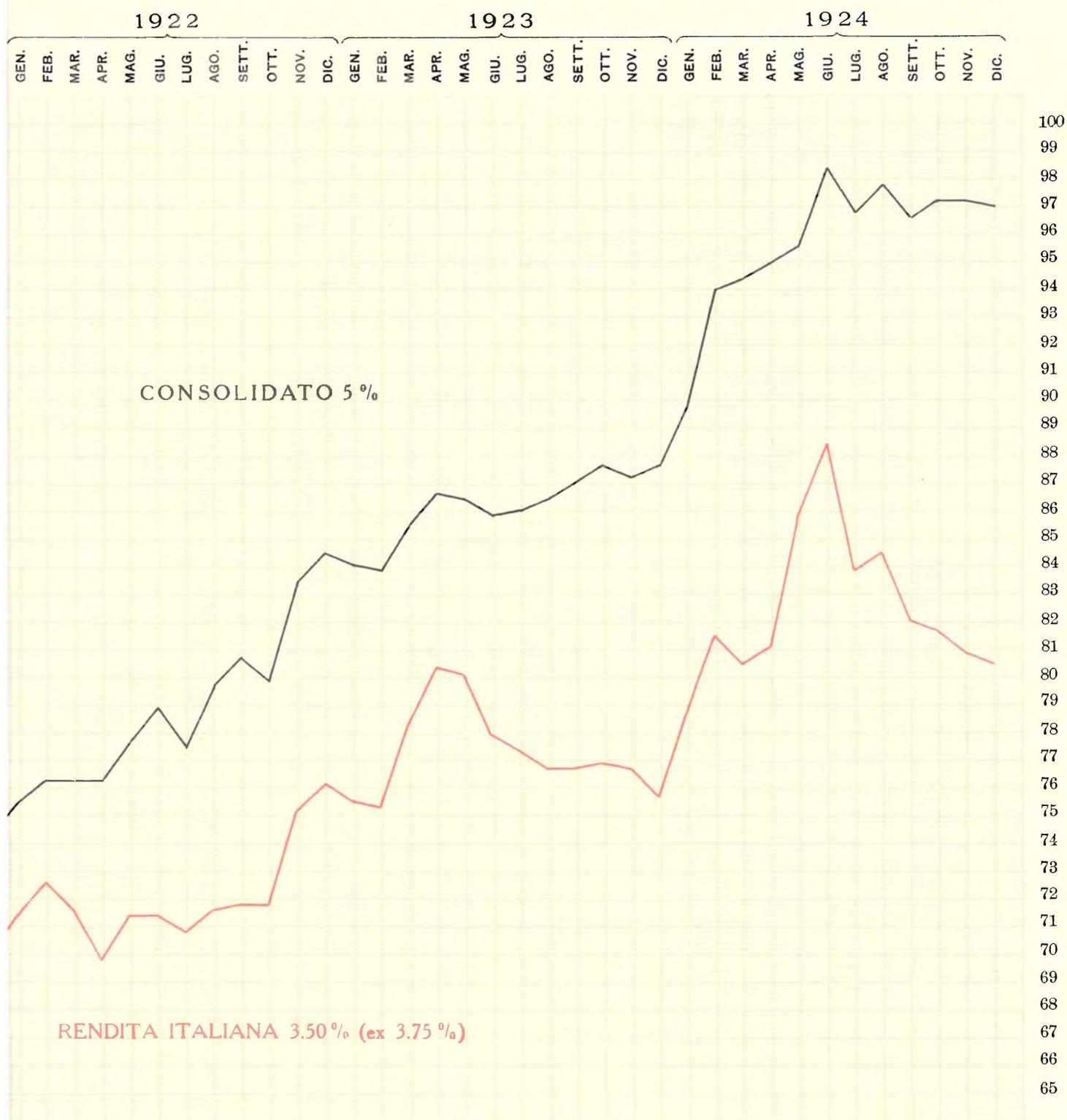
1920

1921

DIC. GEN. FEB. MAR. APR. MAG. GIU. LUG. AGO. SETT. OTT. NOV. DIC. GEN. FEB. MAR. APR. MAG. GIU. LUG. AGO. SETT. OTT. NOV. DIC.

100





1919

1920

1921

DIC. GEN. FEB. MAR. APR. MAG. GIU. LUG. AGO. SETT. OTT. NOV. DIC. GEN. FEB. MAR. APR. MAG. GIU. LUG. AGO. SETT. OTT. NOV. DIC.

Milioni di lire

20.000  
19.500  
19.000  
18.500  
18.000  
17.500  
17.000  
16.500  
16.000  
15.500  
15.000  
14.500  
14.000  
13.500  
13.000  
12.500  
12.000  
11.500  
11.000  
10.500  
10.000  
9.500  
9.000  
8.500  
8.000  
7.500  
7.000  
6.500  
6.000  
5.500  
5.000  
4.500  
4.000  
3.500  
3.000  
2.500  
2.000  
1.500  
1.000  
500

CIRCOLAZIONE BANCARIA E DI STATO  
E RISERVA PER I BIGLIETTI

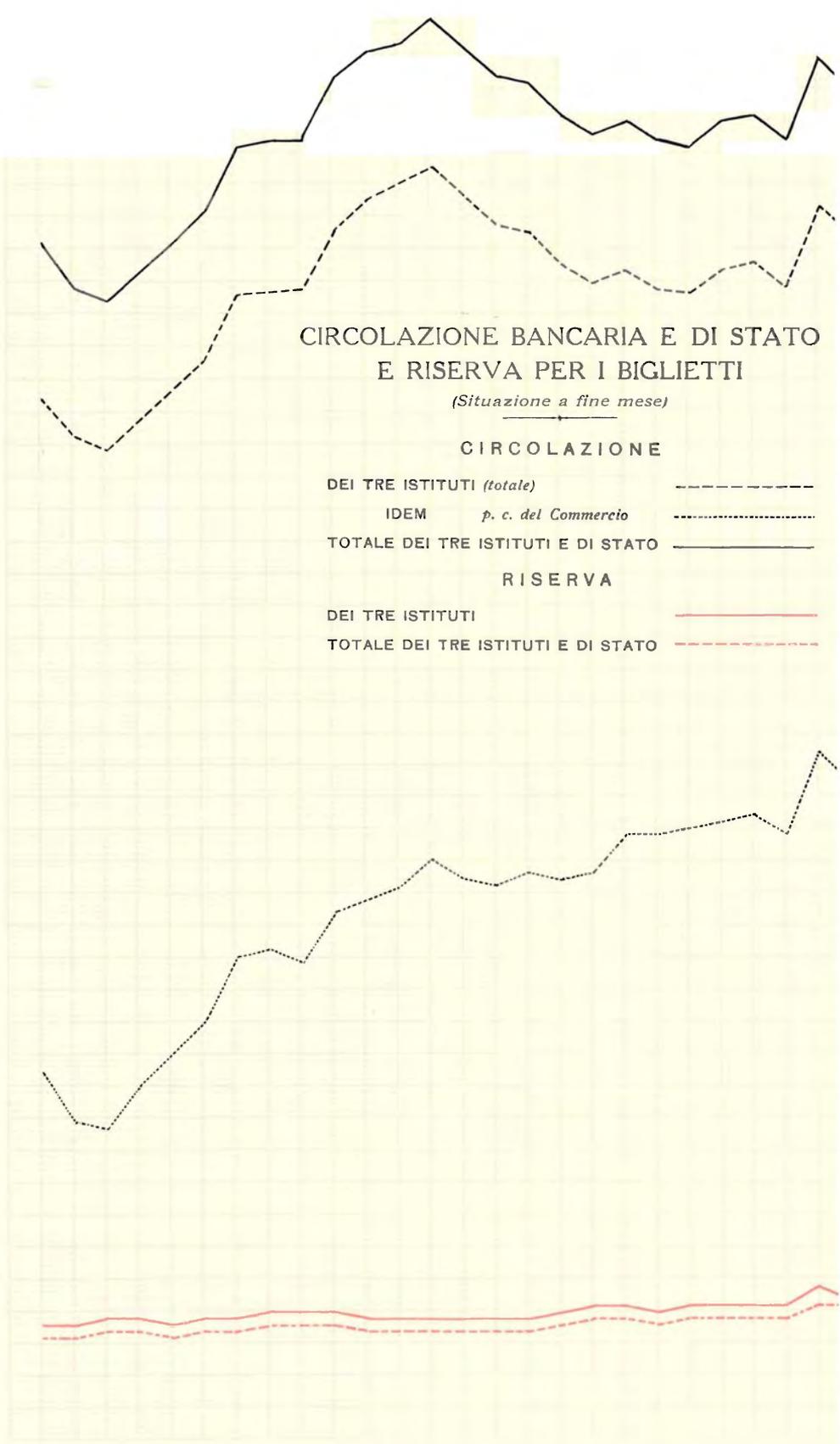
(Situazione a fine mese)

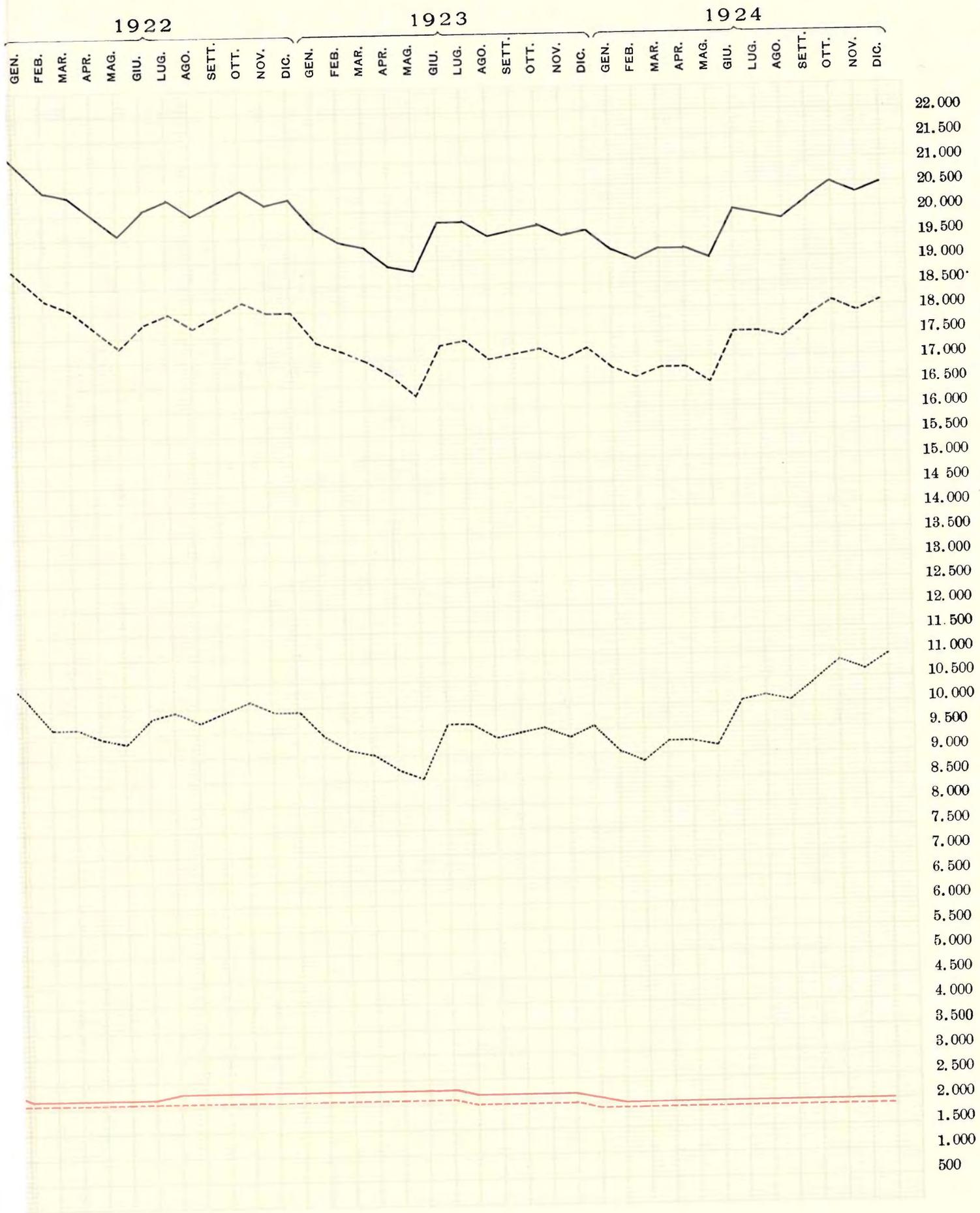
CIRCOLAZIONE

- DEI TRE ISTITUTI (totale) -----
- IDEM p. c. del Commercio - - - - -
- TOTALE DEI TRE ISTITUTI E DI STATO \_\_\_\_\_

RISERVA

- DEI TRE ISTITUTI \_\_\_\_\_
- TOTALE DEI TRE ISTITUTI E DI STATO - - - - -

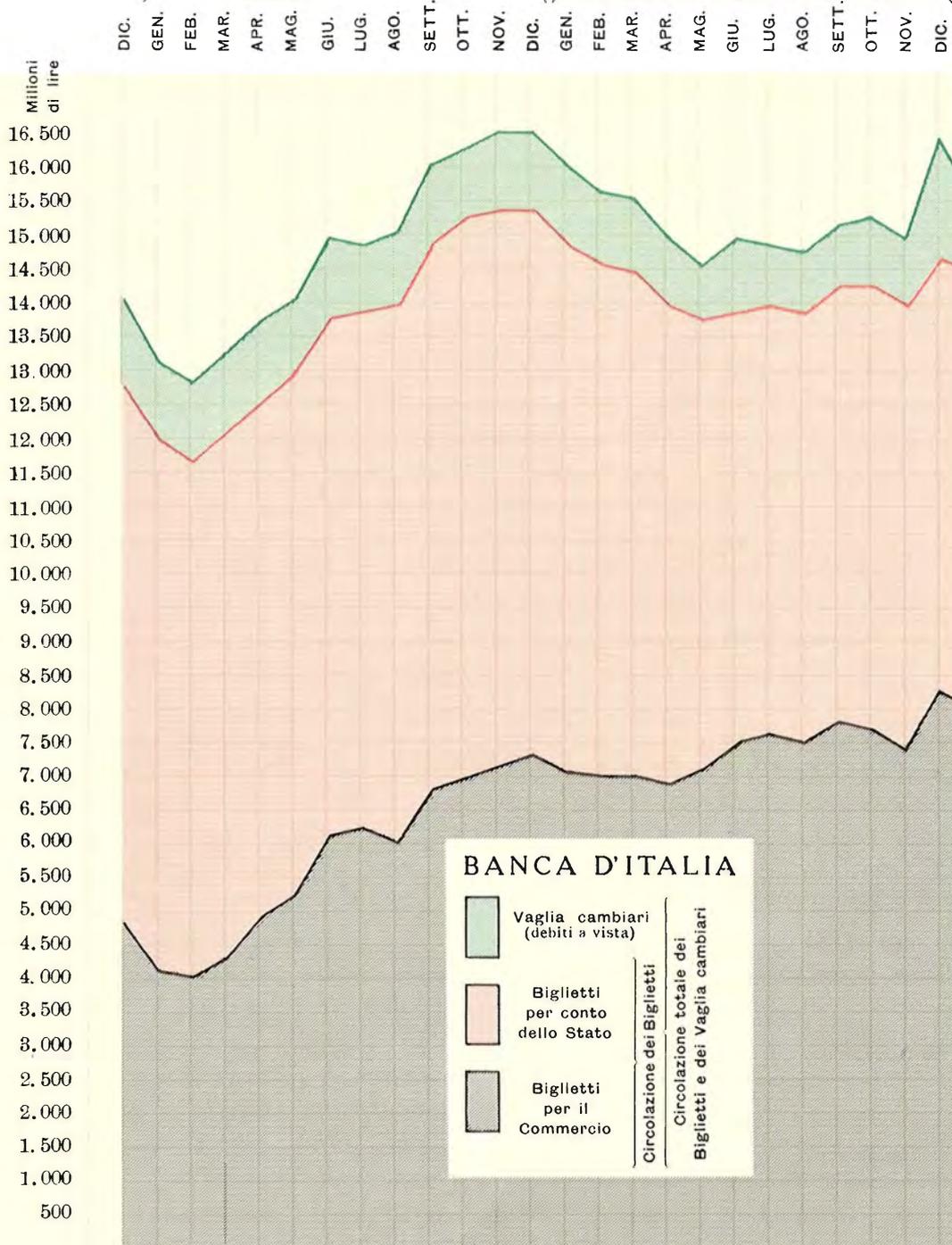


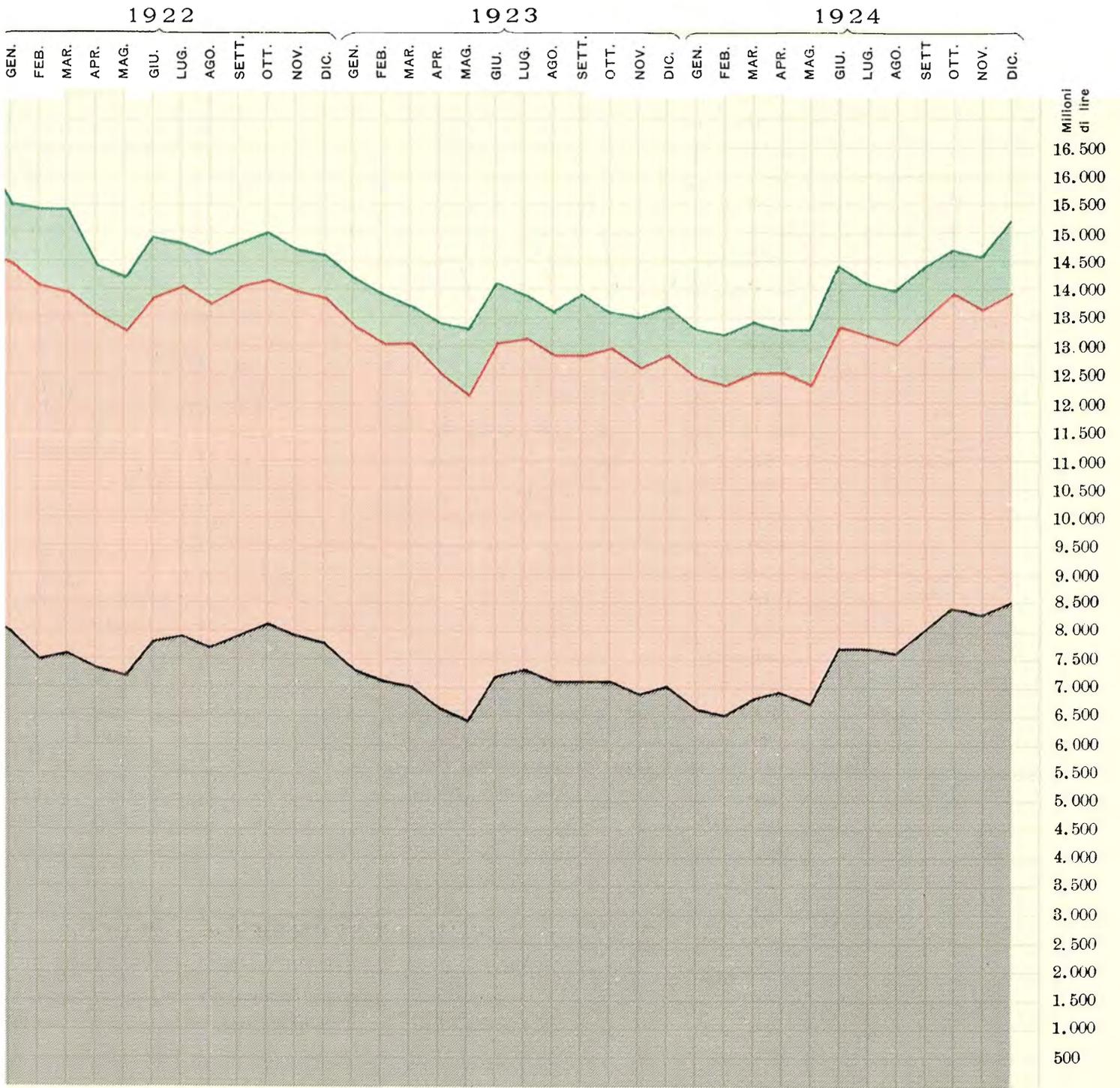


1919

1920

1921

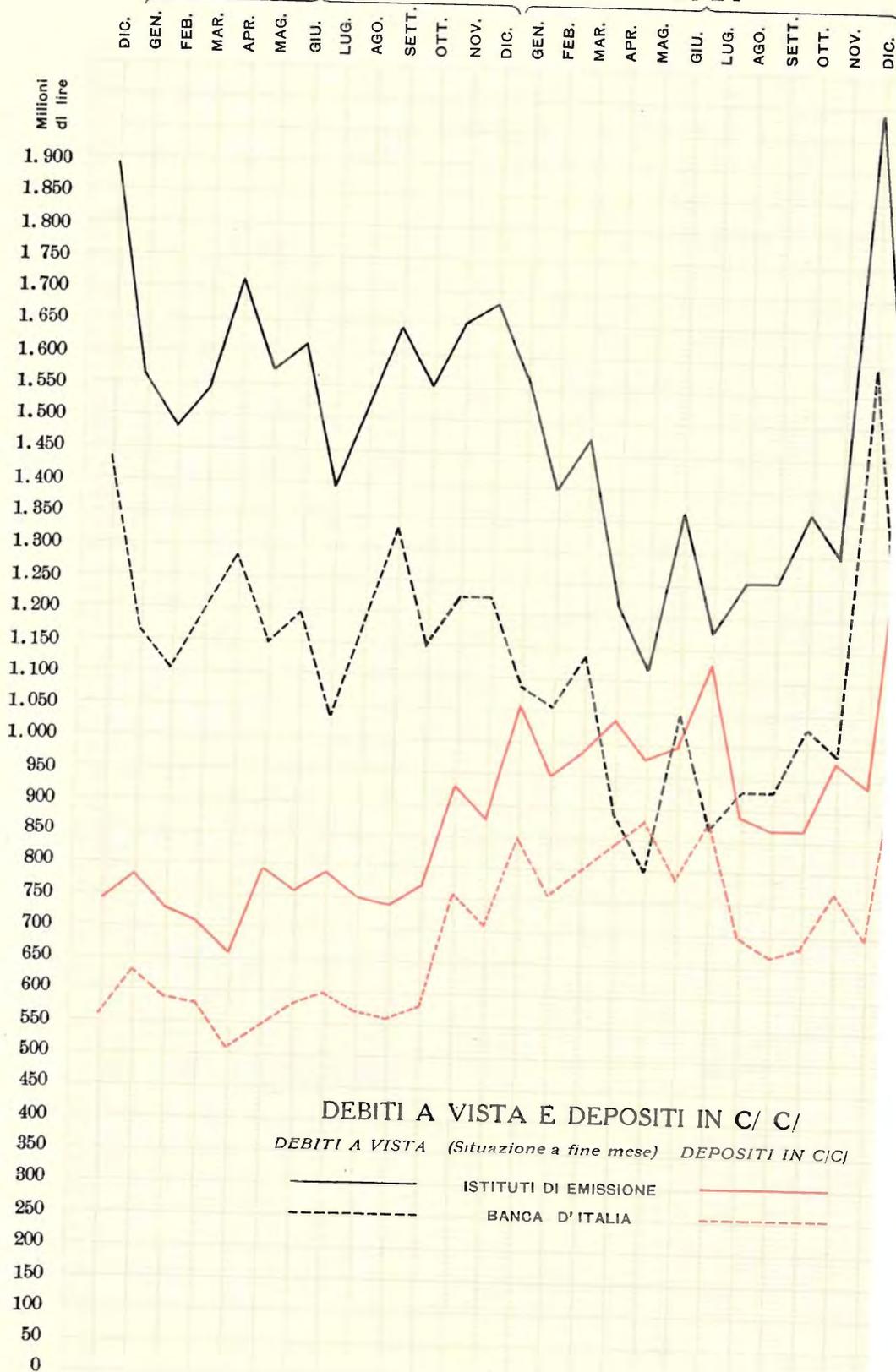


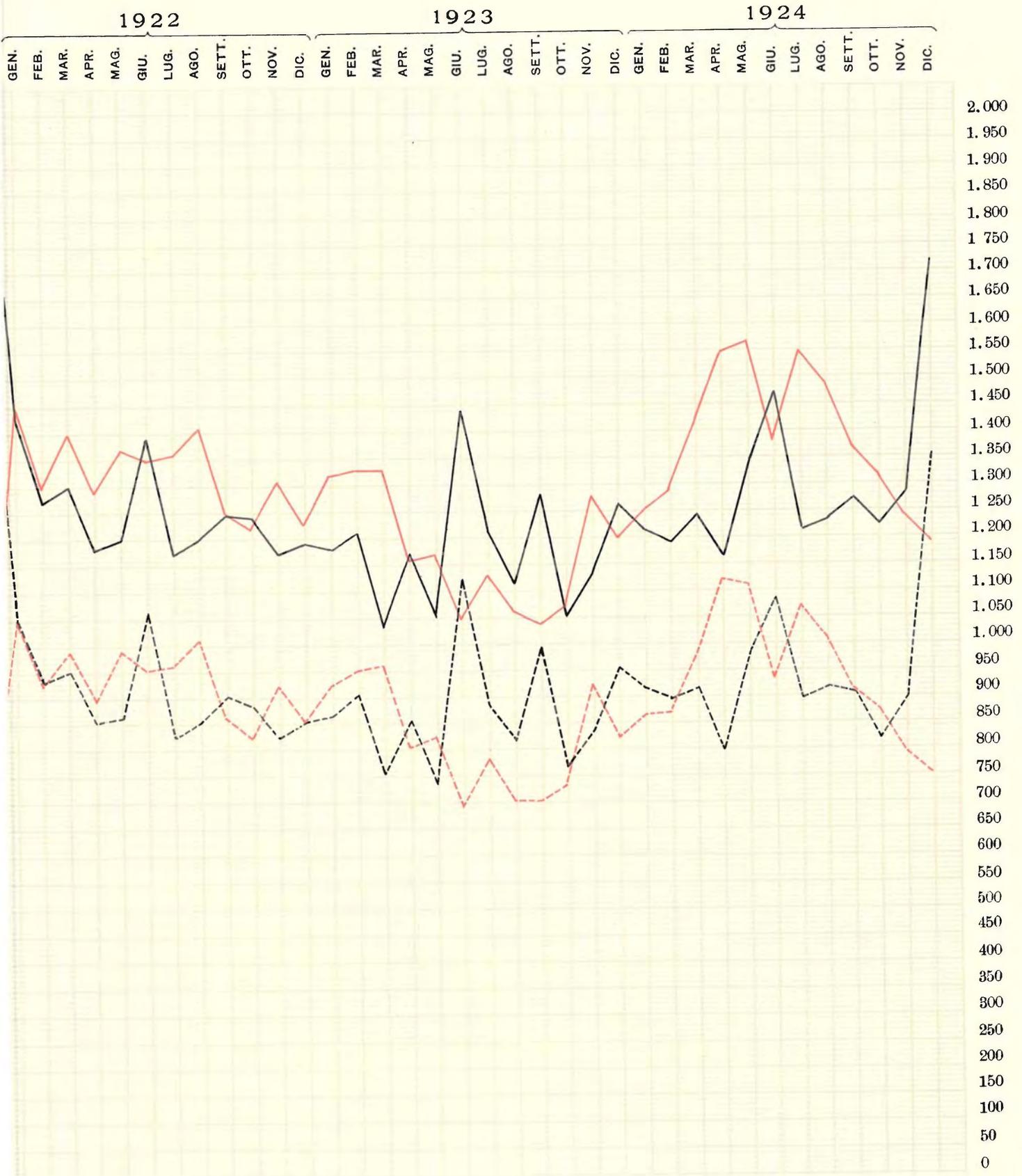


1919

1920

1921





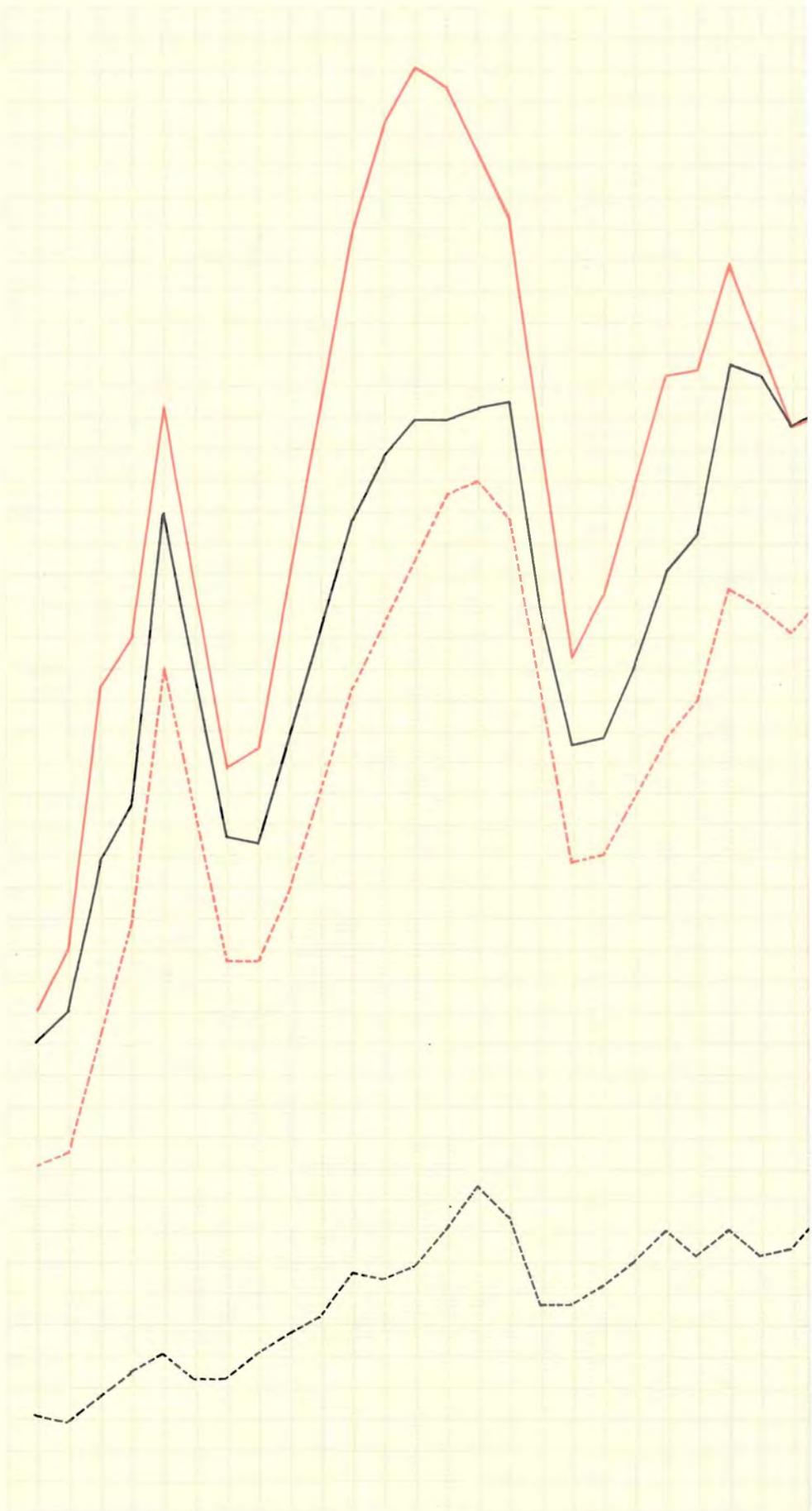
1919

1920

1921

DIC. GEN. FEB. MAR. APR. MAG. GIU. LUG. AGO. SETT. OTT. NOV. DIC. GEN. FEB. MAR. APR. MAG. GIU. LUG. AGO. SETT. OTT. NOV. DIC.

560  
550  
540  
530  
520  
510  
500  
490  
480  
470  
460  
450  
440  
430  
420  
410  
400  
390  
380  
370  
360  
350  
340  
330  
320  
310  
300  
290  
280  
270  
260  
250  
240  
230  
220  
210  
200  
190  
180  
170  
160  
150  
140  
130  
120  
110  
100



1922

1923

1924

GEN. FEB. MAR. APR. MAG. GIU. LUG. AGO. SETT. OTT. NOV. DIC. GEN. FEB. MAR. APR. MAG. GIU. LUG. AGO. SETT. OTT. NOV. DIC.

560  
550  
540  
530  
520  
510  
500  
490  
480  
470  
460  
450  
440  
430  
420  
410  
400  
390  
380  
370  
360  
350  
340  
330  
320  
310  
300  
290  
280  
270  
260  
250  
240  
230  
220  
210  
200  
190  
180  
170  
160  
150  
140  
130  
120  
110  
100

CORSO MEDIO MENSILE DEL CAMBIO

- - - - - su Francia  
 ————— su Svizzera  
 - - - - - su Londra  
 ————— su New York

} in ragione  
} percentuale

