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CHAPTER IX.

THE ANNALS OF ITALY.

The Kingdom of Italy was established in 1861, although Rome continued as a separate state until 1872. Italy occupies a peninsula extending from central Europe south into the Mediterranean Sea. Surrounded on three sides by water, its north territory is separated from the rest of Europe by the barrier of the Alps. The topography is dominated by the Apennines mountain chain, which enters the peninsula from the northwest, and runs its entire length. The section between the Apennines and the Alps is called northern Italy, while the remainder of the peninsula is central and southern Italy. There is a decided difference not only in the economic activities of these sections, but also in the racial characteristics of the population.

The area of Italy before the war, including Sicily and Sardinia, was 110,660 square miles.¹ The additional territory obtained by the war treaties has increased this area to 119,728 square miles.¹ The population of Italy has shown a steady increase, despite the large emigration and high density. The census records follow:

Census Date	Population ^a	Persons per Square Mile ^b
Jan. 1, 1872.....	26,801,154	242
Jan. 1, 1882.....	28,459,628	257
Feb. 10, 1901.....	32,475,253	293
June 10, 1911.....	34,671,377	313
Dec. 1, 1921 { old area }	37,142,886	336
{ new area }	38,710,576	323

^a Subject to continuous revision, the figures here given are the latest official totals available. The source is that given above for area.

^b Computed from data given originally in persons per square kilometer by multiplying by 2.59.

The outstanding feature of the population records of Italy has been the enormous emigration to North and South America. The

¹ Computed by multiplying by 0.3861, data in square kilometers given in Italy Direzione Generale della Statistica, *Annuario Statistico Italiano, 1919-1921*. Rome, 1925.

movement was most active in the decade prior to the war, reaching a total of 872,598 departures in 1913.

The relative importance of different types of economic activity can be judged from the following percentage distributions of the population according to industry.

Industry	Per Cent of Population over 9 Years of Age ^a	
	1901	1911
Agriculture	55.7	55.8
Manufacturing and Mining	25.9	29.8
Commerce and Transportation.....	5.7	5.6
Other ^b	12.7	8.7
Total	100.0	100.0

^a Italy Direzione Generale Statistica e del Lavoro, *Censimento della Popolazione, al 10 febbraio 1901, and al 10 giugno 1911*. Rome.

^b Includes persons engaged in domestic service, professions, government offices, defense, religion and other occupations.

The figures for occupations demonstrate the prime importance of agriculture in Italy. In spite of its mountains, 92 per cent of the land area is productive, and 43 per cent was planted with crops in 1923. The three most important agricultural products are very unlike in nature,—wheat, grapes, and olives. Wheat is harvested beginning August, the grape yield is gathered from September to November, and the olive harvest is gathered during the winter months. The growing of silk is one of the early industries of Italy. All four of the crops enter extensively into foreign trade.

Mining is not of great importance, the leading products being sulphur and marble. The lack of coal resources is met in a large degree by elaborate hydro-electric developments.

The latest census of manufactures, that of 1911, reported 243,926 industrial establishments employing 2,304,438 workers. Similar records for 1876 reported 9,177 establishments with 382,131 employees. The largest group of workers was connected with the textile industry. Records for individual industries indicate in general very rapid growth in the first decade of the twentieth century, but little expansion in more recent years.

Foreign trade plays a very important part in the economic life of Italy. The principal imports are cotton, wheat, and coal; the principal exports are silk, cotton fabrics, fruit, and nuts, the last two

groups having displaced wine, sulphur and olive oil in recent years. Total imports always exceed total exports.

The following table pictures the development of railway facilities in Italy:

December 31,—	Miles of Railroad ^a
1881	5,479
1891	8,252
1901	9,738
1911	10,619
1923	12,991

^a Computed by multiplying by 0.62137, original data published in Italy Ufficio Centrale di Statistica, *Annuario Statistico Italiano, 1917-21*. Rome, 1925. p. 507.

In 1906, the government began to take over the railroads, and by 1923 nearly four-fifths of the railways were state owned.

Prior to 1893, the banking and currency systems of Italy were quite unorganized. Banks were not adequately supervised, and were often seriously involved in public finance. In 1893, the right of issue was limited to three banks, and a stricter banking code was enacted.

The Kingdom of Italy was formally established in February, 1861. The period from 1866 to 1873 was one of activity and prosperity. In common with the rest of Europe, Italy suffered a depression, though mild, from 1873 to 1878. After a period of rapid expansion, accompanied by active speculation, building booms, and undue banking expansion, lasting nearly ten years, a quiet recession occurred in 1887 or 1888, and the beginning of the record of the *Annals* finds Italy in a state of depression.

1890 Depression.

Commercial and industrial inactivity; some reduction in volume of foreign trade.

Money tight; strained financial situation.

Good wheat and wine, excellent olive yield; very high wheat and silk prices.

Influenza epidemic.

1891 Depression; panic.

Increased dullness in industry; many failures, autumn; marked reduction in foreign trade.

Financial embarrassment; panic, October.

Record grain and excellent wine yields, good olive crop; price of wheat reaches high point and then declines; sharp decline in silk price.

- 1892 Depression.
 Inactivity in commerce and industry; slight revival in foreign trade.
 Money very easy; stock exchange dull; foreign exchange unfavorable.
 Poor wheat and olive yields, fair wine output; higher silk price, poor yield.
- 1893 Depression; financial panic.
 Stagnation; depression more severe; many failures; some further increase in exports.
 Money tightens severely; banking scandals early in year; panic and important bank failures, last quarter; suspension of specie payments; rapid decline in foreign exchange; stock exchange dull; stricter banking code enacted.
 Good wheat, fair wine, and large olive yields; very large silk yield reduces silk price from high level, spring.
 Insurrections and riots.
- 1894 Depression.
 Continued dullness and inactivity; many failures, especially in construction industry; foreign trade quiet.
 Continued financial uncertainty; bank failures and runs on local banks; wide foreign exchange fluctuations on unfavorable level, with temporary improvement, spring, and permanent improvement late in year; government finance put on sound basis.
 Poor crops; large silk yield; wheat price reaches record low point; silk price very much depressed.
 War with Abyssinia, winter, in an attempt to extend colonial enterprise; riots in Sicily; trade relations with France uncertain.
- 1895 Depression.
 Continued dullness; little expansion in foreign trade.
 Money easy; steadily improving exchange.
 Very poor wheat and wine yields; excellent olive output; wheat price very low; average silk yield, higher price.
 After early victories, severe defeat in Abyssinia, December; marked increase in emigration.
- 1896 Depression; slight revival.
 Continued inactivity, with some signs of improvement; revival in foreign trade.
 Money easy, further depreciation in exchange.
 Good wheat, poor wine and olive yields; low wheat price; distress in silk industry, small yield and low price.
 Famine and internal disorder; disaster of Adua, March.

- 1897 Revival.
Slow and gradual improvement; increase in foreign trade.
Exchange recovers somewhat.
Wheat crop failure, strong rise in price; poor wine and olive yields;
poor silk yield, very low price.
Famine and distress.
- 1898 Uneven prosperity.
More rapid improvement and expansion, except agriculture; foreign trade booms.
Money easy; currency depreciation with premium for gold.
Severe agricultural distress early in year; good wheat and olive yields, fair wine return; wheat price reaches high point; average silk yield, higher price.
Political crisis; bread riots, Milan; tariff war with France finally settled, November.
- 1899 Moderate prosperity.
Increased industrial activity; formation of numerous new stock companies; active speculation; foreign trade boom continues.
Money tightens; further depreciation of currency.
Good wheat, fair wine yields; olive crop destroyed by *mosca olearia*; excellent silk yield, much higher price.
- 1900 Prosperity; brief recession.
Continued activity and expansion somewhat retarded, especially in iron and coal industries; imports continue to increase though exports fall off sharply.
Money very easy; currency improves rapidly; stock exchange dull.
Poor wheat, fair wine and olive yields; large silk yield, collapse of silk market.
Marked increase in emigration; King Umberto assassinated, July; Victor Emanuel III succeeds to throne.
- 1901 Prosperity.
Continued activity, especially in foreign trade; labor difficulties.
Marked improvement in foreign exchange.
Excellent crops; fair silk yield, low price.
Large emigration.
- 1902 Moderate prosperity.
Continued activity, but less eager expansion; some dullness in foreign trade.
Money tightens; gold premium disappears; further improvement in foreign exchange.
Fair wheat, good wine, and poor olive yields; very large yield, slight improvement in silk price.

1903 Prosperity.

Continued activity; silk industry depressed; big increase in imports.

Further improvement in exchange.

Excellent wheat and olive, very poor wine yields; very small silk yield, high price.

Agricultural depression, especially in southern Italy; some decline in emigration.

1904 Prosperity.

Continued activity, especially in cotton industry; general strike, September; increased activity in exports.

Money easy; exchange temporarily upset by war in Far East.

Fair wheat, good wine, and poor olive yields; abundant silk yield, much lower price.

Dispute with Austria.

1905 Prosperity.

Great economic progress; much speculation; active formation of new companies; foreign trade increases rapidly.

Great activity on stock exchange.

Poor wheat yield, wine failure, and record olive crop; smaller silk yield, higher price.

Enormous emigration.

1906 Prosperity.

Continued activity and expansion; volume of production increased; foreign trade booms.

Money tight; stock exchange dull with declining prices.

Good wheat crop; wine and olive failures; good silk yield, high price.

Further increase in emigration.

1907 Prosperity; recession.

Activity and expansion gradually yield to dullness, last quarter; decline most severe in automobile and textile industries; very active foreign trade.

Money tight; wild stock speculation to stock exchange panic, June, followed by rapid decline; severe financial strain.

Abundant crops; excellent silk yield, very high price collapses, last quarter.

Slackening emigration, and considerable return of migrants from America.

- 1908 Depression.
Dullness, most severe in cotton, silk, and automobile industries; other activities quiet; marked reduction in exports.
Money eases; stock exchange dull.
Very poor wheat crop, sharp rise in price; good wine yield; olive crop absolute failure; small silk yield, and very low price.
Violent anti-Austrian feeling, autumn; earthquake, December.
- 1909 Depression.
Stagnation in industries; severe distress in silk manufacture; some revival in foreign trade.
Money easy, tightening slightly in fall; stock exchange inactive.
Large wheat and record wine yields, excellent olive crop; very high wheat price; small silk yield, fair price.
Renewal of emigration.
- 1910 Mild depression.
Continued inactivity despite occasional signs of improvement; foreign trade active.
Money tightens severely; stock exchange boom, first five months, checked with rapid decline in values, autumn; some revival of speculation late in year.
Crop failures; very poor silk yield and low price.
Increased emigration.
- 1911 Revival halted, autumn.
Slow improvement checked by Turkish War; further increase in foreign trade.
Money tight; stock exchange dull with panic at outbreak of war.
Excellent wheat, poor wine and olive yields; severe distress in silk industry, small yield and low price.
War with Turkey over Tripoli declared, September; Italian successes.
- 1912 Uneven prosperity.
Increased activity in war industries; economic conditions dominated by war; big expansion in foreign trade; activity with peace halted by Balkan War.
Money tight; small premium on gold temporarily; stock exchange revives with peace, but is again depressed by Balkan War.
Poor wheat and wine crops, olive failure; good silk yield, very low price.
Peace declared with Turkey, October.

- 1913 Mild prosperity; recession.
 Moderate activity; labor troubles; commodity prices reach peak; very extensive foreign trade.
 Money tight; stock exchange dull.
 Record wheat and wine crops, fair olive yield; revival in silk industry, small yield, higher price.
 Record emigration.
- 1914 Recession; panic; depression.
 Continual decline accentuated by war; industry disorganized; unemployment; commodity prices decline to July, and then rise; foreign trade restricted.
 Easy money tightens with war; panic; moratorium; stock exchange closed; wild foreign exchange fluctuations.
 Fair crops; very small silk yield, fair price.
 Civil unrest; political difficulties due to activities of Socialist Party; riots and bloodshed, March; neutrality declared, August.
- 1915 Uneven depression.
 Industrial stagnation due to severe shortage of raw materials, especially coal; some activity resulting from increased government expenditures and foreign purchases; very rapid rise in commodity prices; big increase in imports, exports slightly larger.
 Money easy; exchange depreciates.
 Fair wheat and olive yields, wine failure; small silk yield, low price.
 Treaty of London, containing Allied promises, signed, April; political uproar and Italy declares war against Austria, May.
- 1916 War activity.
 War industries prosper, others depressed; commodity price rise checked, but is resumed, last quarter; further large increase in imports.
 Money easy; reopened stock exchanges begin with great activity and then decline; foreign exchange steady with temporary improvement.
 Good wheat, fair wine, excellent olive yields; poor silk yield, rising price.
 Severe defeats, spring, and some victories, autumn; general price control authorized, April; war against Germany declared, August.

1917 War activity.

Continued prosperity in war industries, and deeper depression in others; coal shortage severe; full employment; active promotion of new companies; rapidly rising commodity prices; further large increase in value of imports, slight increase in exports.

Money abundant, except during October and November panic; rapid decline in foreign exchange sets in, August; stock exchange dull.

Very poor wheat, excellent wine and olive crops; poor silk yield, very high price in summer.

Further successes, spring; autumn offensive fails; overwhelming Austrian victories, October; food shortage developing; riots, August, Turin; Allies send support late in year.

1918 War activity; slight recession.

Continued activity in war industries; commodity prices rise to peak, October, and then decline; continued activity in promotion of stock companies; balance of trade becomes even more unfavorable, with government requisitioning all imports, August.

Money easy; government attempt to stabilize exchange by monopoly fails, spring; arrangement with foreign nations, August, stabilizes exchange on much improved level.

Good wheat, fair wine, and record olive yields; high silk price with speculation, poor yield.

Austrian offensive checked, spring; Italian armies drive out Austrians in brilliant campaign, October; Armistice signed November.

1919 Mild depression; revival.

Dullness gradually yields to revival of activity; labor troubles; extensive unemployment early in year; commodity prices rise rapidly after first quarter; balance of trade improves with active export.

Money easy; rapid fall of exchange after removal of support, March; stock exchange booms, second and fourth quarters.

Fair crops; record small silk yield, price very high; very poor olive yield.

Fiume controversy; D'Annunzio seizes Fiume, September; capital levy adopted, November; civil unrest.

1920 Recession; depression.

Production limited by civil disturbances and coal famine; depression prevails, last quarter; continued labor disputes; commodity prices rise rapidly to April, peak in November; metal-workers seize factories, September; smaller imports and markedly increased exports.

Money rates higher; further decline in foreign exchange, temporary revival, summer; stock prices rise, first two months, and collapse, May.

Very poor wheat, good wine and olive crops; good silk yield, price collapses late in year.

Civil unrest; Fiume question still bothers; extensive emigration; severe earthquake, September.

1921 Depression; panic.

Severe recession leads to complete interruption of business and industry, summer; great increase in unemployment; commodity prices fall rapidly to June, ascribed to a "change in the 'bread policy' of the Government" and then recover somewhat; decrease in foreign trade.

Money rates high; important banking difficulties lead to failures and panic, December; stock prices decline to July, rise to October, and then fall sharply; foreign exchange improves, first half-year, and then declines.

Excellent wheat, fair wine and olive yields; large silk yield, much lower price.

D'Annunzio driven out of Fiume by force, January; higher tariff, July; emigration checked, summer.

1922 Depression.

Continued inactivity; slight improvement, mid-year, checked by political and civil disturbances; extensive unemployment; commodity prices fall to May, and then rise; imports decline, exports increase slightly.

Money eases; banking troubles continue early in year; stock exchange revives with advancing prices; foreign exchange improves, summer, and end of year.

Poor wheat, fair wine, and good olive yields; poor silk yield, rising price.

Fascisti march on Rome and Mussolini ministry formed, October.

1923 Depression; revival.

Gradual adjustment to new conditions; improvement becomes marked, last half-year; unemployment diminished; commodity prices steady; foreign trade more active.

Money rates firm; advance in stock prices, last half-year; continued decline in foreign exchange.

Excellent wheat and grape yields, poor olive return; excellent silk yield, good price.

Corfu occupied, August.

1924 Moderate prosperity.

Steady improvement with little unemployment and increased production, especially last half-year; rapid rise of commodity prices late in year; further increase in foreign trade, declining unfavorable balance.

Money tighter; rapid rise in stock prices; inflation of currency resumed at mid-year; slow and steady decline in exchange rate, especially late in year.

Poor wheat, fair olive and wine yields; silk price falls sharply with very large yield.

1925 Prosperity.

Activity and industrial progress; less unemployment; engineering trades strike, March; commodity prices advance rapidly, May to August, and then gradually decline; much larger foreign trade, very large unfavorable balance, especially first half-year.

Money market very tight, official discount rate being raised twice; stock prices reach peak, February, and decline severely to October; foreign exchange steady except for temporary slump, third quarter.

Excellent crops, especially wheat and rice; poor silk and olive yields; fair grape harvest; high prices, especially silk; wheat duty reestablished, July.

United States debt funded, November.