

UNITED STATES TARIFF COMMISSION

**ITALIAN
COMMERCIAL POLICY AND
FOREIGN TRADE**

1922-1940

REPORT No. 142

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UNITED STATES TARIFF COMMISSION

ITALIAN
COMMERCIAL POLICY AND
FOREIGN TRADE
1922-1940

A report on recent developments in the foreign
trade of Italy with special reference to
the trade with the United States

Under the provisions of Section 332, Title III, Part II
of the United States Tariff Act of 1930

REPORT No. 142
SECOND SERIES



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UNITED STATES TARIFF COMMISSION

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WASHINGTON, D. C.

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PREFACE

The far-reaching shifts in international trade which have come about in recent years as a result of the adoption by some countries of programs aiming at a high degree of national economic self-sufficiency and of military power, render necessary comprehensive studies of the trade policies which these countries are following and of the recent course of their foreign commerce.

The present report deals with Italian commercial policy and foreign trade. Its aim is to present, after an introductory discussion of the characteristics and organization of the Italian economy, a comprehensive account of the system of trade and exchange control established in Italy, and an analysis of the course of Italian foreign trade from the beginning of the Fascist regime in 1922, to the outbreak of the present war in September 1939, when the publication of foreign trade statistics was suspended by the Italian Government. Although a brief account is given of later events, no attempt is made to analyze the changes which have occurred in Italian commercial policy and in the system of trade and exchange control after Italy's entry into the war in June 1940; when the present tense is used in the following pages the discussion should be understood to refer to the situation as it existed before that date.

Chapter I of the report provides background information on the general characteristics of the Italian economic system. Chapter II gives a summary of the development of recent Italian foreign trade and tariff policy and explains the reasons put forward for the adoption of the elaborate system of trade and exchange controls now in force. Chapter III describes the mechanism of Italian trade and exchange regulation as it operated before Italy's entry into the present war and as it continues, in large measure, to operate there today. Chapters IV and V present a detailed statistical analysis of the course of Italian foreign trade and of United States-Italian trade in recent years and a discussion of the trade position of the eight commodities most important in United States-Italian commerce. Chapter VI discusses the results of recent Italian commercial policy. The appendixes contain the text of the temporary commercial arrangement now in force between the United States and Italy, detailed statistical data on the principal Italian imports and exports and on the trade between Italy and its dependencies, and a comprehensive statistical description of all important American commodities exported to Italy and of important Italian commodities imported into the United States.

PART I
INTRODUCTION

1

ITALIAN COMMERCIAL POLICY AND FOREIGN TRADE, 1922-40

INTRODUCTION

CHAPTER I. ITALIAN ECONOMY: ITS DEVELOPMENT AND SALIENT CHARACTERISTICS

THE GENERAL BACKGROUND

With a population of over 44 million, the Kingdom of Italy is today the fourth largest among the countries of Europe. Of the four leading European countries it is, however, poorest in natural resources. A substantial part of its area is mountainous and not subject to cultivation.¹ The part which is cultivated yields a comparatively wide variety of agricultural products but few raw materials important from an industrial point of view. The country's mineral resources also, are few. Iron and coal exist only in comparatively small quantities in widely scattered deposits of mediocre quality; copper and petroleum are not available anywhere in commercially important amounts. The only minerals of which large deposits exist and which are of commercial importance to the Kingdom are sulphur, mercury, bauxite, and zinc. Italy, then, is essentially a country poor in raw materials and mineral resources and for many of these, almost completely dependent upon foreign suppliers.

The Italian population is at present increasing at the rate of nearly 500,000 a year. The rate of natural increase, though it has declined materially during the last two decades, is still among the highest in Europe.² Before the World War the pressure of Italy's growing

¹ According to the latest agricultural census 41.1 percent of Italy's total area is under cultivation, 50.9 percent consists of meadows, pastures, and woodland, and 8 percent is totally unproductive: -See Istituto Centrale di Statistica, *Annuario Statistico Italiano*, Rome, 1939, p. 59

² The following table shows the rapid growth of the Italian population:

Italian population at 5-year intervals, 1900-1940

Year (Jan. 1):	Population (in thousands)
1900.....	32,452
1905.....	33,249
1910.....	34,547
1915.....	36,070
1920.....	36,585
1925.....	39,290
1930.....	41,069
1935.....	42,809
1940.....	44,530

Source: *Annuario Statistico Italiano* and *Bollettino Mensile di Statistica*. During recent years Italy's birth rates, death rates, and rates of natural population increase, as compared with those of other leading European countries, were as follows:

Year	Italy			United Kingdom	France	Germany
	Births	Deaths	Natural Increase	Natural Increase		
	Rate per 1,000 population					
1913.....	31.7	18.7	13.0	9.0	1.1	12.4
1922.....	30.8	18.1	12.7	7.8	1.8	8.6
1929.....	25.6	16.5	9.1	3.1	— .2	5.4
1936.....	22.4	13.7	8.7	3.0	— .3	7.2
1939.....	23.7	14.0	9.7	3.7	— .8	8.0

Source: *Annuario Statistico Italiano* and other official sources.

population was lessened by large emigration; today emigration has almost entirely ceased, with the result that a rapidly increasing labor force must seek employment at home.³

According to the returns of the latest census (April 21, 1936) the occupational distribution of the Italian population was as follows:

TABLE 1.—Occupational distribution of the Italian population over 10 years of age (Census of Apr. 21, 1936)

Occupation	Total population	Northern Italy	Central Italy	Southern Italy	Italian islands
	Percentage distribution				
Agriculture, hunting, and fishing.....	48.2	42.1	50.7	58.0	52.6
Industry.....	29.3	34.8	25.3	22.0	23.4
Transportation and communication.....	3.8	3.0	3.8	3.9	5.1
Commerce.....	8.2	9.1	7.6	6.7	8.2
Credit and insurance.....	.6	.6	.7	.3	.4
Public service.....	4.4	4.1	5.8	3.9	4.9
All others.....	5.5	5.7	6.2	4.3	5.4
Total.....	100.0	100.0	100.0	100.0	100.0

Source: *Annuario Statistico Italiano*, 1939, p. 23.

As this table indicates, Italy is today still primarily an agricultural country. In 1936, for the Kingdom as a whole, 48 percent of the population over 10 years of age was engaged in agriculture, 29 percent in industry, and 8 percent in commerce. Agriculture is especially prominent in the central and southern parts of the country, while industrial employment is greater in the north. The northern provinces, too, are the most densely populated and the most advanced from an economic point of view. The industrial areas of Milan, Turin, and Genoa form a triangle within which lies the industrial, commercial, and financial nerve center of Italy.

THE EARLY DEVELOPMENT OF ITALIAN ECONOMY: 1861-1913

Agriculture, industry, finance.

When, in 1861, the political unification of a large part of the Italian peninsula was accomplished and the modern Italian Kingdom established, the major problem confronting the new national government was an economic one. In many parts of the country public improvements such as harbors, railroads, and reclamation works were badly needed. To meet these needs heavy taxation had to be imposed and this, in turn, tended to hamper rapid economic progress. As the years went by, however, economic conditions were improved. With the aid of foreign financiers (mostly Swiss and German) several large financial institutions were founded which, in turn, aided in the establishment of a number of large-scale industries; methods of agricultural production were perfected and new lands were reclaimed; both domestic and foreign commerce began to develop. Colonial expansion on the coast of the Red Sea when, in 1890, the various Italian possessions of Eritrea and new territories were acquired on the northeast coast of Africa.

³ Italian emigration which in the period preceding 1914 amounted to well over 500,000 persons a year, has declined to about 60,000 in recent years. If returning emigrants are deducted, the average annual net emigration during the last 5 years was about 20,000.

After the turn of the century a further marked expansion took place in both agriculture and industry; between 1900 and the beginning of the War of 1914 the country's foreign trade was doubled in value and the colonial domain was further expanded through the acquisition of Libia. When the World War began, Italy had thus taken its place among the larger powers of Europe.

Commercial policy.

A national customs policy in Italy dates from the establishment of the modern Italian Kingdom in 1861. Before that date Italy consisted of a number of small States (the Kingdoms of Sardinia and of the Two Sicilies, the Papal States, the Provinces of Lombardy and Venice occupied by the Austrians, and several others) each with a separate tariff policy. Generally speaking, the tariffs of the Italian States were high, their purpose being both protection of the domestic market and political isolation from the neighboring States.

When the Italian Kingdom was founded, the very moderate tariff then in force in the Kingdom of Sardinia was extended to the territories of the new Italian State. The original tariff of the Kingdom of Sardinia, adopted in 1818, had been high. It was reduced gradually, however, until, in the early fifties, mainly under the leadership of Count Cavour, who had been influenced by British liberal ideas, a strong movement toward freer trade relations developed. As a result the tariff was again revised downward; it was this lower tariff which was later extended to the whole of the new Kingdom of Italy.⁴ Shortly thereafter, a series of commercial treaties were signed which reduced duties still further. The most important of these were the treaties concluded in 1863 with Great Britain and France.

The rapidly growing fiscal needs of the new Kingdom and the more and more insistent agitation for higher tariff rates by the leaders of Italy's new industries and by representatives of the farming interests who feared the competition of foreign agricultural products, soon turned the minds of Italian legislators toward the tariff. In 1866 there was an increase in a number of rates, and 4 years later a royal commission was appointed for the purpose of recommending a suitable tariff policy for the Italian Kingdom. The proposals of the commission, presented to the Government in 1874, were later embodied in the Tariff Act of 1878. While this new law offered higher rates to industry (especially to the textile industries), and provided increased revenues to the Treasury, Italian agriculturists claimed that their demands had been disregarded. Agitation for still higher tariff rates thus continued. A new governmental commission was appointed, the recommendations of which were embodied in the Tariff Act of July 14, 1887. This tariff, considerably higher than that of 1878, remained Italy's basic tariff law until the outbreak of the World War.⁵

Most of the existing commercial treaties were terminated in order to give full application to the new tariff law, but were replaced later by new agreements, many of which modified the basic tariff rates. Repeated efforts to renew the commercial treaty which had been concluded with France in 1881 were fruitless, mainly because of the staunch opposition to any significant concessions. Thus began a

⁴ Corbino, Epcarmo, *Annali dell'economia italiana*, vol. I: 1861-1870. Città di Castello, 1931, p. 139, ff.

⁵ For further details concerning the Tariff Acts of 1878 and 1887, see Corbino, *Annali*, vol. II: 1871-1880, p. 204, ff and vol. III: 1881-1890, p. 226, ff; also Giretti, Edoardo, *Trattati di Commercio e Politica Doganale* Rome, 1914.

tariff war between the two countries which lasted from 1888 until 1898 and the result of which was a severe reduction in Franco-Italian commerce, with Italy's trade shifting toward the Central European States.⁶ Although a commercial treaty with France was concluded in 1898 to end the tariff conflict and to revive trade, commerce between France and Italy failed to regain the volume which it had previously attained.

The intensification of Italy's trade relations with the Central European countries, on the other hand, became pronounced after 1892, when new commercial treaties went into effect with the Austro-Hungarian and the German Empires and with Switzerland. Between 1904 and 1906, new agreements, containing special "conventional" rates of duty and the most-favored-nation clause were concluded with these countries. Through these agreements Italy was able to obtain considerable reductions in the duties imposed upon her agricultural exports in return for concessions granted on foreign manufactures. After the conclusion of the new agreements Italo-German trade in particular grew steadily until, during the years immediately preceding 1914, Germany was the leading buyer of Italian exports and the chief source of supply for Italy's imports.⁷ In 1907 similar trade agreements were signed with Serbia, Rumania, and Russia. Most of these agreements, which were to have continued in force until 1917, were terminated at the outbreak of the World War.⁸

THE WAR AND IMMEDIATE POST-WAR PERIOD: 1914-22

The war economy.

As in other belligerent countries, the World War brought about profound economic changes in Italy. The country's international trade and exchange relationships were immediately affected. A series of measures were introduced to prevent domestic supplies from leaving the country and to procure needed imports: Detailed import and export regulations were adopted, the system of control becoming more and more severe as the war progressed.⁹

Only a few months after the conflict began, stringent regulations for the rationing of raw materials and food supplies became necessary. In 1916 a special Central Provisions Committee was established under the Ministry of Agriculture, to which was entrusted the task of purchasing foodstuffs in foreign countries and of arranging for their shipment to Italy. As in all other belligerent countries, a great effort was made in Italy, also, to exploit to the fullest extent all available domestic natural resources and to give the fullest development to domestic industry. Under the stress of the war existing industrial enterprises were greatly expanded and a number of new industries were established which, when the conflict was ended, became aggressive advocates of protection.

Changes in commercial and tariff policy.

Governmental restriction of Italy's international trade was begun even before 1915 when the country joined the Allies in the war. To

⁶ For a detailed history of the negotiations with France and a discussion of the reasons for their failure, see Corbino, *Annali*, vol. III, p. 241, ff.

⁷ For a statistical description and analysis of Italy's foreign trade during the decade preceding the World War, see ch. IV, of this report, p. 69, ff.

⁸ On June 1, 1914, Italy had trade agreements with 52 countries. Practically all of these agreements included the most-favored-nation clause, and a number of them provided for "conventional" rates of duty. See Giretti, E., *Trattati di Commercio*, p. 67, and appendix III; Corbino, *Annali*, vol. V, p. 224, ff.

⁹ For a comprehensive discussion of the Italian economy during the World War, see Bachi, Riccardo, *L'Italia economica nel 1914*, and later volumes, Turin, 1914-21; and Einaudi, Luigi, *La condotta economica e gli effetti sociali della guerra italiana* (Carnegie Endowment for International Peace. *Economic and Social History of the World War*; Italian Series). New Haven, 1933, ch. III.

conserve existing supplies of materials important in war time, a long list of export prohibitions was published on August 1, 1914, including wheat, sugar, coffee, cattle, coal, petroleum, textiles, and a number of other commodities. In time, the list grew until it included practically all exportable commodities, the only exceptions being a few which were available in large quantities and were not needed for war purposes. To prevent losses of foreign exchange through importations which were considered unnecessary, a regime for the control of imports was provided for in 1916. The exchange situation having become worse in 1917, a decree was published on April 1 of that year prohibiting the importation of all commodities except foodstuffs and raw materials, and other articles purchased abroad for the account of the Government. On December 11 of the same year an "Institute for Foreign Exchange" was established and entrusted with a monopoly of foreign exchange dealings. After May 26, 1918, imports were permitted only upon the issuance of a license by the Ministry of Finance.¹⁰

Following the war, public opinion in Italy was strongly in favor of a higher tariff. This desire for higher tariff rates, which was widespread in Europe, may be explained by the survival of the extreme nationalism of war days and the growth of new industries under war conditions, by the severe economic crisis which occurred during the years following the conflict, and by the belief that such rates would help to maintain existing domestic wage levels and thus prevent the spread of radicalism among the working classes. To these factors there was added in several countries the demand that domestic industry be relieved of competition with products of countries with rapidly depreciating currencies. Other considerations were the desirability of adding to greatly depleted revenues through larger customs receipts, and the convenience of using the higher duties as a basis for concessions to be granted to other countries in the new commercial treaties which were to be negotiated after the war.

At the outbreak of the war in 1914 the Italian tariff of 1887 was still the statutory basis of tariff rates. Even before the war many influential Italians were of the opinion that this tariff needed a general revision, and a royal commission had been appointed in January 1913 to formulate proposals for its amendment and for the enunciation of principles of commercial policy to be followed by the Kingdom in the negotiation of new commercial treaties.¹¹ The commission did not complete its work until May 1917; its final report appeared in 1920 in a series of volumes embodying detailed recommendations for a new and higher tariff, influenced largely by the demand for equalizing domestic and foreign costs of production. The commission recommended the adoption of an "autonomous" tariff with "maximum" and "minimum" duties, minimum duties to be applied to products of countries entitled to most-favored-nation treatment. Although long followed in France and other countries, the system of maximum and minimum rates would have represented a definite departure from Italian customs policy, which had formerly rested on a general-conventional tariff system.¹² The reasons given for the proposal

¹⁰ See Einaudi, *op. cit.*, pp. 143 ff.

¹¹ The commission was divided into three subcommissions entrusted with the task of making comprehensive studies of: (a) Agriculture and agricultural industries; (b) mining and manufacturing industries; (c) transportation and emigration. See Corbino, *Annali*, vol. V, p. 253.

¹² An autonomous tariff of the bargaining type sets maximum and minimum rates of duty for each product, the minimum rates applying to products of countries with which commercial agreements exist and the maximum rates applying to products of all other countries, both types of rates, however, remaining subject to change. A general (or general-conventional) tariff system, on the contrary, is one in which only one statutory rate of duty is fixed for each commodity, a rate which may be modified by commercial agreements, the modifications being then combined in a conventional tariff which applies (as long as the commercial agreements are in force) to products of all countries enjoying most-favored-nation treatment.

were that the uncertainty of political and economic conditions prevailing at the time made long-term agreements without the possibility of change inadvisable, and that the suggested minimum rates represented the extreme limit below which the tariff could not, in the opinion of the commission, be reduced without serious danger to domestic industry. The Government, in 1919, had asked a committee of high Government officials to prepare a transitional tariff to be applied until a more permanent tariff law could be drafted. The recommendations made by the committee, however, met with serious resistance on the part of both agriculture and industry, and nothing came of the proposed transitional tariff scheme.¹³

Meanwhile, the old general and conventional tariff rates had been temporarily revived, the conventional rates applying to all allied and neutral countries with which commercial treaties had been previously concluded and the general tariff applying to commodities imported from former enemy countries and countries with which no commercial agreements existed. After some time, however, both Italian industrial and agricultural interests became more insistent in their demand for revision of the existing tariff and asked that a provisional tariff with considerably higher duties be adopted immediately. As a result of this pressure, and after the appointment by the Government of two further commissions (in August 1920 and January 1921), a new general customs tariff was finally prepared in the spring of 1921, and soon thereafter put into force through a royal decree-law dated June 9, 1921.¹⁴ This tariff, with many amendments, is still in force today.

Fundamentally, the Italian tariff of 1921 is based upon the recommendations of the Royal Commission of 1913. Its basic rates of duty are, in the main, those which the commission had, before the war, suggested as minimum duties to be levied under normal conditions. To these basic duties, however, there were added in the new tariff "coefficients of increase" applicable to most articles and varying in size from 1 to 2 (i. e., 100 to 200 percent of the basic rate), somewhat similar to those adopted by France and other countries after the war with the purpose of making the minimum duties of the tariff more effective without resorting to a general revision. These increases, it was hoped, would help to correct what were considered to be existing divergences in costs of production between Italy and other countries and would benefit recently established domestic industries and those older ones which found themselves in a particularly unfavorable competitive position in foreign markets after the war.¹⁵

Almost all rates of duty provided for in the new tariff were specific rates, only a few, in the chemical schedule being ad valorem. All specific rates were expressed in gold lire per unit of weight or measure and were subjected to the application of a rate of conversion into paper lire. This rate of conversion was determined (at first every

¹³ For a detailed discussion of the steps which led to the final adoption of the new Italian post-war tariff, see Ministero dell'Industria e Commercio, *Relazione del Ministro On. Giulio Alessio a S. M. il Re sulla nuova tariffa doganale*, Rome 1921, pts. I to XII.

¹⁴ See *Gazzetta Ufficiale*, June 30, 1921. The best detailed discussion of the provisions of the new tariff act and of the reasons for their adoption is in the official Ministero dell'Industria e Commercio, *Relazione . . . Sulla nuova tariffa doganale*, pt. XII. For a shorter analysis, see Delle Donne, O., *European Tariff Policies Since the World War*, New York, 1928, pt. II, ch. V, and Porri, Vincent, *La politique commerciale de l'Italie*, Paris, 1934, ch. III.

¹⁵ While the new Italian tariff in fact provided for a considerable increase in the duties on industrial products, increases in agricultural rates were few, and numerous important agricultural imports remained on the free list. It was only in later years that a series of royal decrees were issued which sharply increased agricultural duties. See Porri, *op. cit.* p. 62.

fortnight and later every week) by the Ministry of Finance on the basis of the average exchange quotations of the lira in New York. The system of coefficients of increase and of rates of conversion naturally combined to make the duties actually paid in paper lire very much higher than the gold lira rates stated in the tariff law.

Another important feature of the new tariff was the authorization given the Government to modify the coefficients of increase (except those fixed in trade treaties) by its own decree and without the approval of Parliament whenever it found that changes in conditions of production or trade made a modification advisable. Despite the controversy which had arisen between the proponents of an autonomous as opposed to a general-conventional tariff system, the new Italian customs tariff adhered to the old system of the general-conventional tariff, which contemplated the traditional type of commercial agreements including reciprocal duty reductions.

Structurally the Italian tariff consists of a general and a conventional schedule. The conventional schedule is far from complete, however, being made up of the conventional rates fixed in trade agreements and, in a few cases, of rates fixed by law but granted only to treaty countries. There is no definite relation between the duties of the two schedules. Generally speaking, the conventional rates are lower than the general; in many instances, however, they are merely bindings of the general rates.

Since today numerous trade treaties exist, and since, with a few special exceptions, all conventional rates are generalized, these rates are applicable, in practice, to imports from all countries of commercial importance.¹⁶

At the time of the enactment of the tariff law of 1921 Italy's trade relations with foreign countries were still conducted, in the main, under the pre-war system of a general tariff with conventional rates for countries with which Italy had most-favored-nation agreements. Since the conventional duties included in these treaties were based upon the old Italian customs tariff of 1887, they were regarded as utterly out of date and in need of being replaced as soon as possible by new rates based on treaties which would be more beneficial to Italy's industries. Thus, as soon as the 1921 customs tariff was passed, negotiations for a series of new trade treaties were begun, the new system of coefficients of increase giving the Government a powerful weapon during the negotiations.¹⁷

The first trade agreement, concluded with Czechoslovakia (March 23, 1921), provided for reciprocal most-favored-nation treatment and for a number of reciprocal duty reductions. Between 1922 and 1926 similar agreements followed with Spain, Poland, France, Switzerland, Austria, the U. S. S. R., Finland, Germany, Hungary, Latvia, Bulgaria, and Greece. The fundamental objective of all these trade agreements was to secure concessions for Italian agricultural commodities (the most important part of Italy's exports) in exchange for concessions on the industrial products of foreign countries. Duty reductions granted by the new commercial treaties affected more than

¹⁶ Among the special exceptions were the preferential rates until recently granted by Italy to Danubian countries. These included a low preferential rate on annual quotas of prunes from Yugoslavia, Rumania, and Bulgaria, a limited number of preferential duties on agricultural products from Hungary and Albania and a number of preferential rates granted to Austria. These rates consisted of percentage reductions of existing Italian duties on highly specialized products of interest to Austria, usually within annual quota limits. All these preferential rates are understood to have been recently abrogated.

¹⁷ For a more detailed discussion of these agreements, see Forri, *Politique Commerciale*, ch. IV; Delle Donne, *European Tariff Policies*, p. 243, ff.

one-third of the items listed in the tariff of 1921. At the end of 1926 about 25 percent of total Italian imports were admitted at reduced rates, while 40 percent of total imports, consisting mainly of raw materials, were admitted duty-free.¹⁸ A considerable increase in Italy's foreign commerce took place during the period 1921-26, the newly concluded commercial agreements aiding in bringing about the expansion.¹⁹

FASCISM AND THE ORGANIZATION OF THE CORPORATE STATE

The origins of the corporate system.

When the World War came to an end the consequences of the stress and strain which it had imposed were felt deeply all over Italy. The fruits of victory were regarded by many Italians as all too few. A sense of disappointment and dissatisfaction consequently began to pervade Italians in many walks of life. In the economic field a painful period of readjustment had to be faced while the nation's apparatus of production, long geared to wartime needs, was shifted back to the requirements of peace. The country's finances were disorganized, trade and industry languishing, railroads were in confusion. The general feeling of unrest was accompanied by increasing labor difficulties, climaxed in 1920 when the workers in some large factories in the northern provinces took control of the establishments in which they had been employed.

It was against this background that Fascism appeared upon the Italian political scene.²⁰ Profoundly nationalist and violently anti-Socialist, the new political movement which was founded in Milan on March 23, 1919, spread among all classes of the Italian population. Within 3 years after its beginning, it proved strong enough to assemble an army, march upon the capital, and take control of the Government.

The Fascist regime in Italy then, dates from the Fascist "March on Rome" in October 1922, though Premier Mussolini's first Cabinet included several non-Fascist ministers. The Italian Chamber, despite the extraparliamentary nature of the new Government, granted the Cabinet full powers for a year to carry out a series of reforms unhampered by parliamentary formalities. It was not, however, until after the murder of the socialist deputy Giacomo Matteotti in June 1924, in which the Fascist Party was suspected by many of being implicated, and which crystallized the opposition against Fascism, that the Fascist movement became, in its leader's own words, more and more "integral and totalitarian" and frankly a dictatorship. Fascists began to contend that the state must be transformed in accordance with Fascist ideals and a definite Fascist program, which was distinctly different from the liberal-democratic one which Fascism had inherited.

Reorganization of the Italian State was begun in 1925. The resignations of non-Fascist Cabinet members were accepted and Premier Mussolini took over their portfolios. Opposition parties and organizations were dissolved, opposition newspapers suppressed, and greater powers were given to the head of the Government. The Fascist party was reorganized and given political supervision over all the organs of the Italian State. On April 3, 1926, a law was passed

¹⁸ Delle Donne, *op. cit.* p. 250.

¹⁹ For a detailed statistical description of the course of Italy's foreign trade during the war and immediate post-war period, see ch. IV of this report, p. 71, ff.

²⁰ For a more detailed account of the early history of the Fascist movement, see Finer, Herman, *Mussolini's Italy*, New York, 1935; Schneider, Herbert W., *Making the Fascist State*, New York, 1923.

governing collective labor relations, which prohibited strikes and lock-outs and introduced governmental labor courts and collective bargaining based upon a system of newly created, legally recognized employers' and workers' associations. In May 1928 a new system of occupational representation was adopted. In December of the same year the functions and powers of the Fascist Grand Council, the supreme advisory organ of the Fascist Party, were defined by law and the Council was given official status in the Italian governmental system. In 1930 the National Council of Corporations, a national economic advisory council, was established. In 1934, 22 "corporations" were created and assigned important economic, advisory, and normative functions. Finally, on January 19, 1939, the law for the reorganization of the Italian Parliament and the establishment of the present Chamber of the Fasci and Corporations in place of the old Chamber of Deputies, was passed. Thus, the liberal-democratic state of the past gradually ceased to exist in Italy and a novel political and economic system, the main characteristics of which will be briefly described in the following pages, has taken its place.

The present organization of the corporate state.

Legally, the Italian corporate state consists of the following organs: ²¹

The King.—Italy is, in form, a constitutional monarchy, and the King is, by law, the head of the State. In practice, however, the powers of the King are limited mainly to the signing of laws and decrees submitted to him by his Government and to the selection, in case the post should become vacant, of a new head of the Government from a panel of three names presented to him by the Fascist Grand Council.

The head of the Government.—The head of the Government (Capo del Governo) is the dominating figure in the Italian State. He is the leader (Duce) of the Fascist Party and the chief executive of the Government. Since 1926 he has not been responsible for his actions to Parliament. He completely controls the Cabinet, inasmuch as the other Ministers are not his colleagues in the usual parliamentary sense but his subordinates whom he appoints and dismisses at will.

The Fascist Grand Council.—The Fascist Grand Council was established, immediately after the rise of Fascism to power, as the supreme advisory organ of the Fascist Party. Since December 9, 1928, it has been a constitutional organ of the State. The head of the Government (who is, at the same time, the head of the Fascist Party) "calls its meetings whenever he considers it necessary and determines their agenda." Besides expressing opinions on questions of a constitutional character on which the Council must be consulted (prerogatives of the Crown, functions of Parliament, changes in the syndical and corporate organization of the State, etc.), the Fascist Grand Council proposes new legislation, passes on important current laws, discusses matters of party organization, sanctions international treaties, and keeps up to date a list of possible successors to the office of head of the Government from which the King must make the final selection.

²¹ The term "corporate state" (stato corporativo) is used to describe the new type of governmental system which fascism has gradually evolved in Italy. In essence, "corporate state" means "guild state," a state organized upon the principle of occupational representation. The word "corporate" is derived from "corporation" (corporazione), and that in turn from the old Italian "corporazione delle arti o del mestieri," the name of the Medieval Italian guilds of craftsmen and artisans.

The Parliament.—The Italian Parliament consists of the Senate, the members of which are appointed for life by the King upon recommendation of the head of the Government and, since January 1939, of the Chamber of the Fasci and Corporations, an assembly consisting of members of the National Council of the Fascist Party, members of the National Council of Corporations representing the country's employers' and workers' organizations, and members of the Fascist Grand Council.²² Since all political parties, except the Fascist Party, have been abolished in Italy and freedom of discussion has been severely curtailed, the Italian Parliament has in practice lost its importance. Composed as it is of loyal party members sworn to obedience to the party leader, its main function has been limited to approving the laws submitted to it by the executive.

The Cabinet.—The Cabinet, or Council of Ministers, is composed of the heads of Government departments such as Foreign Affairs, Finance, Agriculture, Corporations, etc. Its main function is to advise the head of the Government who, as was pointed out above, appoints and dismisses its members at will.

The Fascist syndical associations of employers and workers.—The organs described thus far constitute what might be called the apex of the pyramid of the Italian corporate state. The corporate system proper, the guild-like organization of employers and of workers, on the other hand (the body and base of the pyramid), consists of a number of employers' associations and workers' associations supervised by a special Government department (the Ministry of Corporations), of 22 councils of employers' and workers' representatives (the "corporations") established in the principal occupational fields, and of two national economic advisory bodies, the National Council of Corporations and the Central Corporate Committee. Chart I on page 13 and the description of these agencies given hereafter will help to make clear their organization and principal functions.

The Fascist syndical associations of employers and of workers are the basic organs of the corporate system. They were defined by the law of April 3, 1926 as the sole legally recognized associations empowered to represent employers' and workers' interests respectively, to negotiate collective labor agreements and to represent employers' groups and workers' groups in the parliament, in the corporations, and in the governmental labor courts. Membership in the syndical associations is not compulsory and is open to all individuals over 18 years of age, of "good moral and political character," and for foreigners, of proved 10-year residence within the Kingdom.²³

The system of Fascist syndical associations is organized as follows: Individual workers are members of local, provincial, or in a few cases, national workers' syndical associations grouping together all workers within a given occupational class. Employers belong to similar employers' associations. These individual workers' and employers'

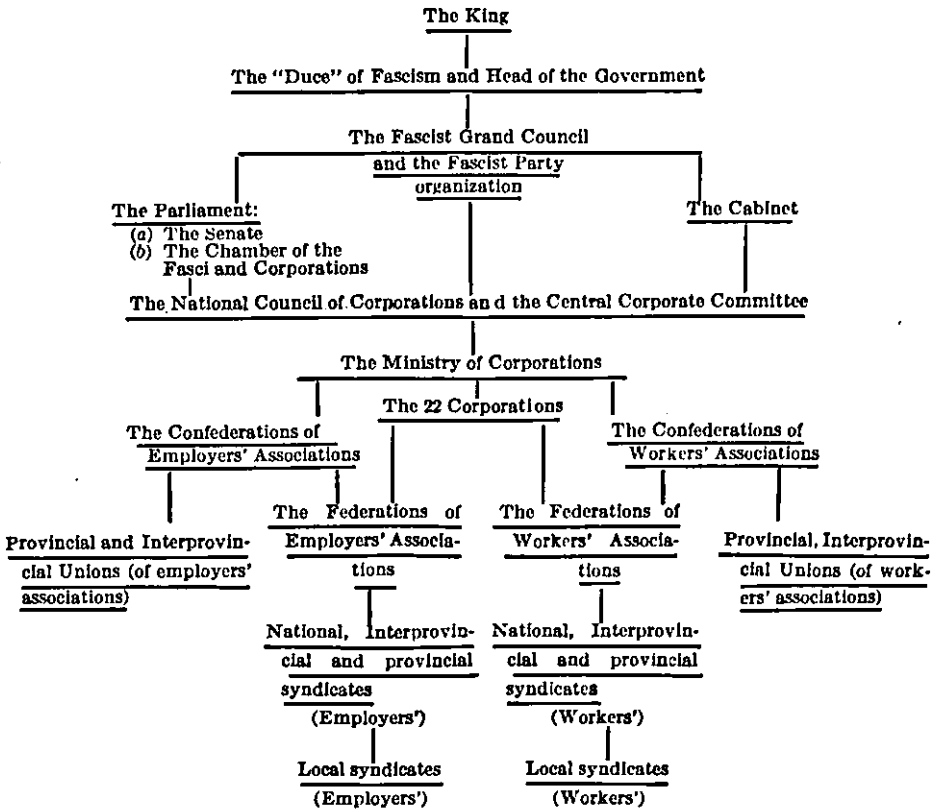
²² See the law of January 19, 1939, on the establishment of the Chamber of the Fasci and Corporations, published in the *Gazzetta Ufficiale* of February 14, 1939.

The membership and functions of the National Council of Corporations are described on p. 16. The National Council of the Fascist Party is a national party advisory body consisting of the Party Secretary and Board of Directors, of the Party Inspectors, and of the 94 provincial Party Secretaries.

²³ As defined by law the fundamental rights and duties of the Fascist syndical associations are: (1) To represent (for the purposes of collective bargaining and others) all employers and workers within the occupational group within which the association is organized, whether they be members of the association or not; (2) to defend the interest of the occupational group against other syndical groups; (3) to negotiate collective labor agreements which are binding upon all members of the occupational group whether members of the syndicate or not; (4) to levy syndical dues upon members; (5) to exercise such other functions of public interest as may be entrusted to the association by law (social welfare, professional education, etc.). See declaration III of the Fascist Charter of Labor published in *Gazzetta Ufficiale* of April 30, 1927.

CHART I

THE ORGANIZATION OF THE FASCIST CORPORATE STATE



associations are then organized into separate Federations of syndical associations, which are national in scope. The Federations are granted sole legal recognition and autonomy in the negotiation of collective labor agreements and in disputes before the labor courts. The Federations are, in their turn, grouped into Confederations of syndical associations, which mainly act as organs of coordination for the various Federations within a broad occupational group and are represented, within each province, by Provincial Unions of syndical associations. At the present time there are nine such Confederations, four for workers' associations, four for employers' associations, and one for associations of professional men and artists.²⁴

²⁴ These nine Confederations and their members are:
 I. *The Confederation of Agriculturists* which includes such federations of syndical associations as the Federation of landlords and tenant farmers, managers of farm enterprises; etc.
 II. *The Confederation of Workers in Agriculture* including the federations of technical and administrative farm employees; of wage earners and day laborers; of share tenants and "métayers," etc.
 III. *The Confederation of Industrialists*, which includes over 40 national federations such as those of the clothing manufacturers, of the manufacturers of cotton goods, woolen goods, boots and shoes, artificial textile fibers, glass and glassware, foodstuffs, metallurgical enterprises, etc.
 IV. *The Confederation of Workers in Industry* including the corresponding federations of workers' associations, such as those in the clothing industry, the food products industry, the glass and ceramics industry, etc.
 V. *The Confederation of Merchants*, which includes the national federation of grain, vegetable, and fodder merchants, of fruits and vegetable merchants, of coal and other solid fuel merchants, of clothing merchants, and over thirty other similar federations in all branches of trade.
 VI. *The Confederation of Workers in Commercial Enterprises*, which includes the national federations of workers in warehouses and retail and forwarding establishments, in the hotel and tourist trade, in the trade in foodstuffs, etc.
 VII. *The Confederation of Credit and Insurance Enterprises* including the federations of national credit institutions, of provincial credit institutions, of stock exchange brokers, etc.
 VIII. *The Confederation of Workers in Credit and Insurance Enterprises* which includes the national federations of workers in credit institutions, in insurance companies, etc.
 IX. *The Confederation of Professional Men and Artists*. This confederation stands alone, for no distinction between employers and workers is made in the professional field. It includes such federations as those of physicians, pharmacists, veterinarians, midwives, engineers, architects, chemists, attorneys, etc.

The following table shows the membership of these organizations on December 31, 1938.

TABLE 2.—Membership of the Fascist syndical associations, Dec. 31, 1938

Confederation	Membership	Confederation	Membership
EMPLOYERS		WORKERS	
1. Agriculturists.....	1,353,509	1. Agriculture.....	3,768,004
2. Industrialists.....	101,215	2. Industry.....	3,097,403
Artisans.....	486,103	3. Commerce.....	569,725
Owners of real estate.....	97,950	4. Credit and insurance.....	70,842
3. Merchants.....	713,647	Total.....	7,506,874
4. Credit and insurance enterprises..	9,029	Professional men and artists.....	162,139
Total.....	2,761,513	Total.....	7,669,013

Source: *Annuario Statistico Italiano*, 1939, p. 219.

The Corporations.—The Corporations are the organs which give the corporate state its name. Established by the law of February 5, 1934, they are boards or councils consisting of representatives of employers, workers, the Fascist Party, and the Government, formed within the 22 major branches of national economic activity. They have consultative, conciliatory, and normative powers. Besides advising the Government on the technical questions falling within the sphere of their competence, they are empowered to conciliate collective labor disputes and to enact "rules for the collective regulation of economic relations and the unitary discipline of national production." This includes not only the power to determine rules for production control and of fair competition but also the power to fix rates for services rendered and prices for articles of consumption sold to the public under noncompetitive conditions. At the present time the major task of the corporations is the two-fold one of price control and of aiding the Government in carrying out its campaign for a larger measure of national economic self-sufficiency and military preparedness. All corporations include an equal number of workers' and employers' representatives, and also three representatives of the Fascist Party to represent consumers. The names and the membership of the 22 corporations as of December 31, 1938, are shown in the following table:²⁵

²⁵ The membership of a typical corporation, that of glass and ceramics, for example, consists of: A chairman (by law the Minister of Corporations) and of 40 members including representatives of: The Fascist Party (3 members, one of whom is Vice Chairman and usually presides at the meetings); agriculture (1 worker, 1 employer); industry (12 employers, 12 workers, representing the artistic pottery industry, the manufacture of refractory materials, the bottles industry, the white glass industry, window pane manufacture, the manufacture of mirrors and crystals, the scientific and optical glass manufacture, the artistic glass and beads industry, the electric lamp industry); the trade in the products mentioned above (3 employers, 3 workers); artisans (2); professional men (1 for artists, 1 for chemists); and cooperative societies (1). See Ministero delle Corporazioni, *Sindacato e Corporazione*, Rome, April 1939, p. 707.

TABLE 3.—Organization and membership of the Fascist corporations (law of Jan. 5, 1939)

Corporation of—	Members (M) and Associate Members (AM) representing—																				
	Fascist Party	Agriculture		Industry		Commerce		Credit and insurance		Professions and arts		Cooperatives		Independent artisans		Various others		Total			
	M	M	AM	M	AM	M	AM	M	AM	M	AM	M	AM	M	AM	M	AM	M	AM		
Grains.....	3	16		4	4	4	4			1	1	1								30	9
Vegetable, flower and fruit growing.....	3	16	2	6	8	4	4			1	1	1		1						31	15
Viticulture and wine production and edible oils.....	3	16	4	6	10	4	6			1	1	1	1							31	22
Animal husbandry and fishing.....	3	16		4	10	6	6			2		2								33	16
Wood and wood products.....	3	8		4	10	2	6			1	2			1	1					19	10
Textile products.....	3	14	2	10	26	4	4			2	2		1	1	1					34	36
The clothing industry.....	3	6		6	28	6	4			1			1	1	2					23	35
Iron and steel and metallurgy.....	3	2		6	10	2	2			1	1									14	13
Machinery.....	3	4		8	28	2	6			2	1		2	1	1					20	38
The chemical industries.....	3	4		8	40	4	4			2	1	1	1							22	46
Liquid fuels.....	3	4	2	4	12	4	4			2	1		1							17	19
Paper and printing.....	3	6		8	10	2	4			3	2				1					22	18
The building industry.....	3	4		6	10	2	4			3	2	1			1			1		19	17
Water, gas, and electricity.....	3	4		8	12		4			1	1		1							16	18
Extractive industries.....	3	2		6	12	2	4			1	1		1		1					14	19
Glass and ceramics.....	3	2		6	18	2	4			1	1	1		1	1					16	24
Internal communications.....	3	2		10	30		4			1	1		1		2					15	38
Sea and air transportation.....	3	2		12	12		2			2		1								20	14
The theater and public entertainment.....	3			4	20					3	2									10	25
The tourist and hotel trade.....	3	2		2	2	6	6			1	1				2					14	11
The professions and arts.....	3			2	1	2	1			25	8				1	1				33	11
Credit and insurance.....	3	2		2		2		34	26	2	1	1		1				10		47	37
Total.....	66	132	10	132	313	60	83	34	26	58	31	10	9	8	14		14	500	500		

Source: *Annuario Statistico Italiano*, 1939, p. 218.

The Ministry of Corporations.—This Ministry is a Government department somewhat similar to the Departments of Labor and Commerce in the United States. It approves the by-laws and grants official recognition to individual syndical associations; confirms in office all syndical officials; supervises the activities and finances of all syndical organizations; drafts labor and social security legislation and records collective labor agreements; acts as secretariat for the 22 corporations of which the Minister of Corporations is ex-officio chairman and, in general, assures the smooth functioning of the entire syndical and corporate system in accordance with the Government's general economic and political program.

The Central Corporate Committee.—As recently reorganized, the Central Corporate Committee consists of all the Ministers and Under Secretaries of State, the Secretary of the Fascist Party, the representatives of the Fascist Party in the Corporations, and the presidents of the nine large confederations of syndical associations. It is this committee which must approve all rules and regulations adopted by the corporations, and which makes the final decisions on many matters of vital importance to the organization of the corporate system and to the country's economic life.²⁸

The National Council of Corporations.—As now constituted, this council consists of all the members of the Central Corporate Committee and of the members (not including associate members) of the 22 corporations. Its task is to discuss the broader problems of syndical organization, of the coordination of employment, and of the adjustment of collective labor relations, and to make recommendations concerning them. Its members are by virtue of their office members of the new Chamber of the Fasci and Corporations established in January 1939.

As the foregoing discussion has shown, the main objectives of the Italian corporate system as a whole are the regulation of collective labor relations through the negotiation of collective labor agreements, the settlement of collective labor disputes through arbitration or the decisions of the governmental labor courts, and the carrying out through the Corporations, of the Fascist economic program as a whole. Of late the corporate system has been effectively used to put into operation the Government's program of military preparedness and of economic self-sufficiency and the system of rigid import control and exchange regulation, of which more will be said in the pages which follow.

As are all other agencies in contemporary Italy, the corporate system is controlled by the Fascist Party and dominated, in fact if not in law, by its will. Members of the Chamber, officials of the corporations and of the syndicates of employers and workers must be party members and as such are bound by their oath of obedience to the party leader. Despite existing provisions for votes and elections, in practice no really independent action, no free and open clash of interests or even of opinions is possible within the corporate structure: no decision of any importance can be reached, no plan approved, no measure enforced that does not have the consent and support of the party hierarchy. Rather than an agency for the self-govern-

²⁸ On March 8, 1939, it was the Central Corporate Committee which gave final approval to nation-wide wage increases amounting to an average of about 10 percent, which were decreed to offset the rise in the cost of living which had taken place in Italy since the devaluation of the currency.

See *Sindacato e Corporazione*, March 1939.

ment of the country's economy, the Italian syndical and corporate system is therefore in actual practice but an instrument of economic control employed by the Fascist Party and the Fascist state in the pursuit of Fascism's ultimate political ends.²⁷

THE EVOLUTION OF FASCIST ECONOMIC POLICY: 1922-40

Italy's economic development and policy since 1922 may be conveniently divided into several clearly distinguishable periods. From 1922 to 1926 the Fascist regime pursued a comparatively liberal economic policy calculated to facilitate post-war economic readjustment. The revaluation of the lira in the latter part of 1926 and its final stabilization in 1927 were followed by a period of stagnation and, later, by slow economic revival. After 1930 the efforts of the Italian Government were directed mainly toward combating the effects of the world crisis. In 1934 there began a period of growing restriction in international trade and exchange relations, culminating in virtual economic isolation at the time of the Ethiopian campaign and the imposition of League of Nations' sanctions (fall 1935—summer 1936). Finally, the devaluation of the currency in 1936 was followed, after a brief interlude of somewhat greater freedom in international trade, by a sustained campaign for greater economic self-sufficiency.

1922-29: Expansion and currency stabilization.

When the Fascist regime began in October 1922, Italy was gradually emerging from the serious economic crisis which had followed the World War. The first economic measures taken by the new Government were designed to aid recovery. The tax system was reformed and a program of economy in Government expenditure was adopted, with the result that the deficit in the Italian budget which had amounted to over 3 billion lire during the fiscal year 1922-23 was reduced to one-seventh of that amount in 1923-24. After that year and until 1929-30 the budget showed an annual surplus. An aggressive campaign was launched for the "rationalization" of industrial enterprises and the introduction of better methods of production. In agriculture, competitions were held and prizes given to the most efficient producers, the famous "Battle of Wheat" (*Battaglia del Grano*) being an outstanding example of the efforts made to intensify domestic agricultural production.²⁸ Under the stimulus of these measures and of a liberal credit policy a pronounced upward movement took place in practically all sectors of the Italian economy. Industrial and agricultural production grew, foreign trade expanded markedly, and Italy experienced three years of economic expansion and relative prosperity.

²⁷ For a more comprehensive discussion of the historical development and present organization of the Italian corporate system and for a detailed critical analysis of its nature and operation, see Schmidt, Carl T., *The Corporate State in Action*, New York, 1939 and Welk, William G., *Fascist Economic Policy*, Cambridge, Mass., 1938, chs. III, IV, V, and VI.

²⁸ Although during the years of the war and post-war period industrial production had grown considerably, agricultural output, especially when the rapid growth in Italy's population is considered, lagged far behind, being in some years actually below that of the period preceding the World War. Average annual production for the period 1909-14, and production in 1924, (in millions of quintals and—for wine—of hectoliters) compare as follows:

	Average 1909-14	1924
Wheat.....	49.3	46.3
Rice.....	4.9	5.9
Corn.....	25.7	26.8
Citrus fruit.....	7.9	6.3
Wine.....	45.5	44.7

Source: *Annuario Statistico Italiano*.

Not all these measures proved sound, however. There was a tendency toward overoptimism and excessive expansion of credit and of speculative activities. By the middle of 1926, mainly as a result of credit expansion and ensuing excesses of speculation, the Italian lira began to show alarming signs of weakness. The Government decided to resist the decline by stopping expansion and contracting credit, Premier Mussolini pledging Fascism to defend the lira "to the last drop of blood."²⁹ This marked the end of expansion and the beginning of a period of rather slow and painful adjustment of the country's economy to the Government's new policy of deflation and stabilization.³⁰ Foreign trade appears to have been the first activity to be seriously affected by the change in the country's monetary policy. As the lira gained in value, Italian exporters began to find it more and more difficult to maintain their position in foreign markets. Exports began to fall off, the decline becoming more pronounced after the stabilization of the currency in December 1927.

The second period in Fascist economic policy—that of the stabilization of the currency and the combating of the subsequent economic stagnation—began in the second half of 1926. The deflationary measures adopted by the Government caused the lira, which had exchanged at about 25 lire to the dollar in 1925–26, to rise in value until it could be stabilized, on December 21, 1927, at the rate of 19 lire to the dollar. This was 27.25 percent of its pre-war gold value, but relatively higher than the French and Belgian francs. It soon became clear that the currency had been stabilized at too high a level, as indicated by declining exports, curtailed industrial operations, and unemployment. While in 1928 imports increased slightly, exports declined from a peak of 18,665 million lire in 1926 to 15,634 million in 1927 and to 14,556 million in 1928. As a result of this situation the Fascist Government endeavored, through a program of energetic rationalization and a series of legal enactments, to force down wages and other costs so as to make it possible for Italian industry to compete again effectively on world markets. By 1929 economic conditions showed definite signs of improvement, and the unfavorable results of the currency devaluation could be said to have been almost overcome.³¹

1930–40: Depression, League of Nations' sanctions, and economic autarchy.

In 1930 the effects of the world depression began to make themselves felt upon Italian economy. As elsewhere, prices fell, foreign trade declined, production lagged, and unemployment mounted. Soon the Government was induced to render assistance to those weakened most severely by the economic crisis. Through several newly created organizations, similar to the American Reconstruction Finance Corporation, and several other State-aided institutions ("Enti," "Istituti," and "ConSORZI") aid was given to Italian banks and industrial enterprises. Industrial establishments wishing to expand their plants were required to obtain a permit from a special governmental commission. A large program of public works was put into operation to relieve distress among the working classes.

²⁹ See Mussolini's speech at Pesaro on August 18, 1926.

³⁰ The average monthly exchange rate of the dollar in terms of lire during this period was as follows: July 1926, 29.82; August, 30.53; September, 27.36; October, 24.40; November, 23.87; December, 22.51; January 1927, 23.08; February, 23.15; March, 22.22; April 20.0; May, 18.54; June 17.91.

See De Stefani, Alberto, *Das Geld und Kreditwesen*, in Dobbert, Gerhard (ed.), *Die Faschistische Wirtschaft*, Berlin, 1934, p. 124.

³¹ For a more detailed discussion of economic developments in Italy during this period, see Dobbert, *Die Faschistische Wirtschaft*, especially chs. V to XII.

The effect of these measures and of the shrinkage in revenue was a rapidly growing deficit in the Government's budget. After a surplus of 170 million lire in 1929-30 the budget showed a deficit of over 3½ billion lire in 1931-32 and 1932-33 and a deficit of over 6 billion lire in 1933-34. (See table 4, below.) A large reduction in merchandise exports, a severe decline in the so-called invisible credit items of Italy's balance of international payments (mainly tourist expenditures and remittances by Italian emigrants), and a pronounced outward flow of short-term capital, resulted in 1934 in heavy losses of gold and a consequent serious threat to the stability of the Italian currency. As a consequence of these developments and of the policy of making Italy as nearly self-sufficient as possible the Italian Government gradually adopted a system of foreign trade and exchange control very similar to that which had been in force earlier in some other European countries, notably in Germany.³²

TABLE 4.—Total annual revenues and expenditures of the Italian Government, 1921-40

[In millions of lire]

Year	Revenue	Expenditures	Surplus, or deficit (-)	Year	Revenue	Expenditures	Surplus, or deficit (-)
1921-22	19,701	35,461	-15,760	1931-32	19,324	23,191	-3,867
1922-23	18,804	21,832	-3,028	1932-33	18,217	21,766	-3,549
1923-24	20,581	21,000	-419	1933-34	18,057	24,434	-6,377
1924-25	20,440	20,023	417	1934-35	18,818	20,847	-2,029
1925-26	21,044	20,575	469	1935-36	20,371	33,057	-12,686
1926-27	21,450	21,014	436	1936-37	24,702	40,032	-15,330
1927-28	20,072	19,571	498	1937-38	27,468	38,642	-11,174
1928-29	20,201	19,616	585	1938-39	27,576	39,854	-12,278
1929-30	19,838	19,668	170	1939-40	29,740	56,140	-26,400
1930-31	20,387	20,891	-504				

¹ Of this figure 2,757 million lire represented expenditures by the Government in converting its 5 percent consols into new 3.5 percent redeemable bonds.

² Deficits include expenditures for the Ethiopian campaign and the rearmament program. They were met by the Treasury with funds procured through internal borrowing, and in part, through such "extraordinary" revenue as the proceeds from the sale of the gold and foreign securities which Italian citizens had been forced to sell to the Government.

³ Estimated.

Source: *Annuario Statistico Italiano*. For 1938-39 and 1939-40 *The Economist* (London), June 8 and 15, 1940, pp. 1008 and 1043.

When the League of Nations' economic sanctions were applied against Italy in November 1935, in an attempt to force the country to abandon its Ethiopian campaign, Italy was able to use the existing system of trade and exchange controls both as a defensive and as an offensive weapon. The effective use of this weapon, combined with the aid which Italy was able to obtain from the 27 nonsanctionist nations, the determined resistance to sanctions by the Italian people and the Italian Government, and the speed of Italian military operations in Africa, prevented the sanctions from having their full effect and led to their abandonment in July 1936. After the abandonment of sanctions, the leading goal of Fascist policy continued to be military preparedness and a program of economic self-sufficiency designed to aid in the achievement of the general military and political objectives of the regime. Huge expenditures continued to be made for arma-

³² For a more detailed account of the condition of Italy's balance of international payments and of the development of the Italian trade and exchange control system, see the discussion in ch. II of this report. For an analysis of the system as it operates in Italy today, see ch. III of this report.

ments.³³ New trade treaties were based upon principles of strict bilateral reciprocity. Commercial debts which Italy owed when sanctions went into effect and on which all payments had been suspended during the sanctionist period were liquidated only gradually through the proceeds of "unfavorable" commercial balances which the creditor countries were forced to maintain if they wished to be paid. The elaborate system of import and exchange control already in existence when sanctions began was continued in force and further developed.

On October 5, 1936, in line with the steps taken by the other European gold bloc countries and, earlier, by the United States, Italy devalued the lira by 40 percent, bringing the value of the Italian currency back to its former parity with the dollar (19 lire=1 dollar). Although at that time some tariff rates were reduced to prevent too rapid a rise in the domestic cost of living, in the main self-sufficiency continued to be the country's major economic goal. To win independence from foreign sources of supply, Government regulation was, in several instances, extended to commodities of large popular consumption and whole new industrial areas were developed to produce at home commodities formerly imported from abroad. The system of foreign trade and exchange control was further perfected and gradually turned into one of the most thorough and complete in existence.

³³ The following figures show the course of Italian military expenditures in recent years (in millions of lire):

Year	Army	Navy	Air force	Total
1926-27 to 1930-31 *	2,054	1,315	737	5,006
1931-32	3,039	1,590	775	5,404
1932-33	3,043	1,579	768	5,390
1933-34	2,672	1,403	710	4,785
1934-35	3,014	1,314	886	5,214
1935-36	7,452	2,852	2,320	12,624
1936-37	9,439	3,426	3,708	16,573
1937-38	6,230	2,976	4,066	13,272

* 5-year average.

Source: *Annuario Statistico Italiano*.

PART II
COMMERCIAL POLICY

COMMERCIAL POLICY

CHAPTER II. RECENT ITALIAN FOREIGN TRADE AND TARIFF POLICY

EFFECTS OF THE DEPRESSION UPON ITALY'S INTERNATIONAL ECONOMIC POSITION

The depression of the 1930's affected Italy less severely than Germany, the United States, and Canada, though much more severely than Japan and the U. S. S. R. The index of industrial production in Italy fell barely below 67 (on the basis of 100 in 1929), whereas in Germany and the United States it declined below 54. In the two countries last named, the depression was characterized by tremendous declines in the output of heavy industry, the engineering index for the United States falling to 12.6 in 1932. In Italy, however, this index remained close to the general industrial index. Recovery from the depression was slower and less complete in Italy than in Germany, though faster than in the United States. Table 5 describes the course of the depression as shown by the indexes of industrial production for certain leading countries. The indexes are based on 1929 but 1928 is also included for comparison.

TABLE 5.—*Indexes of industrial production in selected countries, 1928-38*

Year	Italy	United States	Germany	Canada	United Kingdom	Japan
1928.....	01.6	93.3	98.6	92.5	94.4	89.7
1929.....	100.0	100.0	100.0	100.0	100.0	100.0
1930.....	91.9	80.7	85.9	84.8	92.3	94.8
1931.....	77.6	68.1	67.6	71.0	83.8	91.6
1932.....	66.9	53.8	53.3	58.1	83.5	97.8
1933.....	73.7	63.9	60.7	60.3	88.2	113.2
1934.....	80.0	66.4	79.8	73.5	98.8	128.7
1935.....	93.8	75.6	94.0	81.3	105.6	141.8
1936.....	87.5	88.1	106.3	89.8	115.8	151.1
1937.....	99.6	92.2	117.2	99.5	123.6	170.8
1938.....	98.5	72.3	126.2	90.0	115.5	173.0

Source: *Statistical Year-Book of the League of Nations.*

During the early stages of the depression, the movement of prices was generally favorable to Italy. Prices of foodstuffs and crude raw materials fell sharply, while prices of manufactured products held up fairly well. Such decline as there was in prices of manufactured articles frequently reflected mainly the lower cost of the raw materials. In 1929 manufactures constituted only about 20 percent of Italy's imports but 43 percent of its exports so that the country was in a position to benefit from the relative movement of prices. Foodstuffs imported into Italy declined in value from 4.6 billion lire in 1929 to 1.1 billion in 1933. Part of this decline was accounted for, however, by large decreases in the quantities of wheat and corn imported, resulting from the intensification of Italy's campaign of

self-sufficiency even at a time when foreign products could have been obtained most cheaply. The price of silk, Italy's leading raw material exported, fell further than that of most other products. But only 11 percent of Italy's exports in 1929 were crude raw materials, whereas nearly 38 percent of her imports were of such materials, generally available at very low prices during the depression. To give specific illustrations, in 1929 Italy imported 244,500 metric tons of raw cotton, valued at 2,201 million lire, and in 1932 obtained 190,200 tons for only 738 million lire. Of raw wool, Italy imported 64,700 tons valued at 1,106 million lire in 1929 and 77,300 tons in 1932 for which only 405 million lire were paid. Similarly, in 1932 Italy bought only 8 percent less of copper than in 1929 but paid less than one-third as much for it.

The decline in trade and in invisible income.

One of the chief effects of the world depression upon the Italian economy was the marked decline in the country's foreign trade and invisible income.¹ After reaching a post-stabilization peak of about 15 billion lire in 1929, Italy's exports fell to a low of 5.2 billion in 1934; imports declined from about 22 billion lire in 1928 to a low of 7.4 billion in 1933. During the same period such leading exports as rayon and raw silk declined to about one-half and to one-fifth, respectively, of their former values. Because of the considerable decline in the value of imports, brought about largely by the collapse in raw material prices, Italy's import balance also was reduced from 7,364 million lire in 1928 to 1,433 million in 1931. This reduction made possible, for a while, the maintenance of equilibrium in the country's international accounts, even though the invisible credit items of the balance of payments (which in the past had made up for the excess of imports) were also severely reduced during the depression.²

For 2 years after 1931, the year when Great Britain abandoned the gold standard, the difference between the value of Italy's commodity exports and of its imports remained stationary. But in 1934 and 1935, imports rose in value while exports continued to decline. The result was that Italy's import balance increased from 1,433 million lire in 1931 to 2,451 million in 1934 and to 2,552 million in 1935. Table 6 shows the widening of the gap between Italian exports and imports during this period.

¹ The decline in foreign trade after 1929 was, of course, not a phenomenon peculiar to Italy. While between 1929 and 1933 the decrease in Italian imports was slightly greater than the world average (a decline to 34 percent of the 1929 total as against 35 percent for world imports) the drop in Italian exports was less sharp than that in world exports (a decline to 39 percent of 1929 exports as compared with 35 percent for all countries). See Department of Commerce, *Foreign Commerce Yearbook*, 1935, p. 372.

² In the absence of official data, the following figures (in millions of lire) may serve to indicate the extent of the reduction of some of the most important invisible items of Italy's international balance:

Year	Freight and shipping services	Tourist trade	Emigrant remittances
1929.....			
1930.....	1,135	2,102	2,120
1931.....	995	1,930	1,820
1932.....	700	1,185	1,570
	500	830	910

Source: Adapted from data on the Italian balance of international payments, computed by Prof. Gino Borgatta and included in his *Traitato Elementare di Statistica*, Milan, 1933.

TABLE 6.—*Italian foreign trade, 1929-35*

[Value in millions of lire]

Year	Imports		Exports		Excess of imports		Exports in percent of imports
	Value	Percent of 1929	Value	Percent of 1929	Value	Percent of 1929	
1929.....	21,303	100	14,884	100	6,419	100	70
1930.....	17,347	81	12,119	81	5,228	81	70
1931.....	11,643	55	10,210	69	1,433	22	88
1932.....	8,268	39	6,812	46	1,456	23	82
1933.....	7,432	35	5,991	40	1,441	22	81
1934.....	7,675	36	5,224	35	2,451	38	68
1935.....	7,790	37	5,238	35	2,552	40	67

Source: Value data, *Annuario Statistico Italiano*.

Since Italy's invisible exports which would normally have provided the means of payment for the balance of imports in commodity trade could not at this time be correspondingly increased (after the devaluation of the pound and the dollar, Italy had become an "expensive" country, and expenditures of foreign tourists in Italy, in particular, continued to decline), there gradually developed an increasing strain upon the foreign exchange markets. The strain was accentuated by important movements of capital which were taking place at this time: mainly purchases by Italians of foreign securities or of Italian securities issued abroad, reductions in Italian debit balances with foreign banks, and amortization of old foreign loans exceeding in volume the current flotation of new ones. These capital movements which were entailing, on balance, an outflow of Italian funds (called by some observers a "flight of Italian capital" and by some official Italian sources "amelioration of Italy's foreign financial situation"), contributed materially to increase the tension in the foreign exchange markets and led to repeated and heavy losses of reserves by the Italian Central Bank.³ As a result of this combination of unfavorable factors, a drastic change took place in the orientation of Italy's commercial policy. In quick succession, there was adopted an elaborate system of import and exchange restriction similar to that which had been in effect in some other European countries.⁴

As was noted earlier, after the advent of the Fascist regime in 1922 the Government endeavored to make possible the rapid restoration of normal economic conditions and a speedy revival of the country's international trade. Soon after the passage of the Tariff Act of 1921, trade treaties, based in the main upon the traditional principle of reciprocal concessions and upon a wide application of the most-favored-nations clause, were concluded with a number of countries.⁵ The only departure from these principles was the insertion, in the new trade treaties, of a clause aimed at countries which had placed restrictions upon the importation of Italian commodities. This clause, which was invoked later to justify Italian restrictions, provided that whenever exceptional economic conditions should make such action necessary, Italy would adopt import restrictions, or prohibit certain

³ See Banca d'Italia. *Adunanza Generale Ordinaria degli Azionisti*, Rome, 1935, p. 12, and Institut International de la Cooperation Intellectuelle. *Mémoire sur le contrôle des Changes en Italie*, (mimeographed), Paris, 1939, p. 5.

⁴ In Germany and in the countries of Central Europe and of the Balkan Peninsula, exchange control was established after the international financial crisis of 1931, as a result of large withdrawals of foreign capital and the severe deterioration of these countries' balances of international payments brought about by the depression.

⁵ See ch. I, of this report, p. 9.

importations altogether.⁶ An international economic conference met in 1927 at Geneva, but failed to effect the hoped-for world tariff truce and general reduction of customs barriers. This failure encouraged advocates of higher tariffs everywhere to press their demands. The passage in 1930 of a new and higher statutory tariff in the United States, the cessation of American loans and later, the devaluation of the currencies of the "sterling bloc" countries, were among the causes which made it more and more difficult for most continental European countries, still in need of imports but suddenly confronted with shrinking export markets, to balance their international accounts. The comparative freedom in international commercial relations which had existed during the latter part of the twenties thus became severely restricted by the adoption of import quotas and licenses, of exchange controls and clearing agreements, and of a number of other devices, which gradually became general throughout Europe.

In this race toward limitation of trade, Italy, at first, took only a small part. Except for inclusion of provisions for import contingents in a commercial agreement with France signed on March 4, 1932, trade restrictions and changes in specific customs duties were at this time relatively few. For some classes of vegetable products duties were increased to maintain domestic prices in the face of price declines abroad. An important development in the customs field was the introduction, toward the end of 1931, of an ad valorem surtax on imports. This tax, it was explained, was intended to limit the repercussion upon the domestic market of foreign currency devaluations and the fall in world prices, and to reduce the import balance. The surtax was imposed by royal decree-law of September 24, 1931, upon all imported commodities (with certain exceptions noted below) regardless of other duties already in effect, and was fixed at the rate of 15 percent ad valorem for all commodities except coal and coke, for which it was to be 10 percent. Commodities imported under conventional rates of duty and under certain preferential arrangements were exempt from the surtax. Excluded also were wheat, corn, and other foodstuffs, and a number of raw materials, including wool waste and rags, oil seeds for industrial purposes, metallic minerals, chemical fertilizers, coal used for the State railways and in commercial shipping, and gold and silver. Other lesser exemptions were established by successive decrees.⁷ While the 15 percent ad valorem surtax contributed to reduce imports of the articles taxed, the values of total imports increased in later years.

On the whole, then, the existing system of trade and exchange control in Italy came rather late—primarily as a result, it would seem, of the gradual weakening of the country's balance of international payments and of the consequent drain upon the reserves of the Central Bank. To what extent the program of military preparedness pursued by Italy at that time was responsible, directly or indirectly, for this drain, it is impossible to state.

⁶ See Angelo di Nola, "*L'evoluzione della politica economica internazionale con particolare riguardo all'Italia*," in: *Rassegna di Politica Internazionale*, November 1935.

⁷ See Banca d'Italia, *L'economia italiana nel sessennio 1931-36*. Rome, 1938. vol. I, p. 240. To strengthen the restrictive effect of customs duties during periods of depreciating currencies in other countries, and to avoid the disturbance which the importation of some commodities from countries with heavily depreciated currencies might have on domestic markets, the Government was furthermore authorized, by the decree-law of September 28, 1933, to add a "depreciated currency compensation coefficient" to the duties in force upon products of such countries. This power, however, was never used. See Banca d'Italia, *L'economia italiana*, p. 241.

The beginnings of trade and exchange control.

The forerunner of present-day Italian trade and exchange control, as was said above, was the system of stringent regulation established during the World War, and abolished in large part at the end of the conflict. The control of foreign-exchange dealings which had been entrusted to the National Foreign Exchange Institute during the war ceased in 1919. Nevertheless, some control over foreign exchange operations continued to be exercised by the Government, especially during periods of speculative dealings in the lira. On June 10, 1926, a royal decree reserved the trading in foreign exchange to banks with at least 100 million lire of capital.⁸ All exchange operations were required to have as a basis bona fide commercial (or tourist) needs which had to be verified by the authorized banks. The exportation of bank notes of all kinds and of credit instruments payable in Italy and drawn in lire was prohibited, and banks were forced to give an accounting of their exchange operations to the Treasury. This legislation remained in effect even after the stabilization of the lira in December 1927; it was not abolished until the publication of the royal decree of March 12, 1930, which reestablished complete freedom in foreign exchange transactions.

Almost immediately after the devaluation of the British pound, in September 1931, however, the Italian Government took steps to maintain the value of the lira. By the royal decree of September 29, 1931, the Finance Ministry was authorized to regulate by decree the trade in foreign exchange.⁹ A semiofficial control of the foreign exchange market intended to prevent speculation in lira exchange was established under the supervision of the Italian Confederation of Credit and Insurance Enterprises, the Fascist syndical organization to which Italian banks and insurance enterprises belong.¹⁰ Yet, on the whole, these new controls remained mild, and it was not until 3 years later that the Ministry of Finance actually began to make extensive use of its new regulatory powers. In the main, then, from 1931 to 1934, Italy continued to participate in the meetings of the Central Banks of gold standard countries and to cooperate actively with the members of the gold bloc.

It was not until May 26, 1934, that the first step was taken toward the establishment of the present system of exchange control and of an administrative machinery for it. On that day a ministerial decree was published providing in general terms, that no foreign exchange operations could be carried out unless they filled a real need of industry or commerce, or of persons traveling abroad. The decree, furthermore, prohibited the purchase of foreign securities and of Italian securities issued abroad and the exportation of bank notes, checks, and Italian securities, and limited the amount which tourists could take out of the country to 5,000 lire per person. Finally, the same decree required authorization from the Minister of Finance for discounting bills of exchange drawn in lire by a foreign creditor upon an Italian debtor, as well as for all other operations which should appear to be means of providing lira balances abroad.¹¹

⁸ *Gazzetta Ufficiale*, June 11, 1926.

⁹ *Gazzetta Ufficiale*, September 30, 1931.

¹⁰ The following is a summary of the main regulations in force at that time: Purchase of foreign exchange was permitted only for bona fide commercial transactions. Purchases of securities and dealings in exchange futures on foreign markets were prohibited. Exportation of Italian lira bank notes was limited to amounts actually required by foreign banks, money changers, and travel agencies.

¹¹ See *Gazzetta Ufficiale*, May 26, 1934.

The moderateness of these first measures of control, as well as several public statements by Italian Ministers, seems to indicate that the Government did not enter willingly upon a policy of strict exchange control. Yet it soon became apparent that these first measures of control would not have the desired effect. They were easily evaded and the import balance continued to be heavy. The loss of reserves of the Central Bank in 1934 amounted to 1,514 million lire, of which 1,281 million were in gold. Currency devaluation being regarded as out of the question so long as other gold bloc currencies were resisting it, a gradual tightening of the control measures was adopted as the only remaining solution. On December 8, 1934, further decrees were issued establishing a Government monopoly for foreign exchange dealings and forcing Italian exporters to sell to the National Foreign Exchange Institute the foreign exchange received for their exports and the credits opened in their favor by foreign importers.¹² Specifically these decrees provided for:

(a) A monopoly of exchange transactions to be given to the National Foreign Exchange Institute (Istcambi). Only shipping and insurance concerns were permitted to keep accounts in foreign currencies and could do so only upon authorization by the Finance Minister.

(b) The compulsory sale by Italian banks and business firms of their foreign credits to "Istcambi."

(c) The obligation of exporters to sell all foreign exchange received through their exports to "Istcambi."

(d) Compulsory declaration to the Bank of Italy of foreign securities or Italian securities issued abroad held by all persons (physical or legal) domiciled in Italy.

(e) The beginnings of an administrative machinery for exchange control, the Bank of Italy being entrusted with the carrying out of actual transactions, and certain large Italian banks being appointed by the Bank of Italy as its agents.

The major gap in the system of control thus far devised, namely, the lack of strict import limitations, was soon filled. Since April 14, 1934, a royal decree had prohibited the free importation of four important staple commodities—wool, copper, oil seeds, and coffee—and had subjected all future imports of these commodities to a special import license.¹³ Through three further royal decrees of February 16, March 30, and June 25, 1935, and a ministerial decree of February 16, 1935¹⁴ the importation of a large number of important commodities was placed under definite license and quota restrictions. As a result of these decrees, several commodities, especially foodstuffs and raw materials, and semimanufactured articles, could be imported into Italy only if an import license were first obtained from the Ministry of Finance. For the issuance of such licenses, a fee of 3 percent of the value of the commodities imported was collected. A

¹² *Gazzetta Ufficiale* December 8, 1934.

¹³ Some quantitative import restrictions had been established earlier by decrees of the Minister of Finance (authorized by the royal decree-law of August 6, 1926, No. 1481) for the purpose of regulating the consumption of several commodities. The subject of import restriction was later redefined by the royal decree-law of November 14, 1926, which prohibited the importation of such commodities as grapes, wine, automobiles, sulphur, glassware, and the exportation of wheat, cattle, several metals, hides and skins, and some types of lumber. Exceptions to these import and export prohibitions could however be made and were made by the Ministry of Finance upon application by interested parties. Through the decree-law of December 21, 1931, finally, the Finance Minister was authorized to impose import prohibitions in addition to those already provided for in the law of November 14, 1926. See Banca d'Italia, *L'economia italiana* p. 241.

¹⁴ *Gazzetta Ufficiale*, February 19, April 1, June 28, 1935.

considerable number of other commodities could be imported without license, but the amounts permitted were strictly limited to definite percentages (roughly from 10 to 70 percent, but in some cases up to 100 percent) of the amounts imported in 1934, which was chosen as a base year.¹⁵ Imports in 1934 were only 36 percent of the total value imported in 1929, the decline being due, however, in considerable part, to lower prices. After the end of League of Nations' sanctions in 1936 many Italian quotas were put on a value basis, so that as prices rose, quantities were further decreased.

After 1932 general compensation or clearing agreements were concluded by the Italian Government with several foreign countries. The object of these first clearing agreements was to permit Italian exporters to obtain payment of their "frozen" credits abroad, and also to provide a method of payment for further trade transactions between Italy and these countries by compensation of the amounts due for imports with the credits obtained through exports made to the countries in question.¹⁶ Equilibrium in the exchange relationships with the various agreement countries being thus provided for, the decree of February 16, 1935, permitted exceptions to the import license procedure for commodities traded under clearing and private compensation agreements.¹⁷ The ministerial decree of March 1, 1935,¹⁸ admitted such commodities into the Kingdom under the rules provided for in the agreements themselves, and thus placed them outside the system of licenses. Clearing agreements (under which commercial transactions are cleared through a central clearing office without payment in actual foreign exchange) had been concluded with Bulgaria, Czechoslovakia, Germany, Yugoslavia, Rumania, Turkey, and Hungary; on April 1, 1935, importations from these countries were admitted up to 100 percent of their 1934 amounts. Because of the existence of special agreements, imports up to 100 percent of 1934 amounts were also permitted from Albania, Austria, the Netherlands, and Switzerland. For France the corresponding quota had been fixed at 85 percent and for Great Britain at 80 percent.

Through the decree of March 1, 1935, private compensations, that is, importations of certain commodities from a foreign country effected against exports of domestic commodities to the same country and for the same total value also ceased to be subject to import license, although remaining subject to an authorization of the National Foreign Trade Institute.¹⁹ After October 6, 1936, however, private compensations were abolished except for certain clearing agreement countries and for a few countries with which, because of the trade

¹⁵ These import quotas were to be fixed at the beginning of each quarter, upon the basis of the customs receipts ("bollette doganali") issued during the corresponding period of 1934. Excluded from the regime of imports under ministerial license and "bollette doganali" were: importations of gold, for which a trade monopoly was granted to the National Institute for Foreign Exchange by royal decree-law of November 14, 1935; importations of coal and coke, copper, tin, zinc, nickel, for all of which State import monopolies were created by royal decree-law of July 28, 1935; imports of crude mineral oils and their derivatives for which an import license of the Ministry of Corporations was necessary; importations of electrical and radio equipment and of dices, for which a license from the Ministry of Communications was required. (See Banca d'Italia, *L'economia italiana*, p. 242.)

¹⁶ A special Committee of Coordination was established by the Ministerial decree of October 18, 1934 (*Gazzetta Ufficiale*, October 20, 1934), for the administrative procedure to be followed in these payment and compensation agreements. This committee ceased to exist when the Superintendence of Trade and Exchange was established in May 1935.

¹⁷ *Gazzetta Ufficiale*, February 19, 1935.

¹⁸ *Ibid.*, March 4, 1935.

¹⁹ See Banca d'Italia, *L'economia italiana*, pp. 242-243.

policies pursued by them, trade was possible only under private compensation.²⁰

This detailed regulation of Italian foreign trade made necessary the creation of new administrative machinery and the broadening of the functions of administrative organs already in existence. On May 20, 1935, the newly established "Superintendence of Trade in the Foreign Exchanges" was entrusted with the allocation of foreign exchange, the coordination of the services relating to imports and exports, and the supervision of foreign purchases for the account of government departments.²¹ On December 29, 1935, the Superintendence was transformed into the "Undersecretaryship for Trade and Exchange,"²² which, on November 20, 1937, was raised to the rank of an independent Ministry and given the title of Ministry of Trade and Exchange (Ministero per gli Scambi e per le Valute).²³

By decree of the head of the Government of June 12, 1935,²⁴ there were established at the Office of the Superintendent of Trade in the Foreign Exchanges (now the Ministry of Trade and Exchange) 10 special Import Advisory Committees to assist the Superintendent in determining periodically the import quotas for the commodities within their respective fields and in allocating the percentages of such quotas to the firms in the trade. In addition to these agencies, the foreign activities of several already existing concerns—the Italian Cotton Institute, the Italian Woolens Institute, the Institute for Oil Seeds and Fruits, and some others—were also placed under the control of the Under Secretary.²⁵

As was to be expected, a rise in domestic prices began to take place behind the wall of restrictions described above. This in turn brought about a further tightening of control measures. Because of economic and financial mobilization for the Ethiopian war, the imposition in the fall of 1935 of economic sanctions by members of the League of Nations, and the adoption of countersanctionist measures by Italy, the control of Italian trade and foreign exchange became even more stringent and a number of important new tasks to be described in the following pages were assigned to the existing control agencies.

²⁰ For a more detailed discussion of the system of clearing agreements and private compensations see ch. III of this report, pp. 47, 59.

²¹ *Gazzetta Ufficiale*, May 23, 1935.

²² *Ibid.*, January 3, 1936.

²³ *Ibid.*, November 29, 1937.

²⁴ To promote Italian export trade there had been established, in 1926, the National Fascist Institute for Export Trade (Istituto Nazionale Fascista per l'Esportazione—abbreviated "I. N. E.")—the name of which was changed, in 1935, to National Fascist Institute for Foreign Trade (Istituto Nazionale Fascista per gli Scambi con l'Estero, or "I. S. E."), and in 1936 to National Fascist Institute for Foreign Commerce (Istituto Nazionale Fascista per il Commercio Estero, or "I. C. E.") One of the functions of the Institute is the study of problems relating to import and export trade, especially to exportation of agricultural and industrial commodities. The Institute, which is under the direct control of the Ministry of Trade and Exchange, is also entrusted with propaganda for Italian products on foreign markets and with the elaboration of ways and means designed to improve import and export trade techniques.

²⁵ *Gazzetta Ufficiale*, August 24, 1935.

²⁶ The 10 special Import Advisory Committees are: The Committee for animal fats and oils and tanning materials; the committees for vegetable fibers (except cotton); for ferrous minerals, metals, and metal scrap; for nonferrous minerals, metals and scrap; for machines and appliances; for coal; for raw hides; for crude rubber; for cellulose; for the manufacture of paper and rayon; for miscellaneous products.

The last Committee has several subdivisions to which are assigned the following commodities not handled by others: (a) foodstuffs, (b) fertilizers, lumber, and products of the soil, (c) chemicals, (d) drugs and colonial products, and (e) all commodities not elsewhere assigned.

The following are some of the most important business groups subjected to the supervision of the Ministry of Trade and Exchange for their dealings relating to foreign trade: The Italian Federation of Agricultural Consortia (a large importer of wheat); the National Consortium Among Importers of Cereals, Seeds, and Feeds; the Italian Association of Importers and Exporters of Chemical Products; the Italian Association of Coffee Importers, the National Rice Institute, the Office for the Sale of Italian Sulphur, the Office for the Promotion of the Export of Italian Gloves. (See Banca d'Italia, *L'economia italiana*, pp. 21, 244.)

ITALIAN TRADE POLICY DURING THE ETHIOPIAN WAR AND THE LEAGUE OF NATIONS' SANCTIONS ²⁶

On November 18, 1935, the League of Nations' economic sanctions against Italy went into effect. This meant, first, an embargo upon exports to Italy of arms and munitions and of such essential war materials as iron ore, scrap iron, aluminum, tin, nickel, and rubber (but not of copper and petroleum which were not in the embargo lists), and, second, the suspension of further commercial credits to Italy and the total cessation, by 52 countries, of all further imports of Italian commodities.²⁷ It was expected by the League authorities that the drastic curtailment of Italy's exports would either force a voluntary reduction of essential imports or else cause so severe an unbalance in the country's international trade as to lead to a rapid depletion of gold and foreign exchange reserves, to a total suspension of foreign purchases because of the lack of further suitable means of payment, and, ultimately, to the crippling of Italy's capacity to make war.

When sanctions went into effect none of the possibilities anticipated by the sanctionist countries became effective rapidly enough to have the desired result. When sanctions began, the Italian Government already had at its disposal a fully developed machinery for the control of the country's foreign trade and exchange relations. This machinery was effectively used not only to curtail the country's imports still further and to protect Italy's threatened commercial balance, but as a means of retaliation against the prohibition placed on Italian exports by the sanctionist countries. An even more stringent series of import restrictions was thus adopted to bring Italy's imports into line with the now greatly reduced volume of its exports and to curtail drastically all importations of commodities which were regarded by the Government as nonessential. After November 18, 1935, therefore, only imports regarded as essential were admitted into Italy; all imports from sanctionist countries were prohibited except under special Government licenses granted only for such essential commodities as could not be obtained from nonsanctionist nations; authorization to export to sanctionist countries was granted only if the foreign importer had previously furnished exchange or a confirmed credit in Italy or if the Italian exporter had obtained a special permit from the National Fascist Institute for Foreign Trade. The payment for needed imports without too rapid and continuous a drain upon the country's gold reserves was facilitated by the existing system of foreign exchange regulations, which, as was noted in the preceding pages, prohibited the importation and exportation of lire and concentrated all foreign exchange transactions in the Office of the Under Secretary for Trade and Exchange to which Italians were forced to sell, against payment in Italian treasury bonds, all the foreign securities and foreign exchange which they held.²⁸

The actual effects of the severe import restrictions adopted by the Italian Government during the period of the sanctions, based upon

²⁶ Accounts of the economic aspects of the sanctionist episode are to be found in: Bonn, M. J., *How Sanctions Failed, Foreign Affairs*, January 1937; Campolongo, Alberto, *Il commercio italiano con l'estero durante le sanzioni, Giornale degli Economisti*, May 1937; Mazzei, Jacopo, *Politica economica internazionale, Rivista Internazionale di Scienze Sociali*, July 1937; Parenti, Giuseppe, *L'efficacia delle "controsanzioni" italiane, Rivista Internazionale di Scienze Sociali*, July 1936, and Welk, William G., *League Sanctions and Foreign Trade Restrictions in Italy, The American Economic Review*, March 1937.

²⁷ Among the more important of the sanctionist countries were: Belgium, Bulgaria, Czechoslovakia, Denmark, Finland, France, Great Britain, Greece, Ireland, Norway, Netherlands, Poland, Portugal, Rumania, Sweden, Turkey, Union of Soviet Socialist Republics, Yugoslavia, Canada, Cuba, Mexico, Colombia, Union of South Africa, British India, Iran, Siam, Australia, and New Zealand.

²⁸ See p. 28 of this report.

official Italian statistical sources, appear as follows: From December 1, 1935, to July 31, 1936, the total value of Italy's import and export trade (exclusive of trade with Italian colonies) was 5.5 billion lire, compared with 8.0 billion lire during the corresponding period preceding the sanctions (December 1, 1934, to July 31, 1935). The reduction in Italy's trade during the sanctionist period thus amounted to 2.5 billion or about one-third. Italy's total exports declined from 3 billion to 1.7 billion as between these two periods, a reduction of 1.3 billion, or 44 percent, while the value of commodity imports declined from 5 billion lire in the presanctionist period to 3.8 billion, a reduction of 1.2 billion or 25 percent.²⁹

These figures indicate that while exports decreased by a greater percentage than imports (before the sanctions, exports paid for 60 percent of imports and during sanctions for only 45 percent) the absolute increase in Italy's import balance in commodity trade during the period of sanctions was comparatively small (from 2.0 billion to 2.1 billion lire). But as invisible exports were drastically reduced and the extension of foreign credits suspended by all the sanctionist nations, Italy's import balance had to be met in large part by exports of gold. A careful calculation of the reduction in Italy's metallic reserves during the period under discussion reveals that the losses of gold amounted to 1.45 billion lire.

Additional light is thrown upon the effects of League sanctions on Italy's international economic position by a more detailed study of the nature and the direction of Italy's trade during this period. While exports to sanctionist countries declined 87.8 percent and imports from them 51.3 percent, Italy's exports to nonsanctionist nations rose 5 percent and imports from them 4 percent. During the eight months of the sanctions, nonsanctionist countries bought 88.7 percent of Italy's total exports (37 percent being bought by Germany and 17 percent by the United States) and sold to Italy 66.4 percent of her total imports (29 percent being supplied by Germany and 13 percent by the United States). These figures indicate that had it not been for the trade with nonsanctionist countries (the trade with which, even before sanctions were put into effect, amounted to approximately 48 percent of Italy's total foreign trade) the country's foreign commerce would in all probability have been almost completely paralyzed after sanctions had become effective.³⁰ The drastic reduction in exports which Italy experienced during the first four full months of the sanctions is illustrated by the following data on imports of other (sanctionist and nonsanctionist) countries from Italy:

TABLE 7.—*Value of imports of foreign countries from Italy during League of Nations' sanctions*¹

[Thousands of "old" gold dollars]

Month	1934-35	1935-36
November (58 countries).....	21, 550	25, 808
December (57 countries).....	21, 521	17, 155
January (66 countries).....	19, 661	10, 158
February (61 countries).....	19, 190	8, 649
March (37 countries).....	17, 570	9, 281

¹ *Economist* (London), June 6, 1936, p. 542.

²⁹ See Campolongo, Alberto, *Il commercio italiano con l'estero durante le sanzioni*, in *Giornale degli Economisti*, May 1937.

³⁰ See Campolongo, *Il commercio italiano . . . durante le sanzioni*, pp. 327 ff.

Although the sanctions seriously affected the Italian economy, they failed to disrupt the Italian economic system as a whole. This failure was due to the trade which Italy maintained with 27 nonsanctionist nations, to the exclusion of copper and petroleum from the embargoes applied, and to the measures taken by the Italian Government in anticipation of and coincident with the sanctions to minimize their effect upon the domestic economy.³¹

Besides the measures of trade and exchange control already described, the most important new measures of domestic control adopted during the sanctionist period were a system of rigid price regulation extending to most commodities of wide popular consumption, the accumulation of large stocks of raw materials before sanctions went into effect, and an intensive Government-sponsored drive for the exploitation of available domestic resources and the production of substitutes for leading imports—the prelude to the intensive drive for national economic self-sufficiency which was to follow at the end of the sanctionist episode.³²

CURRENCY DEVALUATION AND THE PROGRAM OF ECONOMIC SELF-SUFFICIENCY

When sanctions were abandoned on July 15, 1936, the Fascist Government made it clear that as a consequence of the sanctionist experience a maximum of economic self-sufficiency, military preparedness, and political independence would be sought. The sentiment for economic autarchy found immediate expression in practice. Industries established during the sanctions for the domestic production of goods formerly imported were enabled to continue with the support of the Government. Development of the East African territories was confined almost exclusively to Italian labor and capital. New trade treaties to be negotiated with former sanctionist countries were to be based upon the principle of bilateralism. Foreign commercial debts owed by Italians at the beginning of sanctions were to be liquidated exclusively through the proceeds of Italian export balances which creditor countries would have to accept if payments were to be effected.

Soon after the abandonment of sanctions, negotiations began with former sanctionist countries for the purpose of reestablishing trade relations with them. Since before the sanctions Italy was, on balance, a large debtor on clearing account, and since no payments were made on these debts during the period of the sanctions, the Italian Government found itself in a particularly favorable bargaining posi-

³¹ According to the list published by the Italian Ministry of Finance on June 23, 1936, the 27 nonsanctionist countries were, besides Germany, Switzerland, Argentina, Brazil, United States, and Japan: Albania, Austria, Estonia, Hungary, Iceland, Bolivia, Chile, Ecuador, Guatemala, Nicaragua, Panama, Paraguay, Peru, Uruguay, Venezuela, Afghanistan, Arab's, China, Manchukuo, Yemen, Morocco.

³² During this search for substitutes a new textile fiber, "Lanital," obtained from the casein contained in skimmed milk, was developed as a substitute for wool; a process was developed for the use of straw in the production of cellulose and paper stock; wool, jute, and cotton fiber were replaced by rayon and hemp; mixed into gasoline, alcohol distilled from wine, rice, and sugar beets was used as motor fuel; gasoline engines were lubricated with castor oil, of which Italy is a large producer; and domestic production of petroleum and coal was greatly intensified through the activity of a new concern, the "Azienda Italiana Carboni." The production of substitutes from domestic materials was begun by industries forced to curtail operations based exclusively on imported raw materials.

"Corporate committees," boards representing workers and employers within a given occupational group, and a number of "enti" and "consorzi", 1 organizations of producers similar to the German *Kartelle*, were established to facilitate the more efficient organization of certain branches of Italian industry. The most important among these organizations were the corporate committees on national fuels, glass and ceramics, wool and silk; the national *enti* for silk, cellulose, paper, and leather; the National Cotton Institute, the Government office for mineral oils, and the "consorzio" for scrap iron, which were entrusted with the mass purchase of the respective commodities abroad and with their allotment to domestic consumers.

tion when the negotiation of new trade and payment agreements began.³³ Throughout the negotiations Italy was able to adhere strictly to the following principles:

(1) Payments for Italian imports must be made through exports so as to maintain at all times the equilibrium in the country's commercial balance;

(2) All agreements with countries which are creditors of Italy must provide that Italian exports exceed imports by a certain stated amount to be used for the gradual liquidation of old commercial debts.

Since Italy was a debtor in most instances and since former sanctionist countries appeared eager to restore trade relations after the abandonment of sanctions in order to resume their sales on the Italian market, the Italian Government was able to impose its own terms in almost every instance.³⁴ Between the end of 1936 and the first months of 1937, Italy thus concluded trade and clearing agreements with most of the former sanctionist countries.³⁵ During 1936 new clearing agreements were also negotiated with some nonsanctionist countries, notably Germany, Switzerland, Hungary, and Iceland. Of the new agreements concluded after the sanctionist period some had a provisional character and were to run for only comparatively short periods until final accords could be concluded. All the new agreements were to be administered by the National Foreign Exchange Institute (Istcambi).

On October 5, 1936, in line with the action taken by France and other European gold bloc countries, Italy devaluated the lira by about 40 percent (decree-law of October 5, 1936) through the reduction of the gold content to 0.04677 grams of pure gold, and thus brought the value of the lira in terms of dollars back to the parity of 19 lire to the dollar, at which rate it had been fixed when the lira was stabilized in 1927.³⁶ The devaluation of the lira led to some alleviation in existing tariff rates. The 15 percent surtax on imports established in 1931 to counteract foreign currency devaluation was abolished by royal decree-law of October 5, 1936. Export subsidies were also abolished and the tourist lira was made to approach the value of the official Italian currency.

To prevent or to diminish immediate increases in domestic prices and costs, a series of reductions of specific duties upon commodities of

³³ When sanctions were imposed all existing trade and clearing agreements with sanctionist countries had been declared suspended and the accounts, which in most cases showed a credit balance in favor of the foreign countries, were blocked according to provisions contained in the ministerial decrees of November 11 and November 20, 1935 (*Gazzetta Ufficiale*, November 12 and November 21, 1935). These decrees provided that, whenever due, amounts owed by Italian importers were to be paid in lire, into special, blocked, non-interest bearing accounts at the Bank of Italy. Of these payments no notification was to be made to foreign creditors.

³⁴ In a speech delivered on May 13, 1937, Count Galeazzo Ciano, the Italian Foreign Minister, said in this connection: "When the end of sanctions was announced, . . . we were disposed and willing to resume trade but . . . were determined to limit imports to necessary commodities and to pay for them with exports and not with foreign exchange. . . . We would buy only from those who would buy from us. To that end we . . . based all new negotiations upon the following unalterable conditions: No foreign exchange payments at all would be made to liquidate old commercial debts. Arrears would be liquidated only through an excess of exports over imports. A relationship between exports and imports would be established such as to make possible the creation of an export surplus. Imports would be limited to raw materials and to manufactured or semimanufactured articles of particular importance. Imports of commodities found to be not essential for the Italian economy would be rigorously prevented." (Translated from a quotation in: Mazzei, Jacopo, *Politica economica internazionale, Rivista Internazionale di Scienze Sociali*, July 1937, p. 636).

³⁵ The following were, in the order of the signature of the agreement, the principal countries with which trade and clearing agreements were concluded after the abandonment of sanctions: France, Greece, Czechoslovakia, Sweden, Poland, Lithuania, Bulgaria, Yugoslavia, Finland, Estonia, Denmark, Great Britain, Belgium, Greece, Portugal, Turkey, Netherlands, Rumania, Argentina. See Mazzei, Jacopo, *Politica economica internazionale*, 1937, p. 637. For a more detailed analysis and a complete list of the clearing and payments agreements now in force between Italy and other countries, see ch. III of this report, p. 56 ff.

³⁶ Decree-law of October 5, 1936, *Gazzetta Ufficiale*, October 5, 1936.

large consumption, especially foodstuffs, were effected.³⁷ The most important duty reductions were those on wheat and flour, cattle and meat, eggs, coal, coke, bacon, lard, and raw cotton.³⁸ About a month later, by the decree of October 30, 1936, further duty reductions were made.³⁹ By the decree of January 23, 1937 the duty on wheat was further reduced to 18 lire per quintal, or to one-fourth of its amount at the beginning of October 1936. By the same decree further reductions were also made in the duties on corn and corn flour, wheat, wheat pastes, bread, and agricultural machinery.⁴⁰ Finally, by an executive decree of October 5, 1936, the prices of many articles of consumption, rents, and public utility rates were fixed in order to prevent their rise after the currency devaluation.

The series of measures affecting the tariff was continued on December 30, 1936, by an executive decree establishing a commission for the revision and modernization of the Italian customs tariff.⁴¹ The commission, presumably, was to maintain the system of general and conventional tariff rates, of specific rates of duty and of coefficients of increase. Its work was expected to be concerned mainly with improvements in tariff classification looking toward the adoption of the general tariff classification proposed at Geneva.⁴²

As was to be expected, the devaluation of the lira stimulated Italian export trade. The expansion of exports yielded Italian exporters large credits in clearing account (more than 300 million at the beginning of 1937) for the liquidation of which, by royal decree-law of January 11, 1937, commercial bank advances were authorized.⁴³ While exports increased, however, imports also soon began to rise sharply, mainly as a result of the need to replenish stocks of raw materials greatly depleted during the sanctions, of a poor harvest in 1936, and of the already mentioned lowering of some tariff rates. This rise in imports and an increase in domestic costs, which lessened the advantage in exportation, soon restored the situation existing before the currency devaluation.

It gradually became clear that the policy of economic self-sufficiency which continued to be vigorously pursued and which resulted in even higher domestic prices, would make necessary a continuation of the existing system of trade and exchange control for an indefinite period.⁴⁴ Apparent alleviations were introduced in existing control measures in 1937 and 1938, such as the opening of free accounts for foreign countries, the mobilization of old clearing balances to the advantage of exporters, and the permission given to certain categories of exporters to dispose of part of the exchange obtained through their sales abroad for purchases of foreign raw materials needed by their industries. However these measures are to be regarded as a correction of the

³⁷ Decree of October 6, 1936, *Gazzetta Ufficiale*, October 6, 1936.

³⁸ The duty on wheat was lowered from 75 to 47 lire a quintal, that on cattle was reduced by about 65 percent, the duty on fresh and frozen meats was reduced by 60 percent, that on olive oil by 46 percent, that on eggs by 64 percent. Bacon and lard, on which the duty had amounted to 180 and 150 lire per quintal, were now admitted duty-free. The specific duty on coal was reduced from 10 to 5 lire per ton and that on coke from 42.50 to 30 lire per ton.

³⁹ The duty on wheat and corn was reduced to 32 lire per quintal, on wheat flour to 49 lire, on corn flour to 49 lire, on wheat pastes to 69 lire, on bread and cakes to 60 lire. (See *Gazzetta Ufficiale*, November 2, 1936.)

⁴⁰ See *Gazzetta Ufficiale*, January 30, 1937. Another effect of the devaluation of the lira was the establishment by royal decree-law of January 23, 1937 (*Gazzetta Ufficiale* No. 225) of an export duty on olive oil amounting to lire 150 per quintal. The reason for this was the greatly increased demand for Italian olive oil after the devaluation of the lira, a demand which threatened to raise the domestic price unduly.

⁴¹ *Gazzetta Ufficiale*, March 1, 1937.

⁴² See Mazzei, Jacopo, *Politica economica internazionale*, 1937, p. 650.

⁴³ *Gazzetta Ufficiale*, January 14, 1937.

⁴⁴ See chap. III of this report, p. 37 ff. for a more detailed discussion of Italy's current self-sufficiency program.

existing system of control rather than as an alleviation since they point toward its establishment on a more lasting basis and not to its abolition.

Enough has been said about the Italian system of trade and exchange restriction to make clear its origin and essential nature. A detailed analysis of the mechanism of control as it actually functioned in Italy before the country's entry into the war in June 1940, is presented in the next chapter.

CHAPTER III. THE ORGANIZATION OF ITALIAN TRADE CONTROL AND EXCHANGE REGULATION

INTRODUCTION

As the discussion so far has shown, the fundamental goal of Italy's economic policy even before the beginning of the present war, was to achieve within the shortest time possible the highest possible degree of economic independence. The country's whole economy is, at present, directed toward that end. The "Battle of Wheat" and other governmental efforts aimed at the attainment of self-sufficiency in agriculture have, of late, been greatly intensified. In several important instances governmental regulation has been extended to consumption in an effort to win independence from foreign sources of supply. Thus, since 1937, no pure wheat bread, but only "single type" bread made from flour which must contain a high percentage of the wheat milled, may be sold in Italy. The importation of coffee has been severely restricted and its consumption discouraged through a persistent official anticoffee campaign. Wholesale and retail prices have been subjected to rigid governmental control which at present extends to most commodities of commercial importance.¹ In the industrial field the establishment of new manufacturing plants to produce commodities formerly imported has been encouraged. Whole new industrial areas (such as that at Bolzano) have been developed to give effect to the self-sufficiency program, and hundreds of millions of lire have been spent for the equipment of the new factories.

The movement toward greater economic self-sufficiency has, of course, found expression in the country's foreign trade policy. As the preceding discussion has shown, both foreign trade and foreign exchange were strictly controlled by the Italian Government even before Italy's entrance into the present war. No foreign trade or exchange transaction of any significance can take place in Italy if it does not fit into a general prearranged governmental scheme, the underlying purpose of which is to limit imports to approved commodities and quantities and to pay for such imports as far as possible through commodity exports.

To facilitate an understanding of the details of the Italian system of trade and exchange control described hereinafter, the analysis is divided into four parts:

- I. The control of imports.
- II. The control of exports.
- III. The control of the foreign exchanges.
- IV. Payment agreements and clearing agreements.

¹ Large scale governmental price control in Italy goes back to the fall of 1935. Before that date only the prices of wheat and of a few other commodities had been subject to Government control. In October 1935 a Central Price Control Committee was established and entrusted with the task of stemming the tide of rising prices during the Ethiopian war and the League of Nations' sanctions by controlling the retail prices of 21 foodstuffs of wide popular consumption. A year later, when the lira was devalued, the powers of the Committee were enlarged to include almost all price categories. In April 1937, finally, the task of domestic price control was assumed directly by the Ministry of Corporations, which now fixes by decree the maximum prices which may be charged in Italy for a wide variety of commercially important commodities.

THE CONTROL OF IMPORTS

The beginnings of the present stringent governmental control of Italy's foreign trade go back to 1934. During the following year, a system of restrictions was adopted which, though subsequently modified, is essentially that in force at present. The most important part of that system is concerned with imports. Strict control of the volume of imports is intended not merely to contribute to the maintenance of equilibrium in Italy's balance of payments, but also to aid in effecting the Government's policy of economic self-sufficiency and military preparedness.

Under the system of import control in force until January 1, 1940, imports into the Kingdom took place under one or another of the five following import regimes:

1. The "regime a bolletta" (customs receipts procedure).
2. The system of ministerial licenses.
3. Government (or Government controlled) import monopolies.
4. Imports under private compensation agreements.
5. Commodities not subject to import restrictions.

The "regime a bolletta" (customs receipts procedure).

This method of import control, one of the earliest of the nontariff trade controls to be adopted in Italy, was in effect from 1935 to January 1, 1940, when it was abandoned after having gradually declined in importance. It consisted essentially in confining the importation of certain commodities to stated percentages of total quantities or values thereof imported during a previously selected base period,² the year 1934 being chosen by the authorities as the base period for import quota calculations. Before July 1, 1938, when an important change was made in the system,³ the Ministry of Finance prescribed, at the beginning of each quarter, and for each commodity subjected to the "bolletta" regime, the percentage of 1934 imports which could be currently admitted into the country. Importers wishing to import commodities on the "bolletta" list could do so by presenting to the customs authorities the "bollette doganali" (customs receipts) obtained for the importation of the same commodities during the corresponding quarter of 1934. Such 1934 customs receipts (whether or not the firm presenting them had been the actual importer) were accepted as representing the amounts imported by each firm during the base period. The official quota percentage was then applied to these 1934 quantities, and in this way was determined, for each commodity, the amount which each individual firm could currently import.⁴

Import control by the "bolletta" method, however, had certain disadvantages. While the procedure provided an objective method of allocating to individual firms their shares in the national import quota for any given commodity, it had the serious defect of tending to limit the current activity of individual businesses in proportion to

² For the legal enactments establishing the system, see the royal decree of June 25, 1935 (*Gazzetta Ufficiale*, June 28, 1935). For notice of its termination see *Bollettino di Informazioni Commerciali*, December 16, 1939, p. 576.

³ See p. 39 of this report.

⁴ Imports permissible under the quota were formerly authorized directly by the customs officials at the frontier upon presentation of the importer's customs receipts for his 1934 imports. After January 1, 1938, the customs authorities issued special certificates (*fogli di accreditamento*) stating the quotas allowable on the basis of customs receipts presented previously by importers. This innovation was made necessary by the accumulation of annotations on the customs receipts themselves.

their past performance. It thus hampered the development of new enterprises and tended to perpetuate the pattern of Italy's import trade with other countries in the base year, without regard to subsequent changes in the structure or direction of that trade. Under a rigid application of the quota system, the newer or more aggressive firms had little opportunity for growth, while the older concerns often found themselves in an exceptionally advantageous position, sometimes wholly out of proportion to the rate of their current activities. The procedure, moreover, permitted the creation of privileged positions through the accidental fact of large importations in the base period. Since the customs receipts which were accepted as proof of past imports and upon which current allotments were based were readily transferable, there was a strong temptation to sell them to the highest bidder if they could not be used by the firm which possessed them.

These difficulties and a desire for a more restrictive system of control contributed to bring about a gradual transfer of many important commodities from the "bolletta" regime to a system of import licenses without automatic prescription of quotas for individual importers. When the bolletta system was first established early in 1935, the list of commodities to be imported under it was substantially longer than that of commodities to be imported under import license. The bolletta quotas then were about 25 percent of the quantities of 1934 imports, except that for countries with which trade agreements had been concluded they were in most cases equal to 100 percent of 1934 importations.⁵ Subsequent revisions of the bolletta list progressively transferred items to the import-license list and reduced the quotas for the remaining items until they amounted, in most cases, to only 10 percent of 1934 imports, with none higher than 20 percent and a number reduced to zero. Thus imports subject to ministerial license came to constitute the greater part of the Italian import trade.

Gradually, basic quota provisions under the bolletta system were also greatly altered in their application to individual countries. When sanctions were applied in November 1935, all quota-list imports from sanctionist countries were made subject to license, the licenses being granted only for essential raw materials and for a few other commodities considered indispensable. When, after the removal of sanctions, quotas were again provided for former sanctionist countries, they were based on the values of imports in 1934 instead of on quantities, as formerly. Since prices were generally higher than in 1934, this change automatically reduced the quantities that could be imported from former sanctionist countries.

Beginning with July 1, 1938, the bolletta system was applied only to imports from countries with which trade agreements had been negotiated. These agreements specifically determined the percentages of 1934 imports to be admitted annually from the country in question. Countries with which Italy had no special agreements could not, therefore, export to Italy commodities coming under the bolletta system. Moreover, for a number of important countries, the commodities ordinarily included in the bolletta list were partially or totally brought under the license system. Thus, to Japan, the Baltic

⁵ In its administration the bolletta system thus appears to have been more complicated than the foregoing discussion suggests because of the inclusion into it of a system of quantitative import control by country of origin.

and Scandinavian countries, Spain, the United States, and the Soviet Union, the bolletta system did not apply at all. For countries to which the bolletta system did apply, imports were usually admitted at the rate of 50 percent of the values imported in 1934, higher quotas being sometimes granted for short lists of specified commodities. Only Germany could import 100 percent of the quantities imported in 1934, and thus occupied an absolutely favored position.⁶ Commodities still subject to the bolletta procedure, even though as numerous as those subject to the license system, were, before the termination of the procedure on January 1, 1940, of secondary importance.⁷

The system of ministerial licenses.

The system of ministerial licenses was originated in 1935 and gradually extended to an increasing number of commodities. Since January 1, 1940, a ministerial import license has been required for the importation into the Italian Kingdom of all commodities with the exception of manuscripts, newspapers, and coins, for which no special import restrictions exist, and of certain other commodities, described in the following pages, which are subject to special import monopolies.⁸ The value of the commodities imported under such monopolies was equal, in 1938, to about 50 percent of total Italian imports, practically all the remainder representing imports now under the license system.

The principal difference between the bolletta and the ministerial license systems seems to have been one of administration. Under the bolletta method the total imports of the commodities subject to such control to be permitted were fixed by the Ministry of Finance as a percentage of the corresponding imports in 1934. This percentage was automatically applied to determine the permitted quota of imports of each commodity by individual concerns. The ministerial license system permitted greater flexibility in distributing the total quota among individual importers, the Import Advisory Committees being set up to aid in exercising this discretionary control more advantageously and to assist the Ministry of Trade and Exchange in controlling the commodity composition of Italy's import trade.

The procedure adopted in issuing import licenses is as follows: The Ministry of Trade and Exchange establishes periodically a global import quota for each commodity subjected to this import regime. This quota is arrived at after the national need for each commodity has been determined by the Ministry with the advice of 10 special Import

⁶ See *Mémoire sur le Contrôle des Changes en Italie*, p. 36.

⁷ The latest list published by the Ministry of Finance contained about 400 commodities to which the bolletta system still applied. These included mainly semifinished and finished manufactures such as certain types of textiles and wearing apparel, iron, steel and copper manufactures, watches and scientific instruments, vehicles, brick, porcelain, glassware, various chemicals and drugs, and a variety of rubber and paper manufactures.

See the Circular of the Ministry of Finance No. 237, of June 12, 1938 (effective July 1, 1938), also reprinted in the Supplement to the July 2, 1938, *Bollettino di Informazioni Commerciali* of the Istituto Nazionale Fascista per il Commercio Estero.

The regulations concerning the Italian import regime were issued every 6 months. Interim alterations were frequent, especially as regards commercial agreements with foreign countries.

For changes subsequently made, see *Bollettino di Informazioni Commerciali*, January 7, April 1, June 24, 1939.

⁸ For the legal enactments establishing the system of import licenses, see the royal decrees of February 16, March 30, and June 25, 1935 (*Gazzetta Ufficiale*, February 19, April 1, June 28, 1935).

The latest complete list of the commodities subjected to ministerial import licenses is given in the Circular of the Ministry of Finance, No. 237, of June 12, 1938 (effective July 1, 1938) reprinted in the Supplement to the July 2, 1938, issue of the *Bollettino di Informazioni Commerciali*.

For changes subsequently made in this list, see *Bollettino di Informazioni Commerciali*, January 7, April 1, June 24, 1939.

Notice of the termination of the "bolletta" regime on January 1, 1940, and of the extension of the system of licenses to all former "bolletta" commodities was given in: *Bollettino di Informazioni Commerciali*, December 16, 1939, p. 576.

Advisory Committees.⁹ These committees, each of which consists of about 10 representatives of various economic groups (labor, merchants, and manufacturers) chiefly concerned with the importation of a given commodity or class of commodities, not only advise the Ministry upon the total amount to be imported but also allocate appropriate portions of the total national quota to the various interested Federations (the trade associations of the Fascist corporate state) of merchants or manufacturers. The Federations in turn apportion the share in the national quota granted to them among the individual firms which compose their membership, after approval by the president of the Confederation with which the individual Federations are affiliated. If the president of the Confederation disapproves, the Minister of Trade and Exchange decides after again consulting the appropriate Import Advisory Committee.¹⁰ Each firm may then request an import license corresponding to the allotment assigned to it by the Federation. These applications by individual firms are presented to the Federations through the Provincial Councils of Corporations.¹¹ The allocation of parts of the national quota to the Federations and the further assignments made by the Federations to individual firms were ordinarily made on the basis of customs receipts showing the amount of a given commodity imported during the period chosen by the Government as a base for its computations (ordinarily the corresponding quarter of 1934). With few exceptions, the actual import permits are finally issued to the individual firms by a special Office (Ufficio divieti) of the Ministry of Finance upon an order of the Minister of Foreign Trade and Exchange. It is only after the actual import permit is thus issued that a given importation may take place. Italian trade control authorities thus have complete discretion in the granting of licenses, no importer having a right to a license. The granting of import licenses has, in fact, been declared to be not a right, but a concession of an administrative and procedural character, which can be revoked at any time and which is not assignable.¹²

On the whole, the system of import licenses has, from a technical point of view, thus far functioned fairly smoothly. Its main drawbacks are the mass of administrative work which the procedure entails, and the consequent, inevitable delays. The Ministry of Trade and Exchange to which the administration of the license system is entrusted was forced to establish a new Division for Import Licenses which did not exist when the Ministry functioned as the Office of the Under Secretary of Trade and Exchange.¹³

Attention should again¹⁴ be called to the fact that a uniform 3-percent *ad valorem* fee is currently charged on all importations made under the system of import licenses and that in some instances Government departments other than the Ministry of Trade and Exchange, and special semigovernmental agencies, control, or at least have an

⁹ *Giunte Corporative per la Importazione*. See ch. II, of this report, p. 30, for a general description and for the names of the 10 committees.

¹⁰ Machinery and apparatus, by exception, are allocated to firms directly by the Import Advisory Committee, the Minister deciding any disputes that may arise.

¹¹ Established to supplant the former Chambers of Commerce by law of April 18, 1926 (*Gazzetta Ufficiale*, May 10, 1926) and then called Consigli Provinciali dell'Economia. Their present name (Consigli provinciali delle corporazioni) was given to these organizations by royal decree-law of April 28, 1937.

¹² Although the procedure outlined above is the ordinary one, it is not always followed in practice and exceptions to it are believed to be numerous.

¹³ It is with this special division of the Ministry that the 10 aforementioned corporate Import Advisory Committees cooperate.

¹⁴ See ch. II of this report, p. 28.

important voice in decisions which affect the granting of import permits.¹⁵

Government (or Government controlled) import monopolies.

Besides controlling imports through quotas and import licenses (the issuance of which is under the direct authority of the Ministry of Trade and Exchange), the Italian Government controls the importation of a number of important commodities through special governmental or semigovernmental agencies to each of which a monopoly for the importation of a certain commodity (or commodities) has been granted.

When the present system of import regulation was established, a number of commodities had long been subject to control by governmental import and sales monopolies for revenue purposes and for the protection of public health. Government revenue monopolies of long standing include tobacco, salt, cigarette paper, and matches. Of late, automatic lighters (subjected to monopoly because of their competition with matches) were added to the list. Quinine, on the

¹⁵ Applications for licenses to import gas masks are made to the Chemical Warfare Division of the Ministry of War. (Royal decree of May 29, 1933, *Gazzetta Ufficiale*, October 24, 1933.)

A general Commissariat for the Production of Arms (Commissariato Generale per le Fabbricazioni di Guerra) centralizes the procedure for imports needed by the arms industry. (See decree of the head of the Government of September 23, 1935, *Gazzetta Ufficiale*, October 10, 1935, and royal decree-law of July 14, 1935, *Gazzetta Ufficiale*, July 31, 1935, which established the Commissariat.)

Radio receiving sets and their parts are subject to a special tax. Permits indicating that the tax has been paid must be obtained from the Telegraph and Radio Inspectorate of the Ministry of Communications countersigned by the General Tax Office, before imports of such articles may be effected. (Law of January 8, 1931, *Gazzetta Ufficiale*, March 24, 1931). Until April 15, 1936, inclusive, similar permits were required for nontaxable radio apparatus. After that date such apparatus was included in the permit list of the general import regime.

Of special importance is the interministerial Committee for Mineral Oils (Comitato olii minerali) established in 1934 under the chairmanship of the Minister of Corporations to control the trade in mineral oils and their products. Imports of these commodities were subsequently subjected to import permits to be issued by the Ministry of Corporations after consultation with this committee. (Royal decree-law of Nov. 2, 1933, *Gazzetta Ufficiale*, December 30, 1933, and regulations for same in royal decree of July 20, 1934, *Gazzetta Ufficiale*, August 16, 1934). This import regime varied somewhat with the commodity and the quantity imported (arts. 1 and 2 of the first decree). The Ministry of Corporations may also fix import quotas for which permits are then issued and alter such quotas by decree. For amounts below specified quantities, no permits are required. (Royal decree-law of December 2, 1934, *Gazzetta Ufficiale*, December 13, 1934.)

Some commodities, for example, colorless mineral oils, vaseline, paraffin, and petroleum coke were excepted from the import permit regime until all exceptions previously made were abolished. (Colorless and transformer oils by royal decree-law of May 27, 1935, *Gazzetta Ufficiale*, July 23, 1935; vaseline, paraffin, and petroleum coke by royal decree-law of August 21, 1937, *Gazzetta Ufficiale*, September 23, 1937.)

Late in 1935 there was authorized the establishment of a Petroleum Office (Ufficio Speciale Combustibili Liquidi) at the Ministry of Corporations. This office was created to issue import permits, coordinate foreign and domestic supplies, and to organize purchasing offices abroad. (Royal decree-law of October 24, 1935, *Gazzetta Ufficiale*, November 9, 1935). By June 1937 this office had aided the semigovernmental clearing agreements with Albania and Iraq. In order to limit the demand for mineral oils in emergencies, the Technical Council of the National Association for Fuel Control (Consiglio Tecnico dell'Associazione Nazionale per il Controllo della Combustione) was instructed by royal decree-law of May 17, 1938 (*Gazzetta Ufficiale*, September 14, 1938) to refuse authorization for the installation of apparatus or plants designed exclusively for liquid fuel (except in merchant ships) unless such use was found to be technically indispensable. These instructions were based upon powers given to the Council by royal decree-law of July 9, 1936 (art. 18). For the purpose of attaining greater national self-sufficiency in liquid fuels, a Corporate Technical Liquid Fuels Committee (Comitato Tecnico Corporativo per i Combustibili Liquidi) was established at the Ministry of Corporations by a decree of the head of the Government. (Decree of January 28, 1936, *Gazzetta Ufficiale*, February 3, 1936.)

Finally, early in 1934 a committee (Comitato Nazionale per l'Industria dei Colori Organici Sintetici) was established at the Ministry of Corporations with consultative functions concerning the importation of organic synthetic dyes, and by decree of August 29, 1934, the Ministry subjected the commodities in question to import permits. (Royal decree-law of January 18, 1934, *Gazzetta Ufficiale*, February 13, 1934.) This decree gives a list of the commodities concerned, which also includes lacquers and printers' inks. After consultation with this special committee, the Ministries of Corporations and of Finance were empowered to decree the establishment of an Office (Ufficio per la Vendita dei Colori Organici Sintetici) to monopolize the sale in Italy of synthetic organic dyes, whether domestically produced or imported. Later, however, the committee itself was suppressed and its functions transferred to a new committee appointed by the head of the Government. Applications for import permits are still submitted to the Director General for Industry (Direzione Generale dell'Industria) of the Ministry of Corporations, addressed to the Ministry of Finance, which issues permits after consulting this new committee. (See royal decree-law of January 14, 1937.)

other hand, has long been a Government monopoly for reasons of public health.¹⁶

Import monopolies organized after the establishment of the present system of trade and exchange control may be divided into two major groups:

GROUP A: Monopolies administered by official governmental agencies;

GROUP B: Monopolies the administration of which is entrusted to semipublic or private organizations (in most cases to the association of producers or merchants interested in the importation of the commodity or commodities in question).

Import monopolies in Group A include the following:

1. *Coal, coke, copper, tin, and nickel.*—In July 1935 an import monopoly for these fuels and metals was established. The monopoly controls and allocates imports of coal, lignite, coal or lignite briquets and coke, and of crude copper, tin, nickel, and copper and nickel alloys and scrap. Its administration is entrusted to the supply service (Servizio approvvigionamento) of the State Railways, which are under the Ministry of Communications.¹⁷

2. *Iron and steel scrap.*—On October 11, 1935, Italian iron and steel producers formed a Consortium (Consorzio Nazionale Approvvigionamento Materie Prime Siderurgiche—or Capsider) to purchase and distribute raw materials for their industry, principally iron and steel scrap. In June 1938 the Government took over these functions. The General Commissariat for the Production of War Materials (Commissariato Generale per le Fabbricazioni di Guerra) was authorized to determine the bases for the allocation of iron and steel scrap in harmony with a production plan worked out by the competent corporation (Corporazione della Metallurgia e della Meccanica) and approved by the Supreme Commission on National Self-sufficiency (Commissione Suprema per l'Autarchia).¹⁸ An organization (Ente Distribuzione Rottami) was established with monopoly power to take over the purchase and distribution of iron and steel scrap under the supervision of the General Commissariat, which also determines the firms that must join this Ente.¹⁹

¹⁶ These revenue monopolies as well as the quinine monopoly are administered by autonomous governmental organizations. Recently the royal decrees of December 8, 1927 (*Gazzetta Ufficiale*, December 14), and of March 8, 1934, (*Gazzetta Ufficiale*, May 11), established an Autonomous Administration of State Monopolies (Amministrazione Autonoma dei Monopoli dello Stato, Azienda dei Tabacchi, del Sale, e del Chinino) to control the importation, production, and sale of tobacco, salt, and quinine, and until further notice (art. 12) the importation and sale of automatic lighters. The governing body of this organization consists largely of State officials. The match monopoly, established on August 31, 1916, was abolished and superseded by a cartel (consorzio) of all the firms that had produced matches for the monopoly and by the levying of a production tax. The monopoly was later reinstated, however (royal decree-law of April 5, 1925, *Gazzetta Ufficiale*, April 15) and thenceforth governmental decrees prescribed from time to time the packaging, sales prices, and taxes for the various types of matches. The monopoly for cigarette paper was established by royal decree-law of January 13, 1936 (*Gazzetta Ufficiale*, January 31).

Various outlying districts of Italy are often excluded from monopoly control, such as Zara in Dalmatia and some nonmonopoly imports are permitted upon payment of the prescribed monopoly taxes, such as limited amounts for personal use, and compounds containing a monopolized material. For such provisions and exact definitions of the monopolized commodities, the various measures cited, the respective tariff numbers and their rates in the latest published Italian customs tariff, *Tariffa dei dazi doganali del Regno d'Italia in vigore al 20 Maggio 1937*, and, for tobacco and salt, the law of January 21, 1929, *Gazzetta Ufficiale*, February 20, may be consulted.

¹⁷ See royal decree-law, of July 28, 1935 (*Gazzetta Ufficiale*, July 31), for details regarding the establishment of this monopoly.

¹⁸ Royal decree-law of June 28, 1938 (*Gazzetta Ufficiale*, August 1, 1938). Self-sufficiency plans based on this decree must be submitted to the Ministry of Corporations, which, after consulting the General Commissariat for the Production of Arms, issues the required decrees.

¹⁹ Royal decree-law of June 28, 1938. As far as can be ascertained an ente is similar to a consortium, except that the initiative in its establishment is taken by the Government. Membership is compulsory and operations are on a nonprofit basis.

3. *Gold, in bars, ingots, dust, etc.*—In November 1935 there was established a monopoly administered by the Institute of Foreign Exchange (Istcambi) for the account of the Treasury, to which was entrusted the importation of gold in bars, ingots, dust, etc.²⁰ The Institute now exercises absolute control over both the importation and the domestic trade in crude, semimanufactured, and manufactured gold, with the exception of works of art.

4. *Bananas.*—In December 1935 a banana monopoly was created under the supervision of the Ministry of Agriculture and Forests, the importation of bananas being permitted only from Italian colonies.²¹

Group B (monopolies administered by semipublic or private organizations) covers a substantial variety of imported commodities each of which, with the organization pertaining thereto, is discussed below.²²

A decree-law of April 14, 1934,²³ provided for special governmental import controls for oil-bearing seeds and nuts, wool, and coffee. For these commodities there are now special boards (Giunte) made up of representatives of the respective trades or industries. These boards make collective purchases abroad under strict Government supervision.

1. *Oil-bearing seeds and nuts.*—A special board for oil-bearing seeds and nuts, including copra (Giunta dei semi e frutti oleosi), makes collective foreign purchases and is virtually an import monopoly. The National Federation of Associations of Hemp Growers (abbreviated to Federcanapa), among other functions, exercises an import monopoly on hempseed.²⁴

2. *Wool.*—When the Ministry of Foreign Trade and Exchange was authorized on April 11, 1938, to regulate imports of wool in such a manner as to assure the rapid utilization of wool stored by pools recently established to stabilize domestic prices, the existing wool board (Giunta delle lane) which had formerly directed imports of wool became mainly an advisory and administrative body though retaining former powers to pass on applications for imports under private compensation and to adjust imports by individual firms to the value of their exports of manufactured woolen goods.²⁵

3. *Coffee.*—Imports of coffee are effectively controlled by special importing companies. For a number of years a company formed by coffee importers, the S. A. C. I. I. C. (Società Anonima Compagnia Italiana Importatori Caffè), has controlled importations of coffee. A special import regime was established in 1934,²⁶ under which the company issued permits for transfers of coffee from storage warehouses and from there through the customs into consumption channels.²⁷ The company operates under the general supervision of the

²⁰ Royal decree-law of November 14, 1935, (*Gazzetta Ufficiale*, November 19).

²¹ Royal decree-law of December 2, 1935 (*Gazzetta Ufficiale*, December 14).

²² The term "import monopoly," as used in the following discussion, applies both to commodities the importation of which is confined exclusively to specially authorized semipublic or private organizations and to commodities, such as cotton, which are imported by private concerns under the complete supervision and control of a central semigovernmental agency to which full authority over imports has been delegated by the Government. Borderline cases, such as that of petroleum and its derivatives for the importation of which import licenses must be obtained by private importers from a special central government agency the full powers of which over imports are, however, not entirely clear, have not been included in this list. (For a detailed description of the petroleum import regime, see footnote 15, p. 42 of this report.)

²³ *Gazzetta Ufficiale*, April 16, 1934.

²⁴ Royal decree-law of November 8, 1936, (*Gazzetta Ufficiale*, November 18).

²⁵ Royal decree-law of April 11, 1938 (*Gazzetta Ufficiale*, July 18). The issuance of import permits may now be made contingent on the withdrawal of wool from the pools by the importer. These pools are administered by a Commission (Commissione nazionale ammassi lana) on which the wool board has a representative.

²⁶ By circular No. 10030 of June 23, 1934, of the Ministry of Finance.

²⁷ For the details of this system see Circular No. 327 of the Ministry of Finance, published in *Il Sole* on September 10, 1938.

Colonial Products Federation and the Drugs Federation,²⁸ and has effected most of its imports through private compensation or clearing agreements.

Other import monopolies in Group B include:

4. *Livestock and meat*.—Since August 3, 1936, a company for the importation of livestock (Società Anonima per l'Importazione del Bestiame) has controlled imports of cattle and hogs for slaughter, and of fresh beef and pork, under the supervision of the Ministry of Finance. The company was formed by the Italian Company of Importers and Exporters of Livestock, Meat, and Byproducts and by the federations of agrarian consortiums and the federations of the foodstuff industries. It also controls the distribution of these products, its chief function being to stabilize prices.²⁹

5. *Grains*.—After an earlier attempt to regulate imports of all grains by a special committee,³⁰ import control of grains was limited to wheat. Special wheat pools were established and a monopoly of imports of wheat was assigned to the National Federation of Agrarian Consortiums (Federazione Nazionale dei Consorzi Agrari).³¹ A later decree subjected all commodities, domestic or foreign, used in the preparation of bread or pastes (macaroni, etc.) by mixing with wheat flour, as well as byproducts obtained from their milling, to the regulations of the wheat pools; however, no special control over their importation was established.³²

6. *Poultry and eggs*.—On July 1, 1939, two Government controlled companies for the importation and exportation of poultry and eggs began their operations. The new companies, located at Milan and Naples, were formed with the participation of all the firms in this field, and were given virtual monopolies of the import trade. The new concerns are to supervise exports and to be active in the promotion of the export trade. The two companies may effect imports for their own account as well as for that of the member firms, who are not permitted to deal directly in foreign markets.

7. *Cotton*.—Early in 1934 the existing cotton consortium, the Italian Cotton Institute (Istituto Cotoniero Italiano), was given wide legal powers over many phases of the cotton industry, including the control of imports of cotton and cotton waste (but not of linters).³³ For a time, imports of cotton were contingent upon exports of cotton manufactures under complex provisions which have undergone considerable variation.³⁴

8. *Leather and hides*.—Since July 1939, imports into Italy of hides, skins, and leather of all kinds have been permitted only through the medium of five State controlled monopoly companies. For all of

²⁸ These federations do not appear on the available lists of federations. Possibly the drugs and colonial products subdivision of the Import Advisory Committee on Miscellaneous Products in the Ministry of Foreign Trade and Exchange is intended.

²⁹ See *Economic Trade Notes* Nos. 66 and 115, Rome, August 13 and September 10, 1936, respectively. *Il Sole* of December 30, 1936, published an order containing details concerning the establishment and functions of the company, and also of the Company of Importers and Exporters of Livestock, Meat, and Byproducts. (Compagnia Italiana Importatori Esportatori Bestiame, Carni, e Sottoprodotti).

³⁰ The royal decree-law of January 17, 1935 (*Gazzetta Ufficiale*, February 9), established a Grain Committee (Comitato del Cereali) at the Ministry of Agriculture and Forests with authority to regulate imports of grain, to issue import permits, and to organize purchase and sales offices (enti). This committee was dissolved by the royal decree-law of June 24, 1935 (*Gazzetta Ufficiale*, June 25), which established a system of grain pools.

³¹ Royal decree-law of June 15, 1936 (*Gazzetta Ufficiale*, July 7), which prohibited imports of wheat but authorized the Ministry of Finance, in accord with the Ministry of Agriculture and Forests, to issue import permits for wheat to the above-mentioned Federation.

³² Decree of the Minister of Finance of February 21, 1938 (*Gazzetta Ufficiale*, July 26), which also established for the pools a special control office consisting of officials of the Ministry of Agriculture and Forests.

³³ Royal decree-law of March 3, 1934 (*Gazzetta Ufficiale*, March 5).

³⁴ The most important of these was that an exporter of cotton manufactures could utilize 50 percent of the foreign exchange received for cotton imports with a possibility of so using an additional 25 percent later on.

these products import licenses are issued as a rule only to those companies which make purchases thus authorized in foreign markets on behalf of members and dealers.³⁵ An assessment of 17½ percent ad valorem on imports of leather must be paid to these companies for services rendered to their members and to importers of leather. The proceeds of this assessment are to be used to build up a fund for promoting the exportation of domestically tanned leather and Italian leather manufactures.³⁶

9. *Cellulose*.—The National Cellulose and Paper Organization (Ente Nazionale per la Cellulosa e per la Carta), established in 1935 to control production under the supervision of the Ministry of Corporations,³⁷ was also empowered, early in 1937, to control the importation and distribution of cellulose.³⁸ All users of cellulose must now be members of this Ente, the decisions of which are binding upon them.³⁹

10. *Lumber*.—A special committee of representatives of the trade (Comitato Interfederale del Legname) until recently issued permits on its own special forms for all imports of lumber.⁴⁰

On July 4, 1939, the control of the importation of lumber was intensified by the establishment of five importing companies, each of which is to be given complete control over imports of lumber from a particular source or region. Imports of lumber from all overseas countries, including the United States, are to be controlled by the "Compagnia Ligure per l'Importazione del Legname," located at Genoa. The four other companies, located at Naples, Venice, Trieste, and Catania, are to control imports of lumber from the U. S. S. R., Germany, Yugoslavia, and Rumania, respectively.⁴¹

³⁵ The names of the five companies, in translation, and their locations, are as follows: National Consortium of Tanning Industries, Milan; National Hide Importing Company, Rome; Italian Fur Consortium (furs only), Milan; Leather Consortium (leather only), Milan; Export Office of Italian Leather Gloves (only for sheep and goat skins for the manufacture of gloves), Naples.

³⁶ *Commerce Reports*, September 2, 1939.

³⁷ Law of June 13, 1935 (*Gazzetta Ufficiale*, August 10).

³⁸ Royal decree-law of November 12, 1936 (*Gazzetta Ufficiale*, January 7).

³⁹ *Deutsches Handels-Archiv*, 1936, p. 523.

⁴⁰ Circular No. 327 of the Minister of Finance, published in *Il Sole* September 10, 1938.

⁴¹ In order to continue his activities, each Italian lumber dealer is required to become a member or stockholder in each of the five new concerns and to subscribe to their capital in accordance with the average amount of lumber which he imported during the years 1933, 1934, and 1935. For each 200 tons of such imports he must subscribe to 5,000 lire, or 1,000 lire to the capital of each of the five firms. Each of the five new concerns is to have the following powers or duties:

- (1) Control the price of lumber in Italy;
- (2) Make unified purchases abroad and thus eliminate direct contacts between Italian buyers and foreign sellers;
- (3) Maintain contact with the competent Italian Government authorities;
- (4) Influence production by acquiring foreign forest concessions (such as are already held abroad by Italians for tea, rubber, and coffee.)

The entire control of the organization of the new companies is held by the Inter-Confederation Committee formed by the Fascist Federation of Lumber Merchants and its affiliates and the Fascist Federation of Lumber Industrialists.

Among the advantages which the organization of the new lumber companies is expected to bring to Italy, the following have been enumerated in a recently published report by the National Fascist Federation of Lumber Industrialists:

- (1) It will improve Italy's position as a buyer in foreign markets and in international commercial negotiations;
- (2) It will make it possible to take advantage of the most favorable moments in making purchases; and of the quantities purchased;
- (3) It will permit the reduction of the price of imports according to the importance of the customers;
- (4) It will utilize the greater financial strength of the new companies which is definitely superior to that of any single member firm;
- (5) It will reduce, by pooling orders, the costs and charges of purchases abroad;
- (6) It will make possible the regulation of stocks more closely in accordance with the requirements of consumption and of possible extraordinary emergencies;
- (7) It will make possible the use of importations of lumber as a lever to facilitate Italian exports on international markets.

(See *Il Sole*, Milan, February 10 and March 10, 1939.)

No mention, of course, is made of the injurious effect which the establishment of these new concerns might have on individual firms in the trade by depriving them of contact with their former correspondents abroad and by subjecting them to the inefficiencies and higher costs of a system in which the constant search for favorable sources of supply and the competition among individual importing firms would both be lacking.

11. *Motion-picture films.*—A monopoly for the importation of foreign motion-picture films was established in September 1938, as the final outcome of a series of measures designed to regulate competition between foreign and Italian films.⁴² The monopoly (the Ente Nazionale per le Industrie Cinematografiche) now controls the purchase, importation, and distribution of all foreign moving-picture films.

Imports under private compensation agreements.

The system of "private compensation agreements," which in Italy is now (1940) mainly of historical interest, is carried on by a balancing of exports and imports among private traders. It can be carried on only if importers are able to find exporters willing to place at their disposal foreign credits obtained for their exports, the credits thus obtained being used by the importers as means of payment for their foreign purchases. Private compensations were originally introduced in the hope that through them additional imports of commodities beyond the quota limits might be obtained for additional exports.⁴³ It was soon discovered, however, that exports were shifted from the traditional system to that of private compensation without any appreciable increase either through the exportation of new commodities or through export to new markets. The result was that imports made outside of private compensations gradually failed to find as a counterpart exports which had been originally intended as payment for them and that the equilibrium in the commercial balance was thus threatened. The search for suitable balancing items on the part of importers, moreover, gave rise to the payment of premiums to exporters and to considerable profits for middlemen who made a business of bringing importers and exporters together. These and other abuses and inconveniences soon called for a more severe regulation of this type of trade. In 1935 the number of commodities for which private compensations were allowed was strictly limited by the Government.⁴⁴ All imports under private compensation were subjected to license, and a total import quota was fixed for each commodity. For some products this quota was in addition to the quotas provided for under license; for other products, for example cocoa and coffee, it represented the total of a given commodity which could be imported since no licenses for the importation of these commodities under any other procedure were granted.⁴⁵

After April 1, 1936, further important restrictions were placed upon trade under private compensations. These compensations could then be effected only within strictly limited groups of commodities, certain well-defined import commodities having to be paired with certain

⁴² See royal decree-law of September 4, 1938 (*Gazzetta Ufficiale*, September 13) and royal decree of May 9, 1939 (*Gazzetta Ufficiale*, June 27).

⁴³ Following the establishment of the import quota system early in 1935, trade under private compensation was more carefully organized and placed under the control of the National Fascist Institute for Export Trade (I. N. E.). This Institute directed the issuance of import licenses by the Ministry of Finance and itself issued the necessary export permits, called "benestare." (See ministerial decree (Finance) March 1, 1935, *Gazzetta Ufficiale*, March 4, 1935, which authorized both general and private compensations under conditions to be subsequently established.)

The conditions for the authorization of such transactions were defined by a Coordinating Committee established at the Export Institute, and in cases of urgency by this Committee's Executive "Giunta" assisted by the Director General of Customs. The committee and the Giunta were established by ministerial decree (Finance) of October 18, 1934, (*Gazzetta Ufficiale*, October 20, 1934). The Giunta consisted of three high officials from the Ministry of Corporations, the Export Institute, and Isteambi.

⁴⁴ Among the 21 permissible commodities the most important were: Olive oil and other animal and vegetable fats and oils, jute, cotton, rubber, scrap iron and steel, hides and skins, codfish, meat extract, and oats. Coffee and cocoa were admitted into the country exclusively through private compensation.

⁴⁵ In a few instances private compensations were permitted without license for commodities subject to the "bolletta doganale" regime. In other cases authorization had first to be obtained from organizations other than the Foreign Trade Institute, as, for cotton, from the Cotton Institute, for wool and oil seeds from the respective Giunte, and for raw hides and skins from the Federations of Hide and Skin Merchants and of Leather Manufacturers. (See *Il Sole*, April 3, 1936.)

other clearly specified export commodities. On the import side there were, generally speaking, raw materials (excluding those imported under a special regime), and on the export side manufactured products or products the exports of which had materially decreased during the depression. Rubber products, meat extracts, and scrap iron and steel, for example, the commodities listed on the import side of one of these groups, could be obtained from abroad through private compensation only if a corresponding amount of canned vegetables (the only commodity listed in the corresponding export group) could be disposed of abroad. Other such groups were: Raw cotton, which had to be paid for through the exportation of wines and silk manufactures; jute, which was to be paid for by wines, hemp, and linen textiles; and oil seeds, payment for which was to be made through foreign sales of cheeses, artificial textile fibers (mainly rayon), and machinery.

After April 1, 1936, moreover, private compensations could be effected only after a petition for each transaction had been addressed to the competent syndical organizations, the consent of which was necessary to obtain final authorization from the Institute for Foreign Trade. After such authorization was obtained, it was further provided that compensations could be carried out only through the intermediary of six specially authorized large Italian commercial banks acting as brokers for the firms involved and as agents of the supervising government authority.⁴⁶ Ordinarily only bilateral compensation agreements were permitted; in some special cases, however, permission was granted to effect triangular agreements. Private compensations with countries with which Italy had general compensation or clearing agreements were not permitted unless these agreements specifically provided for them. While League of Nations' sanctions were in effect the Italian Government exercised a strict control over private compensations, mainly to prevent an undue diminution of the amount of exports through which much needed foreign exchange could be obtained. The fact that exchange obtained for exports under private compensation could be sold by exporters to importers in compensation transactions for whatever it would bring, and that the premiums at which exchange was thus sold were in some instances considerable, made further Government restriction seem desirable. It was thus decided that premiums paid to exporters must not exceed 20 percent.⁴⁷

Thus narrowly controlled, the system of private compensations tended, more and more, to lose its importance.⁴⁸ At the time of the devaluation of the lira in October 1936, private compensations in general were prohibited except when specifically provided for by clearing agreements containing reciprocal extra quotas for this purpose,

⁴⁶ The Office of the Under Secretary of Trade and Exchange. The specially authorized six banks were: The Banco di Napoli, the Banco di Sicilia, the Banca Nazionale del Lavoro, the Banca Commerciale Italiana, the Credito Italiano, the Banco di Roma, and the Banca d'America e d'Italia.

⁴⁷ Such premiums on exchange obtained through private compensation tended, of course, to increase the lira price of imports. Since in many cases imports consisted of raw materials, exchange premiums ultimately contributed to increase the price of exportable manufactured commodities and thus to make exports and the obtaining of further foreign exchange more difficult. This in turn tended to make premiums on foreign exchange even higher. The vicious circle, however, was gradually broken through the decrease in international tension which followed the abandonment of sanctions, the vigilance of the interested government authorities (mainly the Office of the Under Secretary of Trade and Exchange), and the moderating influence exercised by the aforementioned six large commercial banks through which all such transactions had to be cleared.

⁴⁸ Some importance was regained by private compensations during the period of the sanctions when Italy attempted to organize triangular compensation transactions. These, it is said, were helpful to Italy in carrying out its countersanctionist program—to export to the sanctionist countries and import from non-sanctionist countries. Authorized commercial banks could directly permit this type of transaction. See *Mémoire sur le Contrôle des Changes en Italie*, p. 59.

and except also in trade with certain South American countries.⁴⁹ With these overseas countries, however, private compensations were discontinued in 1937 and at the present time such transactions are permitted only with Japan and Manchukuo, the Netherlands Indies, and the following countries with which Italy has clearing agreements making special provision for this form of trade: Germany, Belgium and Luxemburg, Norway, Sweden, Finland, Estonia, Latvia, Lithuania, Switzerland, Yugoslavia, Bulgaria, Greece, Spain, Iceland, and Liechtenstein. Compensations with these clearing countries are, however, strictly limited to extra-quota transactions and are subject to the previous authorization of Istituti. All payments involved must, furthermore, be made through the existing clearing accounts.⁵⁰

Commodities not subject to import restrictions.

The list of commodities for which no import restrictions are imposed is very short. It includes, at the present time, only manuscripts, newspapers, and coins of gold, silver, and copper and its alloys. Printed books, bound or unbound, and printed or lithographed music may be imported at the discretion of the customs authorities on payment of import-license fees.⁵¹

THE CONTROL OF EXPORTS ⁵²

On the whole before May 1940, when the system of export licenses was extended considerably in anticipation of Italy's entry into the present war, the direct limitations imposed upon Italy's export trade were not severe. Governmental control of exports had been a comparatively recent development and was not so inclusive and strict as the control of imports. Since for many years the policy of the Italian Government had been to promote the exportation of Italian goods, measures affecting exports were generally designed to stimulate rather than to restrict them. Some limitation of exports had existed, however, ever since 1926 when the exportation of such commodities as wheat, rice, tobacco, iron and steel scrap, and hides and skins, considered important either for alimentary purposes or for defense, was subjected to license.⁵³ As time went on (especially after the beginning of the Ethiopian war), a number of additional commodities were added to the original list.⁵⁴ Moreover, many Italian export trades have undoubtedly been indirectly restricted by price and production control measures designed to increase the effectiveness of the Italian economy for war.

⁴⁹ Circular No. 6249285 of October 5, 1936 (*Bollettino di Informazioni Commerciali*, 1936, p. 490). The list of nonclearing countries included those with which at the time trade was impossible by any other means than private compensation, namely, Chile, Paraguay, Bolivia, Ecuador, Costa Rica, Nicaragua, Honduras, Angola, Mozambique, and Iran.

⁵⁰ See Circular of the Foreign Trade Institute of March 11, 1937, in *Bollettino di Informazioni Commerciali*, 1937, p. 141. See also: Banca d'Italia. *Raccolta*, pp. 237, 460-22. According to recent reports, however, the Ministry of Foreign Trade and Exchange has recently been willing to examine individual proposals for private compensation transactions presented to it, and, where these were considered advantageous, has approved them. There appear to be no regulations governing these transactions, each case being decided on its own merits.

⁵¹ Circular of the Ministry of Finance No. 237, of June 12, 1938 (effective July 1, 1938); reprinted in: Supplement to the *Bollettino di Informazioni Commerciali* of July 2, 1938.

⁵² The discussion of Italian export controls will deal, as did that of imports, only with the limitations imposed upon individual commodities; restrictions on exports occasioned by current foreign exchange control measures and clearing accounts will be dealt with in the later sections of this chapter. For a discussion of the limitations imposed upon exports under private compensation agreements, see p. 47 of this report.

⁵³ Decree-law of November 14, 1926 (*Gazzetta Ufficiale*, November 22, 1926).

⁵⁴ During sanctions the Government required that a special permit be secured for all exports to sanctionist countries for which advance payment or a confirmed credit with an Italian bank had not been obtained before shipment was effected.

For a short time, after September 4, 1939, the Italian Government subjected exports of several hundred products to license, for the declared purpose of protecting domestic supplies of essential commodities. Articles subjected to license included: Farm livestock, a number of food products such as wheat and other grains, flour, chestnuts, dried vegetables, butter, cocoa, chocolate, olives, animal and vegetable oils and lard; also tobacco, raw wool, oil seeds, hemp, cotton, linen, and their manufactures; silk, artificial fibers, a number of important minerals and metals, hides and skins, rags, motor cars and trucks, airplanes, ships, a list of about 25 chemicals, and gold and silver.⁵⁵

By a decree of October 3, 1939,⁵⁶ export formalities were greatly simplified. Under the revised regulations, customs authorities were authorized to permit direct exports of most products nominally subject to ministerial license. Certain other specified commodities could be exported after the exporter had obtained the necessary bank visa indicating that the foreign exchange regulations had been complied with. Before May 1940 a ministerial license was actually required only for exports of a limited number of commodities, namely, mules, butter, wheat, rice, dried vegetables, vegetable oils including olive oil, lard, soap, hides, leather, leather footwear, oats, bran, hay, and straw. On May 21, 1940, however, in anticipation of Italy's entry into the present war, the number of commodities subjected to export license was again greatly increased.⁵⁷

Promotion of exports for the purpose of securing foreign exchange and reducing Italy's traditionally unfavorable trade balance having long been a particular concern of the Italian Government, it was natural that measures should have been taken to overcome disadvantages, especially price differences, encountered by Italian commodities in meeting competition on foreign markets. As a result of the Government's policy of secrecy, however, very little reliable information is available concerning the measures which have actually been taken to accomplish this end. Certain bounties are known to have been paid to producers of silk goods, with the result that countervailing duties were applied on imports of specified silk goods into the United States. Some of these were subsequently removed when the Italian Government discontinued that form of export assistance. Various schemes for the promotion of exports of rice, rayon, cotton goods, leather, and other products have also been reported from time to time.

A method recently adopted to assist exports of Italian products consists in the payment of premiums on foreign exchange received by Italian exporters. Official regulations require that all foreign exchange received for exports be turned over to the Government at the official rate. Recently, however, banks dealing in foreign exchange

⁵⁵ For further details and a complete list of the commodities involved, see *Bollettino di Informazioni Commerciali*, September 9, 1939, p. 427.

Exportation of the commodities in question to Italian Colonies and Possessions, and to Albania was not subject to restriction. For the granting of export licenses the following rules were to be observed: (1) For about 20 commodities customs authorities were empowered to grant export permits directly. (2) For about 40 commodities (mainly foodstuffs) petitions for export permits were to be presented to the Ministry of Trade and Exchange through the National Fascist Foreign Trade Institute. (3) Export permits for rice, through the National Rice Institute, the National Silk and Cotton Institutes, the Giunta for wool, the National Federation of Consortia for Hemp Production, and the Italian Sulphur Sales Office, respectively. (4) Applications for export permits for all other commodities were to be presented to the Ministry of Trade and Exchange through the Provincial Councils of Corporations.

⁵⁶ See *Gazzetta Ufficiale*, October 4, 1939, and *Bollettino di Informazioni Commerciali*, October 7, 1939.

⁵⁷ See *Bollettino di Informazioni Commerciali*, May 25, 1940, p. 243.

were authorized to purchase this exchange at higher, or special rates. These rates were reported to range from 20 to 50 percent above the official rate, with an average reported rate of about 30 percent. Premiums were to be paid on exports of most commodities to non-clearing countries, with exceptions for those products already receiving export assistance in some other way.

In addition to control through licenses, the exportation of several commodities has of late been subjected to the control of the recently established import-export companies described in the preceding pages. As was pointed out, new companies for the control of imports and exports of poultry and eggs and leather and hides were established in Italy in the summer of 1939.⁵⁸ In September of the same year there was furthermore announced the establishment of three centralized companies organized for the purpose of coordinating exports of dried fruits including walnuts, pistachios, and chestnuts.⁵⁹ The purpose of these new companies is evidently to centralize exports in one strong organization and thus to obtain more favorable terms for Italian products in foreign markets.⁶⁰ Apparently, the principal method of assisting exports, however, consists in the (officially) confidential exchange premiums paid in lire on the foreign exchange received by Italian exporters and sold by them to the Italian exchange control authorities.⁶¹

THE CONTROL OF THE FOREIGN EXCHANGES

As organized today, the Italian exchange control system is one of the most complete in existence. It extends to all transactions connected with commercial, financial, tourist, and other business, and to all media of foreign payment. After the establishment of some semi-official controls in 1931,⁶² the first step in direct state control was taken in the spring of 1934. On May 26 of that year a ministerial decree prohibited the exportation of Italian bank notes, checks, and securities, and the purchase of foreign securities by Italian nationals, and provided, in general terms, that no foreign exchange operations could be undertaken except those filling a genuine need of businessmen and tourists. These first measures having failed to achieve their objective of strengthening the country's exchange position and of checking the outflow of gold, in December 1934 further legislation was passed giving the Government a complete monopoly on all foreign exchange transactions, forcing exporters to sell their foreign credits to

⁵⁸ See p. 45 of this report.

⁵⁹ U. S. Department of Commerce, *Commerce Reports*, October, 28, 1939.

⁶⁰ A similar objective has been pursued for some time through the establishment of governmental standards for the quality, packing, and marketing of fresh prunes, chestnuts, and several other export commodities. See *Bollettino di Informazioni Commerciali*, 1939, pp. 6, 297, 345.

⁶¹ It is unofficially reported that on January 31, 1940, the National Foreign Exchange Institute issued unpublished instructions to leading banks providing for the payment of an exchange premium to exporters for foreign exchange derived from the exportation of a wide range of specified products. It is understood that these instructions became effective February 1 and that the premium was fixed at 20 percent above the official rate. Thus, exporters of the specified products received about 23.75 lire instead of 19.80 lire per dollar for the dollar exchange obtained for these exports. The same premium was also to be paid for foreign exchange brought into Italy and sold voluntarily, such as foreign currency exchanged and checks cashed by travelers. The premium was to be paid for the account of the Foreign Exchange Institute by the banks receiving the foreign exchange. Foreign exchange obtained from the disposal of holdings abroad of credits and securities by Italians residing in Italy, and exchange accruing from special transactions subject to exceptional approval do not receive the benefit of the premium.

It is also reported that effective February 1, 1940, the rate for the tourist lira was reduced from \$0.0455 to \$0.0422 per lira, an increase of from about 21.95 to 23.195 lire per dollar.

A similar exchange premium has also been in effect for some time for emigrants' remittances to Italy.

See U. S. Department of Commerce, *European Financial Notes*, vol. II (NS) No. 5, March 9, 1940.

⁶² See ch. II, p. 27 of this report.

a governmental agency, and compelling all owners of foreign securities to declare them to the Government.⁶³

In May 1935, special administrative machinery for the control of trade and exchange was set up with the establishment of the "Superintendence of Trade and Exchange" attached to the Presidency of the Council of Ministers, an organization later transformed into the "Office of the Under Secretary of Trade and Exchange" and finally raised, in November 1937, to its present rank of an independent Ministry, under the title of "Ministry of Trade and Exchange."⁶⁴ In the same month (May 1935), the Government forced owners of foreign securities and of Italian securities issued abroad to deposit them in special "dossiers" with authorized commercial banks, and on August 26, 1935, to sell them to the Government in exchange for Italian 9-year 5 percent treasury notes.

While on the one hand these stringent controls over foreign exchange transactions went into effect, the Government endeavored, on the other, to limit the need for exchange by adopting (in the spring of 1935) the system of rigid import controls described in the preceding pages and by seeking to achieve balanced trade and exchange relations with foreign countries through the negotiation of new trade and clearing agreements.⁶⁵ At the time of its introduction, one of the main purposes of the mechanism of control thus created appears to have been the achievement of equilibrium in the country's balance of international payments, and the conservation of available gold and foreign exchange reserves. An equally important purpose, after 1936, was that of using the existing machinery of control as an instrument in the Government's drive toward national economic self-sufficiency and military preparedness.

The agencies of control: Powers and functions.

The Ministry of Trade and Exchange.—The administrative hierarchy of the Italian exchange control system consists of the organs described below. At the head of the system since November 20, 1937, has stood the Ministry for Trade and Exchange, a separate Government department, consisting of five sections entrusted with the following matters:⁶⁶ Tariff and customs administration, and general and personnel matters; commercial agreements and treaties (clearing and payment agreements, commercial treaties, etc.); foreign exchange, foreign securities, tourist lire, etc.; import restrictions (quotas, import licenses, etc.); and control of exports (promotion of exports, direction of the flow of exports and administration of export restrictions).

The National Foreign Exchange Institute ("INCE" or "Istcambi").—The Minister of Trade and Exchange also occupies, ex-officio, the post of President of the National Foreign Exchange Institute,⁶⁷ a separate governmental organization closely connected with and subsidiary to the Ministry. It is this Institute which, in most cases, actually executes the decisions reached by the Ministry. According to the decree establishing it in its present form and to its by-laws,⁶⁸ the functions of the National Foreign Exchange Institute are to:

1. Buy and sell for cash or credit gold, foreign exchange, foreign

⁶³ See ch. II, pp. 28 of this report.

⁶⁴ *Ibid.*, p. 30.

⁶⁵ *Ibid.*, pp. 28 and 29.

⁶⁶ Decree of March 14, 1938 (*Gazzetta Ufficiale*, June 3, 1938). Decree of December 22, 1930 (*Gazzetta Ufficiale*, December 29, 1930).

⁶⁷ Istituto Nazionale per i Cambi con l'Estero, generally abbreviated to "INCE" or "Istcambi."

⁶⁸ Decrees of March 4, 1936 (*Gazzetta Ufficiale*, March 23), and of June 23, 1936 (*Gazzetta Ufficiale*, July 2).

state and bank notes, foreign securities or Italian securities issued abroad;

2. Supervise and control all trade in the foreign exchanges for the duration of the foreign exchange monopoly;

3. Administer for the account of the Italian Treasury the legal provisions relating to the forced sale to it of foreign credits and foreign securities, and to the trade in gold bullion;

4. Regulate and control clearing and compensation operations in foreign exchange and commodities;

5. Engage in any other transaction relating to the foreign exchanges and tending to facilitate Italy's international trade. (Issuance to exporters of credit certificates for the settlement of clearing balances,⁶⁶ sale of tourist lire abroad,⁷⁰ etc.).

At times, as in the allocation of foreign exchange to importers or to Italians wishing to travel abroad, the role of the National Foreign Exchange Institute is only that of a purely administrative agency; in other instances (the administration of clearing accounts and blocked accounts, for example), the freedom of action of the Institute is very large, its only limitation being the general supervision which the Ministry of Trade and Exchange exercises over it. Thus the Ministry of Trade and Exchange and the National Foreign Exchange Institute (Istcambi) are the two central administrative organs of Italian exchange control.⁷¹

The Ministry of Finance.—The two organs next in importance are the Ministry of Finance and the Bank of Italy. After the creation of a special agency for trade and exchange control most of the prerogatives of the Ministry of Finance in the field of foreign exchange regulation were gradually withdrawn, so that today only the authorization of certain special transactions, such as the financing of Italian firms abroad, the flotation of foreign loans by Italian firms, the purchase of ships abroad, etc., are left to it. Nominally even today the Finance Ministry issues all decrees regulating matters relating to the foreign exchanges and to import licenses; in practice, however, the Ministry acts in these matters only as directed by the new Ministry for Trade and Exchange.

The Bank of Italy.—The Bank of Italy, on the other hand, still plays an important and active part in the mechanism of Italian exchange control. Its main function is that of acting as the administrative agency, as "cashier," for the Ministry of Trade and Exchange and for Istcambi.⁷² In addition to this passive function, the Bank of Italy is also entrusted with the very important active task of controlling the foreign exchange operations of a number of Italian commercial banks especially authorized by Istcambi to engage in such operations.⁷³

⁶⁶ Decree-law of January 11, 1937 (*Gazzetta Ufficiale*, January 14).

⁷⁰ Decree-law of March 20, 1936 (*Gazzetta Ufficiale*, March 21).

⁷¹ In this respect the Italian system differs from that of most other countries in which such Government departments as those of National Economy, Finance, and the Central Bank play a leading part in control operations.

⁷² See article 10 of the decree of December 8, 1934, which reads: "The trade in all means of payment which may be used outside of Italy is reserved to the National Foreign Exchange Institute which will act through the Bank of Italy."

⁷³ For foreign exchange operations carried on in the provinces, Istcambi (the offices of which are in Rome) has, in fact, delegated its functions to the Bank of Italy and to the following large commercial banks: Banco di Napoli, Banco di Sicilia, Banca Commerciale Italiana, Credito Italiano, Banco di Roma, Banca Nazionale del Lavoro, Banca d'America e d'Italia, Istituto di San Paolo (Torino), Monte dei Paschi (Siena) Banca Popolare Cooperativa Anonima di Novara.

These banks have certain independent powers in assigning foreign exchange for foreign travel and, with the Bank of Italy, are the only ones empowered to give the approval (benestare) required for all export transactions, this approval being obtainable by exporters through their promise to sell to the Bank the foreign exchange obtained through the export transactions for which its approval is requested.

All such transactions must be recorded separately and are subject to the control of the Bank of Italy. The organ of control of the Central Bank (the Inspectorate for Foreign Exchange and Foreign Financial Transactions) thus effectively controls all the foreign operations of Italian banks.

The transactions subject to control.

Taken as a whole, the transactions which fall within the Italian foreign exchange control system may be classified as follows:⁷⁴

(a) Prohibited transactions.

(b) Controlled transactions: transactions in which private persons and firms may engage only with Istituzioni, which has a monopoly on all exchange transactions, as an intermediary.

(c) Certain transactions not subject to immediate control: transactions which certain private individuals may undertake outside of Istituzioni but under its control or that of the Bank of Italy.

(a) *Prohibited transactions.*—Among the transactions which are prohibited are: "All exchange transactions which do not arise from real needs of industry and trade or the needs of foreign travelers;"⁷⁵ the purchase of foreign securities and of Italian securities issued abroad;⁷⁶ the drawing of lira bills on Italian firms by their foreign correspondents,⁷⁷ and the exportation of bank notes, checks, Italian securities, and gold.⁷⁸

(b) *Controlled transactions.*—These include most of the transactions which normally arise from commercial and financial relations with foreign countries. The procurement of foreign exchange for imports and the sale of foreign exchange obtained through exports (for countries for which there are no clearing agreements) must be carried out through Istituzioni. Istituzioni also allocates the exchange needed by Italian tourists and receives the exchange obtained from foreigners through the sale to them of tourist lire, hotel coupons, etc., and through the remittances of Italian emigrants. By the law of May 15, 1939, Istituzioni was authorized to grant, for the account of the Italian treasury, a premium on the amounts of foreign exchange thus received.⁷⁹ Finally, Istituzioni provides for remittances which immigrants into Italy may wish to make abroad and for the payment of

⁷⁴ See *Mémoire sur le Contrôle des Changes*, p. 18.

⁷⁵ Decree-law of May 26, 1934. Semi-official regulations to that effect had been issued since September 1931 by the Confederation of Credit and Insurance, but had gradually fallen into disuse.

⁷⁶ As was noted above (see chap. II of this report, p. 25) these purchases had played an important role in the weakening of the lira and the gradual diminution of the reserves of the Bank of Italy.

⁷⁷ The discounting of lira bills drawn by foreign firms upon their Italian correspondents and the opening of lira credits for the benefit of foreign banks or commercial firms are subject to the authorization of the Ministry of Trade and Exchange.

The payment of exports must, in principle, take place in foreign currencies which the exporter must sell to Istituzioni. It may be made in lire only if the foreign importer has a lira account in Italy and only after a special authorization from the Ministry of Trade and Exchange has been obtained.

⁷⁸ The decree-law of May 26, 1934, prohibited the exportation of bank notes with the exception of sums up to 5,000 lire which persons going abroad were permitted to take with them. This limit was later (December 15, 1934) reduced to 2,000 lire, which could be exported only in bank notes of not over 100 lire each. A ministerial decree of October 3, 1935, prohibited the reimportation of Italian bank notes, admitting only those sent by mail to Italian bankers by their foreign correspondents. The ministerial decree of November 16, 1935, permitted, within a period of 10 days, the reintroduction into the Kingdom of bank notes of which exportation had been prohibited (bank notes of 500 and 1,000 lire); the amounts so imported were to be credited in special blocked accounts without interest. In order to utilize them for purchases within the Kingdom the authorization of the Ministry of Finance was required.

On May 25, 1936, the permissible exportation and reimportation of Italian currency was reduced to 350 lire per person. In addition to this amount, Italian citizens or foreign residents in Italy, intending to travel abroad, were permitted to take a total of 2,150 lire out of the country in the form of checks or bank notes in foreign currencies. After June 11, 1939, the amount of 2,150 lire previously allowed was reduced to 1,000 lire. Even this amount may be reduced if it appears out of proportion to the trip contemplated by the traveler. For certain countries with which there are special tourist agreements (Switzerland and Germany, for example), the amount granted to tourists may be larger. By decree of October 30, 1939 (*Gazzetta Ufficiale*, December 5, 1939) finally, the exportation and reimportation of Italian currency was limited to a total of 200 lire (in 10 lire bills) and to 50 lire in coins.

Italian securities may not be exported at all. Italian securities abroad may be reimported into Italy only by mail and must be addressed by their owner to the Bank of Italy or to one of the specially authorized commercial banks. The bank in question then must place them into a special dossier, all activity of which is subordinated to the authorization of Istituzioni. The exportation of gold is, of course, absolutely prohibited. See Banca d'Italia, *Raccolta*, pp. 24, 21, 237.

⁷⁹ See *Gazzetta Ufficiale* of June 12, 1939. On November 13, 1939, the New York agency of one of the large Italian banks quoted a special rate of \$4.05 per 100 lire for emigrant remittances, \$4.55 for 100 tourist lire, and \$5.05 for normal exchange.

interest upon public and private Italian foreign loans, and it manages all existing clearing accounts.

(c) *Certain transactions not subject to immediate control.*—When the sale of foreign credits to the Italian treasury was made compulsory and the Italian foreign exchange monopoly was established, the Government permitted two types of enterprises, namely, insurance companies and shipping concerns, to continue to keep accounts in foreign currencies, but subjected them to a very strict surveillance by the Bank of Italy.⁸⁰

On December 28, 1936, permission to keep accounts in foreign currencies was also granted to commercial and industrial enterprises the principal activity of which takes place abroad, provided a special authorization is obtained from the Ministry of Trade and Exchange and that accounts in foreign currencies are kept with the Bank of Italy or with one of the other authorized commercial banks. These three classes of enterprises are the only ones to which the Government's present foreign exchange monopoly does not apply.

Three further types of accounts, subjected to special regulations, must, furthermore, be mentioned here. When sanctions were applied against Italy on November 18, 1935, the Italian Government blocked all accounts held by Italian banks in the name of foreigners or Italians residing abroad. Credit balances in these accounts, known as *Conti Loro Vecchi* (old accounts), cannot be transferred abroad, but may be used only within the Italian Kingdom and its possessions after authorization has been obtained from *Iscambi*. The main uses to which these funds may be put are: The purchase of Italian real estate and securities, the payment of personal and traveling expenses and professional fees (within the boundaries of the Kingdom and its dependencies), and the maintenance of branches or representatives' offices in Italy. After November 18, 1935, a number of authorized Italian banks were permitted to keep accounts known as *Conti Loro Nuovi* (new accounts) in favor of foreign clients. To these accounts were credited remittances in foreign exchange and certain lira payments; for example, the commissions due to their foreign representatives by Italian business firms. The credit balances thus accumulated could be used, without any restriction whatever within the boundaries of the Italian Kingdom and its dependencies (also for the payment of Italian exports, for instance), but could not be transferred abroad. After November 15, 1938, no further entries were made into these accounts, and they are therefore now gradually disappearing.

After December 1, 1936, authorized Italian banks were permitted to open a third type of account in favor of foreign clients, the "*Conti Loro Liberi*" (free accounts). Such accounts are credited mainly with remittances of foreign exchange not otherwise subjected to restriction or with the lira proceeds of the sale of such exchange and with the amounts due by Italian importers to foreign exporters of countries with which no clearing agreements are in force. The balances thus accumulated may be used with complete freedom within

⁸⁰ Enterprises thus favored must periodically communicate the status of their foreign credits and debits to the Bank of Italy and must indicate to it "the amounts which they consider strictly necessary for the normal carrying on of their activities" (art. 2, Ministerial decree of December 8, 1934). They must also furnish quarterly to the Bank of Italy comprehensive abstracts of the accounts dealing with their activities with foreign countries.

the Kingdom and may also be transferred abroad without any restriction whatever.⁸¹

PAYMENT AND CLEARING AGREEMENTS

From the point of view of Italian exchange control, practically all transactions now engaged in by Italians which involve payments abroad, fall into one or another of the following categories:

1. Transactions with countries to which payments may be made in foreign exchange and from which payments in foreign exchange are received and with which no special agreements relating to the balancing of trade or of the exchanges exist;

2. Transactions with countries to which payments may be made in foreign exchange and from which such payments are received but with which so-called payment agreements exist, namely, agreements aiming, usually through control of the volume of commodity trade by quotas fixed in the agreement, at the maintenance of equilibrium in the foreign exchange relations between the two countries;

3. Transactions with countries to which no payments in foreign exchange may ordinarily be made and from which no payments in foreign exchange are received but with which so-called clearing agreements are in force, by virtue of which transactions are cleared through a central clearing account.

Relations with countries with which no exchange agreements exist.

Since at the present time clearing and payment agreements are in force with a large number of countries, the share of Italy's foreign business falling into the first of the three categories just named is small. Even though with countries in this group (which includes the United States as its most important member) foreign exchange payments may be made and received in the traditional manner, commercial relations are strictly controlled by the Italian trade and exchange control authorities. As was noted above,⁸² imports from countries with which no clearing agreements exist may now be effected only after an import license has been obtained from the Ministry of Trade and Exchange. Through the system of licenses the Ministry thus has complete control over the volume and nature of Italian purchases abroad and may readily and effectively provide for contraction or allow their expansion. Once the required import license has been obtained by the Italian importer the import transaction may be effected in the usual manner (generally an acceptance credit granted the exporter). To complete the transaction, however, and to obtain the exchange necessary for final payment of his foreign debt, the importer must present to the Bank of Italy or to one of the specially authorized commercial banks a certificate by the Italian customs authorities attesting the entry into Italy of the commodities purchased abroad. This procedure gives additional assurance to the central exchange

⁸¹ To encourage the transfer of foreign funds to Italy and the making of new investments within the Kingdom, the Italian Finance Minister may under the decree of December 6, 1937, grant to foreigners who transfer free foreign exchange to Italy, the following privileges:

- (1) Exemption from registry taxes in the acquisition of real estate valued at 500,000 lire or more;
- (2) Exemption of bonds and stocks from dividend taxes;
- (3) Exemption from estate taxes until 1957.

Investments made by foreigners under these terms will be freely transferable abroad at any time, as follows:

- (1) Proceeds from the sale of real estate, up to the amount of the original investment;
- (2) Proceeds from the sale of securities in whatever amount, even if larger than the amount originally invested;
- (3) Rents derived from real estate investments, up to 5 percent on the capital invested;
- (4) Interest and dividends received from securities, in their entirety.

⁸² See ch. III, p. 38 ff.

control authorities that no foreign exchange will be granted for transactions which have not been actually brought to completion.

As for exports, existing regulations require that all foreign exchange obtained by exporters be sold to Istituzioni and that export shipments shall not cross the Italian border without the previous authorization ("benestare") of the Bank of Italy or of one of the authorized commercial banks. These authorizations are given only in return for the exporter's promise to sell to the Bank the foreign exchange resulting from the export transaction in question. In order to make it impossible for exporters, in agreement with foreign importers, to indicate too low a selling price and thereby to establish hidden foreign exchange reserves abroad, special provincial export price control committees were established at each branch office of the Bank of Italy. The activities of these provincial committees are coordinated by a Central Committee of Price Control established at the Ministry of Finance in Rome.

The general rule that exporters must sell to Istituzioni all the exchange which they receive for their exports has recently been partly waived in the case of some important exporting industries which are permitted to use part of the foreign exchange obtained through their exports for the purchase of raw materials. This permission was granted through special agreements ("accordi di divisa") between the Ministry of Trade and Exchange and such large exporting industries as the textile industry (cotton, wool, rayon), and the machine-manufacturing industries. In these agreements the Ministry endeavored to make the allocation of foreign exchange for imports of raw materials dependent upon a proportional exportation of manufactured products, suggesting to Italian producers the advisability of exporting so as to be able to import raw materials in return. Exporters of cotton, for example, were permitted to retain 50 percent and in certain cases 75 percent of the foreign exchange received through their exports, the rest being sold to Istituzioni. Since it is especially the weaving industry which exports while the spinning industry imports the raw cotton, the weavers were thus made to pay for the raw material of the spinners.⁶³

Another exception to the prevailing rule requiring the sale to Istituzioni of all foreign exchange received through exports was recently made in favor of foreign Jews domiciled in Italy who were forced to leave the country by the provisions of the royal decrees of September 7, 1938, and of November 17, 1938. Such persons were allowed to retain 40 percent of the foreign exchange balance which they might succeed in obtaining through the exportation of certain specified

⁶³ See *Mémoire sur le Contrôle des Changes*, p. 39. These exchange agreements are in many respects similar to trade under private compensation, the only difference being that importer and exporter are one person or belong to the same industry (as in the case of the spinning industry importing raw cotton and the weaving industry exporting cotton cloth).

As was indicated by Professor Giovanni Demaria in a study on Italian foreign trade (*Giornale degli Economisti*, January 1938) three rates of exchange may be observed in these operations:

- (1) The official rate at which Istituzioni buys that part of the exchange which the exporter must sell to it.
- (2) The cotton-exchange—usually higher than the official exchange—at which the spinner buys the remaining exchange;
- (3) The even higher rate which the consumer has to pay for the cotton incorporated in the cloth which he acquires, since it is on him that falls in the end the cost of the cotton-exchange and the cost of the occasional dumping engaged in by exporters anxious to obtain a maximum of foreign exchange.

As far as it is possible to learn from printed sources, however, export dumping was never systematically engaged in. There were several types of export premiums granted between 1935 and 1938, when the value of the lira was permitted to slide to about 89 percent of its official parity. Such premiums, called facilitations, were granted by Istituzioni and varied according to the commodity and the country of destination. They were calculated "ad valorem" or with reference to some unit of measurement, the procedure involved being laborious. All direct export subsidies were, however, abolished after the devaluation of the lira and have not so far made their general official reappearance. (See *Mémoire sur le Contrôle des Changes*, p. 40.)

Italian commodities to countries with which Italy had no clearing and payment agreements.⁸⁴

Payment agreements.

The term "payment agreements" as used in Italian sources refers to agreements made between two countries for the purpose of insuring the continuance of foreign exchange payments between them. Transactions between countries which have entered into such agreements are settled by payments made in foreign exchange through ordinary banking channels. By virtue of these agreements, however, the volume of transactions is so controlled as to assure long run equilibrium in the payments made and received and thus in the exchange relationships between the two countries. The method used in most of the 11 Italian payment agreements listed in table 8 to bring about such equilibrium is control of the volume of merchandise trade, usually through import quotas fixed in the agreement.

In the payment agreement with Argentina, for example, that country undertakes to make available to its importers exchange for payments to Italy up to an amount corresponding to Argentine exports to Italy, the most important of which in turn are fixed by Italian import quotas provided for in the agreement. The agreement with Colombia provides that Colombia will make available to its importers without limitation import licenses and foreign exchange for purchases from Italy, and that Italy in return will grant semiannual import quotas to Colombia corresponding in total value to Colombian imports from Italy during the preceding 6 months.

The agreement with France provided that at the beginning of each semester an estimate would be made of the volume of exchange available for the importation of French commodities into Italy, and that during that semester the volume of French purchases in Italy would be controlled accordingly.

Payment agreements thus do not provide for the complete cessation of foreign exchange payments, for the establishment of a central clearing account, and for as elaborate and definite an exchange machinery as do the clearing agreements mentioned in the section which follows. Nevertheless in many instances they appear to be more or less similar. While payment agreements provide for the continuation of foreign exchange remittances in the traditional manner, import licenses and foreign exchange drafts are obtainable in practice only as foreign exchange control officials permit. If, therefore, (especially in cases in which both parties to a payment agreement have exchange control), payments are authorized only in domestic currency or in that of the other country, the result is very much the same as if a bilateral clearing arrangement had been established.⁸⁵

⁸⁴ Banca d'Italia, *Raccolta*, p. 302c and *Gazzetta Ufficiale*, September 12, 1938, and November 19, 1938. These decrees list the anti-Semitic measures adopted "for the defense of the Italian race" such as prohibition of intermarriage of gentiles and Jews, exclusion of Jews from military service, from public employment, from ownership of real estate, etc., and expulsion of all foreign Jews residing in Italy since 1919.

⁸⁵ A payment agreement with a free exchange country consists for the most part of commitments regarding the operation of the exchange and import control machinery on the part of the country having exchange control. The free exchange country does not impose extraordinary restrictions on the transfer of payments by its nationals and the only method that permits it to determine whether or not the terms of the agreement are being complied with is an examination of the trade statistics for past periods as these become available and by obtaining information from its nationals regarding their experience in collecting on their claims.

TABLE 8.—*Payment agreements between Italy and other countries in effect on Jan. 1, 1940*

No.	Country and type of instrument	Date of signature	Text published in <i>Gazzetta Ufficiale</i>	Text published in <i>Bollettino Ufficiale</i> (Dogano) ¹	Other sources giving text or description of agreement ²
1	Afghanistan: Exchange of notes.....	June 15, 1938	July 26, 1938	1938: 208	
2	Argentina: Agreement.....	Mar. 4, 1937	June 7, 1937	1938: 126	
	Supplementary protocol.....	June 1, 1939	Sept. 19, 1939	1939: 170	
3	Brazil: Agreement.....	Sept. 15, 1937			BIC, 1937: 404.
4	Colombia: Agreement.....	Apr. 28, 1938	Oct. 18, 1938	1938: 254	
5	Cuba: Protocol.....	Aug. 29, 1938	Jan. 24, 1939	1939: 61	
6	Ecuador: Exchange of notes.....	Sept. 23, 1938	June 26, 1939		BIC, 1939: 307, 316.
7	France: Agreement.....	Apr. 14, 1938	July 19, 1938	1938: 174	
	Supplementary agreement.....	July 26, 1938	Dec. 9, 1938	1938: 288	
	Exchange of notes.....	Dec. 29, 1938	June 20, 1939	1939: 111	
8	Japan-Manchukuo: Agreement.....	July 5, 1938	Aug. 29, 1938	1938: 213	
9	Netherlands Indies: Protocol.....	Dec. 31, 1937	June 20, 1938	1938: 149	
10	Uruguay: Treaty.....	Dec. 27, 1938			BLD, 1939: 44.
11	Venezuela: Modus vivendi.....	June 29, 1939			BIC, 1939: 307.

¹ *Bollettino Ufficiale*, (Dogano)=Ministero delle Finanze—Direzione Generale delle Dogane e Imposto Dirette, Rome. *Bollettino Ufficiale*.

² BIC=Istituto Nazionale Fascista per il Commercio Estero, Rome; *Bollettino di Informazioni Commerciali*. BLD=Ministero per gli Scambi e per le Valute, Rome; *Bollettino di Legislazione Doganale e Commerciale*.

Clearing agreements.

As was noted earlier in this report⁸⁶ Italy did not turn to the conclusion of payment and clearing agreements until 1934, when the prevailing system of import limitations and exchange controls was first established. Although some general compensation agreements were concluded with individual exchange-control countries of Central Europe after 1932,⁸⁷ it was only in 1934 that a general policy of negotiating trade and exchange agreements was adopted. By April 1, 1935, clearing agreements providing for compensated trade had been concluded between Italy and seven other European countries.⁸⁸ Since at the time of the negotiation of the first clearing agreements it was thought that the volume of exports from Italy could be more readily maintained through an increase of the quota percentages fixed for foreign imports, early clearing agreements generally provided for the admission into Italy of imports up to 100 percent of the quantities imported from the countries in question in 1934, the year taken as a base for quota computations.⁸⁹

When in the fall of 1935 the League of Nations' economic sanctions were imposed, all trade and exchange agreements with sanctionist countries were considered terminated, and foreign credits were blocked by the Italian Government. When sanctions were abandoned in the summer of 1936 most former sanctionist countries were anxious to negotiate new trade agreements with Italy in order to regain the Italian market for their exports. Italy was thus in a position to take advantage of the situation and to conclude a series of new clearing agreements on terms deemed favorable.⁹⁰ During the second half of

⁸⁶ See ch. II p. 27 ff.

⁸⁷ The first Italian clearing agreement was concluded with Yugoslavia on October 1, 1932.

⁸⁸ These countries were: Germany, Czechoslovakia, Hungary, Yugoslavia, Rumania, Bulgaria, and Turkey.

⁸⁹ Because of the existence of special agreements, imports up to 100 percent of 1934 amounts were also permitted from Albania, Austria, the Netherlands, and Switzerland. See ch. II of this report, p. 29.

⁹⁰ See ch. II, pp. 33-34.

1936 and at the beginning of 1937 Italy thus concluded agreements with most former sanctionist countries except the U. S. S. R. All agreements with European countries provided for the establishment of clearing arrangements in an effort to bring about equilibrium in the balance of international accounts on a bilateral basis.⁹¹

The mechanism of clearing agreements is essentially simple. Trade between two parties to a clearing agreement is carried on in substantially the following manner: After the necessary import permits have been obtained domestic importers undertake to pay in domestic currency to a central governmental clearing office (usually the Central Bank—in Italy Iscambi) an amount corresponding to the value of the commodities purchased abroad (the rate of exchange being determined by the rules of the clearing agreement). This domestic currency is then used by the Central Clearing Office to pay domestic exporters for the commodities which they sell to the country in question. Since the same procedure is, of course, followed by the two countries, in both instances importers are made to pay for exports directly, and the flow of trade occasions no international movement of exchange. Normally the rules of the clearing provide that domestic exporters will be paid in the order in which payments are made by their foreign debtors (foreign importers) to the foreign Central Clearing Office and as long as domestic clearing office funds (accumulated through remittances by domestic importers) permit. The dates when these payments are made are known since the two clearing offices notify each other of all payments which are received under the clearing agreement.

Clearing agreements sometimes provide that besides payments for current merchandise, trade remittances on account of old claims also be made through the clearing account. Clearing agreements moreover may limit the categories of goods for which payment may be made through the clearing account, or they may contain commitments to the effect that one of the contracting countries will take at least specified quantities of certain goods from the other, payment to be made through the clearing procedure. Complete information on all the provisions of individual clearing agreements is probably seldom available. Frequently, only the more general features of the arrangement are prescribed in the formal agreement, while details affecting the trade between the two countries and remittances pertaining thereto may be the subject of almost continuous negotiation between the contracting countries or the agencies administering the clearing accounts.

Italian clearing agreements are, on the whole very much alike. They generally provide a limit for the trade in certain commodities through Italian import contingents. Provisions are also usually made for the liquidation of old commercial credits and the repayment of financial credits and sometimes for the clearing of tourist expenditures, freights, emigrant remittances, and other items in the balance of international payments. The Italo-German clearing agreement, without doubt the most complete of the Italian clearing agreements, extends to almost all payments made between the two countries and is, with the Italo-Hungarian agreement, the only one to include also the trade with Italian colonies. Agreements with Turkey and Greece extend only to trade with Italy and with Italy's Mediterranean col-

⁹¹ Of these agreements, the only one which failed to work satisfactorily was that with France. It was therefore replaced at the beginning of 1938 by a payment agreement.

onies and possessions, and agreements with some other countries apply only to Italy itself and to certain commodities imported into Italian colonies (as, for example, wood, from Yugoslavia and Rumania). For a number of countries trade with Italian colonies is not included in the agreement at all. On all clearing transactions Istituzioni receives a commission of 0.15 percent.⁹²

The conversion into lire of invoices drawn either in the currency of the creditor country or in that of a third country, may take place at one of the following rates of exchange:

1. The clearing rate. This is a rate agreed upon periodically by Istituzioni and the foreign clearing authority usually on the basis of recent quotations of the Italian and the foreign currency on some leading third market. It is the rate provided for by most Italian clearing agreements for the conversion of lire into the currency of the clearing agreement country and vice versa.

2. The market rate of exchange prevailing on the day when payment is made, or, the market rate of exchange (usually that quoted on the Rome or Milan exchanges) prevailing on the day preceding that on which payment is made. This rate is usually applied when it becomes necessary to convert lire into a currency other than that of the clearing agreement country (as when invoices of foreign sellers are payable in the currency of some third country).

A number of clearing agreements, furthermore, provide that against payment of a special commission (formerly 0.5, now 0.25 percent) Istituzioni may offer a guaranteed exchange, that is it may guarantee that a payment made in lire at the prevailing clearing rate by an Italian debtor will cover the debt in foreign currency at the time when payment to the foreign creditor is actually made by the foreign clearing office, Istituzioni assuming the risk of fluctuations in the exchanges between the two periods.

An analysis of one of the most important of the agreements concluded will provide a detailed picture of Italian clearing agreements. Foremost among these agreements until Italy's entry into the war in June 1940 was that with the United Kingdom, signed on November 6, 1936, after long negotiations and later modified by an Amending Agreement dated March 18, 1938, and an exchange of notes of March 14, 1939.⁹³ Like most other agreements of this type, the Anglo-Italian agreement consisted of two separate instruments—the first dealing with the trade relations between the two countries, and the second devoted to payment procedure and to the provisions relating to the gradual liquidation of the large outstanding old (presanctionist) commercial debts.

A. AGREEMENT RELATING TO THE TRADE BETWEEN THE UNITED KINGDOM AND ITALY

No special restrictions were imposed by the United Kingdom upon imports from Italy. Through the most-favored-nation clause Italy enjoyed the most favorable customs treatment applied by the United

⁹² See Banca d'Italia, *Raccolta*, p. 2e.

⁹³ For the official texts of these agreements, see *Gazzetta Ufficiale*, January 22, 1937, August 12, 1938, August 18, 1939, and United Kingdom, *Treaty Series*, Nos. 2 and 3 (1937); Nos. 18 and 19 (1938) and No. 26 (1939).

In order to establish bilateral clearing agreements covering all or a large part of the trade between two countries, both countries must usually have established exchange control at least so far as remittances to the clearing partner country are concerned. That is to say, a country, such as the United Kingdom, in which restrictions on the transfer of funds abroad were not maintained, cannot assure itself that the funds paid by its importers for goods obtained from the other country will be used to reimburse its nationals to whom payments are due from that country. If, therefore, a free exchange country establishes bilateral clearing with another country it must require its nationals not to remit directly to their creditors in the other country but to deposit such payments in the clearing account.

Kingdom to countries not members of the British Empire. For imports into Italy, on the contrary, the following procedure was agreed upon:

1. A first group of commodities, including codfish, wool, scrap iron, iron and steel, and machinery would be imported into Italy from the United Kingdom only under import licenses and within the limits of specific annual quotas expressed in lire.⁹⁴

2. A second group of commodities was imported under the bolletta system until January 1, 1940, when that system was terminated, in amounts not in excess of 50 percent of the lira value of 1934 imports. Commodities in this group included tissues and other manufactures of cotton, linen, hemp, and jute, and manufactures of iron and steel.

3. All other commodities could be imported from the United Kingdom up to 31 percent of the value of 1934 imports.

4. Imports additional to the above quotas or imports of classes of merchandise not imported into Italy from the United Kingdom in the year 1934 (or in the corresponding period of 1934 as the case may be), were admitted for any class of merchandise up to an aggregate value (c. i. f.) of 13 million lire per annum.

On the basis of the annual import quotas given above, semiannual quotas were determined. Quotas not fully utilized in one semester would be carried forward to the following semester, whereas excesses of imports of one half-year had to be deducted from the quotas of the following half-year.

B. AGREEMENT RELATING TO PAYMENTS BETWEEN THE UNITED KINGDOM AND ITALY

The original agreement concluded in the fall of 1936 stipulated that payments made to Istcambi by Italian debtors for the account of British creditors were to be segregated and credited as follows:

1. Payments for amounts due on merchandise and freights after July 15, 1936 (the date of the abandonment of sanctions), to a Lire New Account;

2. Payments for the equivalent of British commodities imported or freights due during the period March 17, 1935 (the date of a previous Anglo-Italian agreement), to November 18, 1935 (the date of the imposition of sanctions), to a Lire Arrears Account, A;

3. Payments for the equivalent of commodities imported from the United Kingdom or of freights due during the period before March 17, 1935, and between November 18, 1935, and July 15, 1936 (period of the sanctions), to a Lire Arrears Account, B;

4. Payments for all other debts (particularly financial debts) except those expressly excluded by the agreement, to a Lire Arrears Account, C.

On the British side there was to be, at the Anglo-Italian Clearing Office in London, a Sterling General Account fed solely by payments made by British importers for commodities bought in Italy. The pounds sterling in this account were to be distributed to British creditors as follows:

⁹⁴ The following were the most important commodities in this group and the respective total annual lira values which could be imported according to the Amending Agreement of March 18, 1939, and the exchange of notes of March 14, 1939: British codfish and stock fish, 2,400,000 lire; herrings and pilchards, 11,600,000 lire; linen yarns, 2,500,000 lire; wool (excluding mattress wool), wool waste, and borra, other animal hair, raw, and woolen rags, 33,000,000 lire; tissues and other manufactures of wool, of horsehair and of hair, 18,000,000 lire; and lead ore, 4,000,000 lire; scrap iron, cast iron, and steel scrap, 3,500,000 lire; ferroalloys, common steel in blooms and billets, common iron and steel and special steel in bars or rods, iron and steel in sheets, 4,000,000 lire; machinery, apparatus, and parts thereof, 24,000,000 lire; china clay, 5,800,000 lire; potters' clay and refractory earths, 2,000,000 lire; pharmaceutical preparations and medicinal specialties, 1,000,000 lire.

1. Seventy percent was to be credited to a Sterling New Account from which there was to be paid to British exporters the equivalent of the amounts paid by Italian importers into the Lire New Account.

2. Eighteen percent was to be credited to a Sterling Arrears Account, A.

3. Nine percent was to be credited to a Sterling Arrears Account, B.

4. Three percent was to be credited to a Sterling Arrears Account, C.

With the amounts accumulating in these special accounts, the British credits described in the foregoing discussion of the corresponding lira accounts, were then gradually to be paid off.

This arrangement clearly shows that only 70 percent of the amounts to be paid by British importers for Italian exports were to be used to pay for British exports to Italy, while 30 percent were destined to pay various classes of debts which had been previously blocked. This implied a considerable excess of Italian exports to, as compared with imports from, the United Kingdom.

A special provision of the clearing agreement made it possible for British creditors, instead of waiting for payment through the mechanism of Sterling Arrears Accounts, A, B, and C, to have their credits transferred to old lira accounts in Italy. As has been pointed out, lire in these accounts could not be sold but were to be used in Italy only, for certain specified investments and expenditures.⁹⁵ The agreement also provided that transfers between the various Sterling Accounts could be made whenever the existing distribution by percentages no longer corresponded to the actual proportions between the various classes of credits to be paid off. The United Kingdom and Italy in fact effected such a transfer through an exchange of notes on December 24, 1937.

In general, however, the trade relations between Italy and the United Kingdom continued in accordance with the provisions of the 1936 agreement, though the distribution of the proceeds of Italian exports to the United Kingdom was altered from time to time as old claims were retired. Through the agreement of March 18, 1938, it was stipulated that the credits included in Arrears Accounts A and B (arrears dating from a time preceding the abandonment of sanctions), having been almost entirely settled, the sterling credits still available in these accounts should be mobilized. According to the new agreement, the division of the payments made by British importers into the Sterling General Account was effected as follows:

1. Eighty-seven percent of the total was to be reserved for payment to British exporters and to British shipping concerns. This 87 percent was to be divided into two subaccounts, as follows: A Sterling Coal Subaccount, into which 46 percent of the total payments were to be made and from which British coal exporters were to be paid; and a Sterling Subaccount, D, into which 41 percent of total payments were to be made and which was to be used to pay other British exporters and British shipping enterprises.

2. Six and one-half percent of the total was to be paid into the Sterling Arrears Account, C.

3. The remaining 6.5 percent was to be left at the free disposal of Isteambi subject to the continued retention of a sum of 10,000 pounds in the Sterling Arrears Account, A.

Old "blocked" commercial debts having been mostly paid off, the new agreement thus provided for a less substantial excess of Italian

⁹⁵ See p. 55 of this report.

exports (13 percent of total exports as compared with the previous 30 percent). Before June, 1940, however, half of that excess was paid to Istcambi in foreign exchange. Moreover, for the payment of exchange to Istcambi it was not even necessary that there be an actual excess of Italian exports into the United Kingdom since in any case 6.5 percent of the payments made by British importers were automatically put at the free disposal of Istcambi. Of course, if the percentage of the payments made by British importers for Italian goods earmarked for distribution to British exporters was insufficient to meet the claims of these exporters, they accumulated blocked funds in Italy which could be retired only through the operation of the clearing in a later period. Thus, in the long run, the terms of the agreement tended to control the balance of trade between the two countries.

A complete list of the clearing agreements in force between Italy and the 23 countries which, on January 1, 1940, had such agreements with the Italian Kingdom, is given in table 9. Further discussion of the operation of Italy's clearing agreements, including data on the course of Italy's foreign trade under the clearing system, changes in monthly clearing balances with individual clearing agreement countries and with all clearing countries, etc., and an evaluation of the results achieved through the Italian clearing procedure will be found in the concluding chapter of this report.⁹⁶

TABLE 9.—Clearing agreements between Italy and other countries in effect on Jan. 1, 1940

No.	Country and type of instrument	Date of signature	Text published in <i>Gazzetta Ufficiale</i>	Text published in <i>Bollettino Ufficiale (Dogane)</i> ¹	Other sources giving text or description of agreement ²
1	Belgium-Luxemburg: Agreement.....	June 30, 1937	Dec. 20, 1937	1937: 246	
2	Bulgaria:				
	Agreement.....	Sept. 30, 1936	Nov. 17, 1936	1936: 240	
	Supplementary agreement.....	Dec. 3, 1937	Apr. 4, 1938	1938: 83	
	Agreement.....	June 29, 1939			
3	Denmark:				BIC, 1939: 307.
	Agreement.....	July 9, 1937	Dec. 22, 1937	1937: 249	
	Supplementary agreement.....	Dec. 17, 1937	May 20, 1938	1938: 109	
	Do.....	Dec. 31, 1938	June 21, 1939	1939: 107	
4	Estonia:				
	Agreement.....	Oct. 6, 1936	Dec. 16, 1936	1937: 11	
	Exchange of notes.....	Aug. 26, 1937	Dec. 11, 1937	1937: 235	
5	Finland:				
	Agreement.....	Sept. 28, 1936	Nov. 18, 1936	1936: 243	
	Supplementary protocols.....	Nov. 23, 1937	June 1, 1938	1938: 128	
6	France:				
	Agreement (for motion-picture films only).....	Jan. 29, 1937	May 31, 1937	1937: 103	
	Supplementary agreement.....	Aug. 20, 1938	Dec. 9, 1938	1938: 288	
7	Germany:				
	Agreement.....	Sept. 26, 1934	Sept. 29, 1934	1934: 187	
	Exchange of notes.....	Dec. 20, 1935	Jan. 21, 1936	1936: 31	
	Agreement for tourist trade.....	Mar. 9, 1937	June 14, 1937	1937: 119	
	Agreement for motion pictures.....	May 14, 1937	Aug. 11, 1937	1937: 167	
	Agreements for colonial trade, Austrian payments, insurance.....	May 28, 1938	Sept. 1, 1938	1938: 214	
	Agreement extending clearing agreements to Sudetenland.....	Nov. 12, 1938	June 20, 1939	1939: 104	
	Agreement to promote Italian tourist travel in Germany.....	Feb. 21, 1939	May 17, 1939	1939: 85	
	Agreement extending clearing agreements to protectorate of Bohemia and Moravia.....	May 27, 1939			BIC, 1939: 259.

¹ *Bollettino Ufficiale (Dogane)*—Ministero delle Finanze, Direzione delle Dogane e Imposte Dirette, Rome; *Bollettino Ufficiale*.

² BIC—Istituto Nazionale Fascista per il Commercio Estero, Rome; *Bollettino di Informazioni Commerciali*.

BLD—Ministero per gli Scambi e per le Valute, Rome; *Bollettino di Legislazione Doganale e Commerciale*.
ETN—U. S. Department of Commerce; *Economic and Trade Notes*.

⁹⁶ See ch. VI, p. 158 ff.

TABLE 9.—*Clearing agreements between Italy and other countries in effect on Jan. 1, 1940—Continued*

No.	Country and type of instrument	Date of signature	Text published in <i>Gazzetta Ufficiale</i>	Text published in <i>Bollettino Ufficiale (Dogane)</i>	Other sources giving text or description of agreement
8	Greece:				
	Agreement.....	Jan. 15, 1938	June 6, 1938	1938: 135	
	Exchange of notes.....	June 15, 1939			BIC, 1939: 283.
9	Hungary:				
	Agreement.....	Nov. 19, 1937	May 25, 1938	1938: 115	
	Supplementary protocol.....	Feb. 16, 1939	Aug. 1, 1939	1939: 132	
	Agreement.....	Oct. 15, 1938			BLD, 1939: 40.
	Exchange of notes.....	June 26, 1939			BIC, 1939: 306.
	Agreement.....	July 14, 1939			BIC, 1939: 343.
	Do.....	Aug. 26, 1939			BIC, 1939: 416.
10	Iceland: Agreement.....	Mar. 30, 1936	Apr. 1, 1936	1936: 80	
11	Latvia: Agreement.....	Feb. 5, 1937	June 2, 1937	1937: 106	
12	Lithuania:				
	Agreement.....	Sept. 22, 1936	Nov. 17, 1936	1936: 241	
	Supplementary notes.....	Aug. 20, 1938	Dec. 21, 1938	1938: 293	
	Agreement.....	Dec. 23, 1939			BIC, 1940: 7.
13	Netherlands:				
	Agreement.....	Jan. 1, 1937	Apr. 2, 1937	1937: 64	
	Supplementary protocols.....	Dec. 31, 1937	June 20, 1938	1938: 149	
14	Norway:				
	Agreement.....	Mar. 31, 1937	June 16, 1937	1937: 120	
	Supplementary agreements.....	June 21, 1938	Oct. 18, 1938	1938: 247	
15	Portugal:				
	Agreement.....	Dec. 21, 1936	Mar. 9, 1937	1937: 52	
	Agreement.....	do			ETN, 226.
16	Rumania:				
	Agreement.....	Dec. 3, 1938	Feb. 28, 1939	1939: 44	
	Protocol.....	June 29, 1939			BIC, 1939: 307.
17	Slovakia: Agreement.....	July 21, 1939			BIC, 1939: 343.
18	Spain: Agreement.....	Oct. 25, 1936			BLD, 1939: 34.
19	Sweden:				
	Agreement.....	Dec. 1, 1936	Mar. 24, 1937	1937: 60	
	Supplementary protocol.....	Sept. 7, 1939			BIC, 1939: 438.
20	Switzerland:				
	Agreement.....	Dec. 3, 1935	Jan. 23, 1936	1936: 33	
	Agreement.....	Jan. 30, 1937			BLD, 1939: 40.
	Exchange of notes.....	Oct. 22, 1937	May 30, 1938	1938: 120	
	Do.....	Dec. 27, 1937	May 27, 1938	1938: 110	
21	Turkey:				
	Agreement.....	Oct. 15, 1938	Jan. 11, 1939	1939: 9	
	Supplementary note.....	Apr. 12, 1939	June 3, 1939	1939: 95	
22	Great Britain and Northern Ireland:				
	Agreement.....	Nov. 6, 1936	Jan. 22, 1937	1937: 20	
	Supplementary agreement.....	Mar. 18, 1938	Aug. 12, 1938	1938: 201	
	Do.....	Mar. 14, 1939	Aug. 18, 1939	1939: 145	
23	Yugoslavia:				
	Agreement.....	Sept. 25, 1936	Nov. 18, 1936	1936: 244	
	Agreement.....	Jan. 7, 1938	May 21, 1938	1938: 111	
	Do.....	Aug. 3, 1939			BIC, 1939: 367.

PART III
FOREIGN TRADE

FOREIGN TRADE

CHAPTER IV. THE GENERAL COURSE OF ITALY'S FOREIGN COMMERCE

THE PRE-WAR PERIOD: 1900-1914

The salient fact about Italy's foreign trade during the decade preceding the War of 1914-18 was its rapid and sustained growth. In 1913 Italian trade was almost twice as large as it had been in 1900. As table 10 shows, Italian imports increased from 1,700 million lire (\$328,100,000) in 1900 to 3,600 million (\$694,800,000) in 1913, while exports rose from 1,300 million (\$250,900,000) to 2,500 million (\$482,500,000).¹ Part of this growth in the value of Italy's foreign commerce was due to the rise in world prices which occurred during these years; even when allowance for this is made, however, the growth shown by the trade figures remains remarkable. In fact, while between 1901 and 1913 the lira value of imports increased by 112 percent and that of exports by 83 percent, after correcting the official trade figures for price variation, the growth in imports still amounts to 84 percent and that of exports to 57 percent.²

The explanation for this expansion lies principally in the rapid development of the country's whole economic system during the decade preceding the World War. During the 13 years 1900 to 1913, the Italian population expanded from 32.5 to 35.6 million; agricultural production was substantially increased and industry made rapid forward strides. In some years Italy's economic development appears to have been more rapid than that of any other country in Europe. The indices of economic progress calculated by Prof. Giorgio Mortara (base period 1901-5=100) stood, in 1910, at 107 for the United Kingdom, at 123.7 for Germany, at 125.7 for Austria-Hungary, at 128.9 for France, and at 141.5 for Italy.³

TABLE 10.—*Italy's foreign trade, 1900-1913*¹

[In millions of lire]

Year	Im-ports	Ex-ports	Excess of imports	Exports in percent of imports	Year	Im-ports	Ex-ports	Excess of imports	Exports in percent of imports
1900.....	1,700	1,338	362	78.7	1907.....	2,881	1,949	932	67.7
1901.....	1,718	1,374	344	80.0	1908.....	2,913	1,729	1,184	59.4
1902.....	1,724	1,444	280	83.8	1909.....	3,112	1,867	1,245	60.0
1903.....	1,813	1,493	320	82.3	1910.....	3,246	2,080	1,166	64.1
1904.....	1,878	1,573	305	83.8	1911.....	3,389	2,204	1,185	65.0
1905.....	2,016	1,705	311	84.6	1912.....	3,702	2,397	1,305	64.7
1906.....	2,514	1,906	608	75.8	1913.....	3,646	2,512	1,134	68.9

¹ Data are for "special trade," excluding precious metals and coins.

NOTE.—The par value of the lira was 19.3 cents throughout this period and exchange for the dollar was substantially at par throughout.

Source: *Annuario Statistico Italiano*.

² The par value of the lira was about 19.3 cents throughout this period.

³ See Epicarmo Corbino, *Annali dell'Economia Italiana, Vol. V: 1901-1914*, p. 101.

⁴ See Corbino, *Annali*, vol. V, p. 10. For a detailed discussion of the development of Italian agriculture and industry during this period, see *Annali*, chs. II and III.

Besides its rapid growth, one of the outstanding characteristics of Italy's foreign trade during the decades preceding the World War was the large and increasing excess of imports over exports. The size of the import surplus from 1900 to 1913 is indicated by the figures in column 3 of table 10. Careful studies made of Italy's balance of international payments show that, on the whole, these import surpluses were amply covered by income derived from such invisible credit items as tourist expenditures and emigrant remittances. During the period 1900 to 1913, in fact, despite a large and, particularly after 1905, growing excess of imports, Italy was able to strengthen its gold reserve, repay part of the foreign debts previously contracted, and begin the exportation of capital.¹ An estimate of Italy's international accounts during the 13 years preceding the World War given by an Italian writer shows that the cumulative trade deficit of 9,702 million lire was paid for almost exclusively through the exchange provided by remittances of Italian emigrants and by the expenditures made in Italy by foreign tourists. (See table 11.)

TABLE 11.—*Italy's cumulative balance of international payments, 1901-13*
(In millions of lire)

Description	Credits	Debits
Imports and exports (official figures).....		
Excess of imports (official figure).....	24, 233	34, 652
Excess of imports (corrected figure) ¹		10, 319
Excess of exports to the colonies ²		9, 131
Imports of smuggled goods.....		225
		346
Actual excess of commodity imports.....		9, 702
Net imports of precious metals.....		628
Income from mercantile marine.....		
Tourist expenditures in Italy and of Italians abroad.....	1, 229	
Emigrant remittances and expenditures.....	5, 600	750
	7, 575	1, 363
Movements of capital: Payments by the Treasury on interest and principal account.....		
Repatriation of Italian Government securities held abroad.....		950
Long-term foreign capital imports.....		773
Long-term exports of Italian capital.....	1, 300	
Short-term investments.....		400
Interest and income from banking and industrial investments.....	300	300
Banking and commercial commissions.....	750	1, 700
		315
Difference unaccounted for (error).....	16, 754	16, 781
	27	

¹ Figure obtained by Professor Corbino after correcting errors in official import and export data caused by undervaluation in customs declarations, etc. The coefficient applied, which is similar to that recently suggested for this period by the official Italian Central Statistical Institute, is higher for exports than for imports and thus tends to reduce the corrected import balance materially.

² For a more detailed discussion of the criteria followed in making the correction, see Corbino, *Annali*, vol. V, p. 209 ff.

³ Professor Corbino does not explain why he includes this item on the debit side of the balance.

Source: Corbino, *Annali*, vol. V, p. 222.

The distribution of Italy's foreign trade by major economic classes in 1913, shown in table 13 on page 75, indicates that of the total value of Italy's imports in that year 38.1 percent was raw materials, 19.3 percent was semimanufactured articles, 23.3 percent manufactured products, and 19.3 percent foodstuffs and live animals. On the export side raw materials accounted for 14.4 percent of total exports, for 23.5 percent, manufactured products for 31.8 percent, and foodstuffs and live animals for 30.3 percent. In the same year, as shown by table 14 on page 77, Italy was a large

⁴ See Corbino, *Annali*, vol. V, p. 11.

importer of wheat and of such raw materials as coal, cotton, lumber, and wool, and a large exporter of citrus fruit, wine, and cheese, and of raw silk, cotton, and silk manufactures.

Statistics of Italy's imports from its principal foreign suppliers and of exports to its leading markets (table 15) show that in 1913 Germany, the United Kingdom, the United States, and France, Italy's four leading suppliers, were responsible for 55.1 percent of total imports, while Germany, the United States, the United Kingdom, Switzerland, France, and Austria-Hungary, Italy's leading export markets, purchased 62.7 percent of total exports.

THE WAR AND EARLY POST-WAR PERIOD

Statistics on the course of Italy's foreign trade during the years of the World War (table 12 and charts II and III) show a pronounced increase in the lira value of both exports and imports, particularly of imports, and a material decrease of exports in relation to imports. Because of the changes which occurred during that period in world prices and in the value of Italian currency the lira value of Italy's foreign trade is, however, difficult to interpret. World prices rose sharply during the war but declined after 1920. The exchange value of the lira fell gradually from 19.3 cents in 1913 to 11.4 cents in 1919 and to 4.3 cents in 1921. Prices in Italy were affected both by the world trend and by the fall in exchange.⁵

TABLE 12.—Lira and dollar values of Italian foreign trade, 1913-22

Year	Imports	Exports	Excess of imports	Imports	Exports	Excess of imports	Exports in percent of imports	Value of lira in U. S. currency
	Value in millions of lire			Value in millions of dollars				Cents per lira
1913.....	3,646	2,512	1,134	704	485	219	68.9	19.30
1914.....	2,923	2,210	713	563	426	137	75.6	19.26
1915.....	4,704	2,533	2,170	778	419	359	53.8	16.55
1916.....	8,390	3,088	5,302	1,283	472	811	36.8	15.29
1917.....	13,990	3,309	10,681	1,867	440	1,422	23.7	13.31
1918.....	16,039	3,345	12,694	2,103	439	1,664	20.9	13.11
1919.....	16,623	6,066	10,557	1,890	690	1,200	36.5	11.37
1920.....	26,822	11,774	15,048	1,333	585	748	43.9	4.97
1921.....	16,926	8,279	8,647	726	355	371	48.9	4.29
1922.....	15,705	9,302	6,403	750	443	307	59.0	4.76

Source: *Annuario Statistico Italiano*. Converted into U. S. currency from official Italian statistics.

⁵ Even before Italy entered the war in 1915 specie payments had been suspended. The gold value of the lira, consequently, began to decline as soon as heavy war borrowing and currency inflation began. Although pegged from time to time by loans obtained from Great Britain and the United States, the lira had by the end of the conflict fallen to less than two-thirds of its pre-war value. After a brief rise immediately following the Armistice the value of Italian currency, no longer pegged, fell rapidly, reaching a low of 4.21 cents in 1921. The following table shows the course of note circulation, wholesale prices, and the value of the lira from 1913 to 1922:

Year	Total note circulation (millions of lire)	Value of lira in U. S. currency (cents per lira)	Wholesale price index (Bachi)	Year	Total note circulation (millions of lire)	Value of lira in U. S. currency (cents per lira)	Wholesale price index (Bachi)
1913.....	2,783	19.3	100	1918.....	13,874	13.1	409
1914.....	3,593	19.3	95	1919.....	18,552	11.4	366
1915.....	5,050	16.6	133	1920.....	22,000	5.0	624
1916.....	6,330	15.3	200	1921.....	21,476	4.3	578
1917.....	10,173	13.3	306	1922.....	20,279	4.8	562

Sources: *Annuario Statistico Italiano* and U. S. Department of Commerce, *Handbook of Foreign Currency and Exchange*.

CHART II
 ITALY'S FOREIGN TRADE
 AND VALUE OF ITALIAN CURRENCY
 1900-1938

BILLION
 LIRE
 30

CENTS
 PER
 LIRA

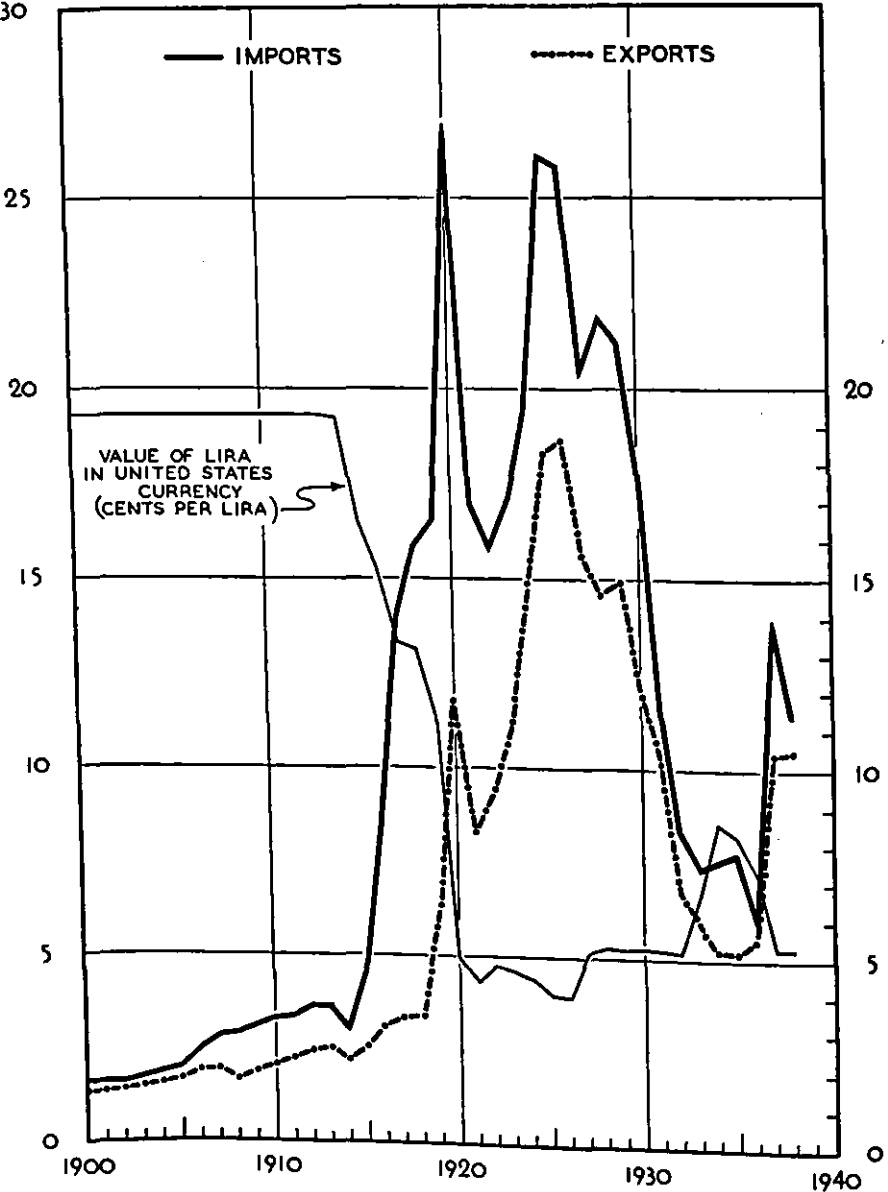
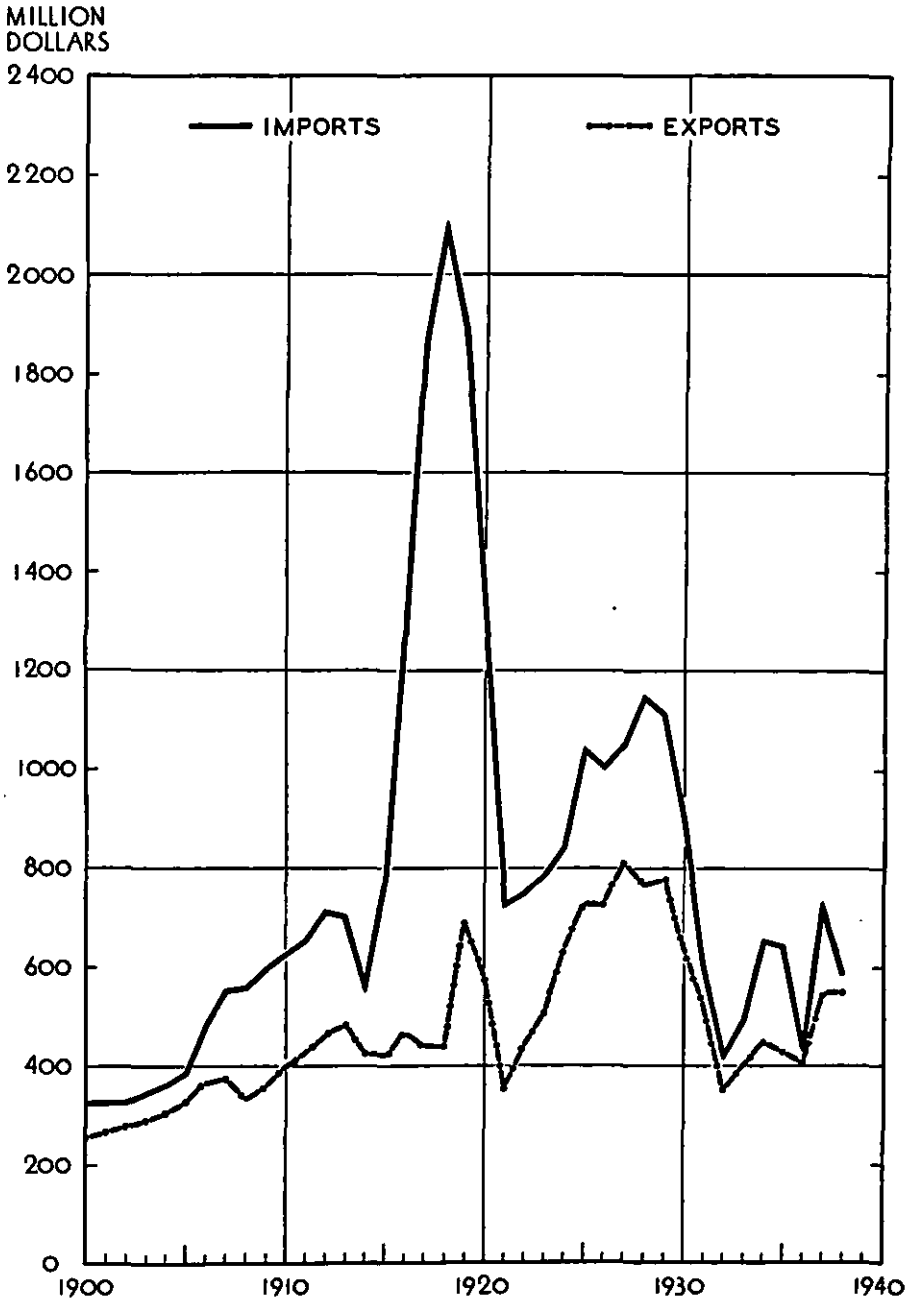


CHART III
 DOLLAR VALUES OF ITALY'S FOREIGN TRADE
 1900-1938



In table 12, which shows Italy's imports and exports from 1913 to 1922, both lira values and values converted to dollars at the quoted rates of exchange are given. Although the converted data are more significant than the lira figures, they should not be taken as reflecting accurately the course of Italian trade. The most significant feature of table 12 is the change indicated in the relationship of exports to imports. Between 1913 and 1918 the lira value of Italy's imports increased about 4 times, whereas the value of exports increased only about 50 percent. In 1913 exports paid for 69 percent of imports, whereas in 1918 they paid for only 21 percent.

The rapid expansion of the money values of imports and the relatively slow growth of exports during the war years was due to the profoundly altered international trade situation brought about by the war. When Italy entered the war and trade relations with Germany and Austria-Hungary ceased, the country lost two of its best markets. Exports to various other markets formerly important to Italian trade were severely curtailed by import limitations adopted by them, while the home market placed increasing demands upon former export industries. On the other hand, the war necessitated a considerable expansion of imports of raw materials and especially of foodstuffs. A huge excess of imports over exports consequently developed. Tourist expenditures and other invisible income having been very severely curtailed during the war, this huge import balance had to be made up almost entirely through foreign borrowing. Italy, in fact, borrowed heavily to meet the cost of her foreign purchases, at first from Great Britain and, after April 1917, from the United States. It is estimated that by the end of 1919 the country had incurred a total public debt payable in foreign currencies amounting to about 20 billion gold lire (1 gold lira then 19.3 cents), a new long-term public indebtedness payable abroad in lire amounting to approximately 700 million gold lire, and a floating foreign debt on private account of 2 billion gold lire.⁶

During the 4 years following the close of the war Italy's trade position improved rapidly. Largely because of the sudden fall in exchange, the lira value of imports rose greatly in 1920. During the next 2 years, lira values of imports were only about the level of 1918 and 1919 and dollar values were far lower. On the other hand when account is taken of the decline in world prices after 1920 exports showed marked recovery. The lira value of exports in 1920 was 3 times as great as in 1918, and the subsequent decline left the figure for 1922 still nearly 3 times that for the last war year. The ratio of exports to imports rose steadily each year, reaching 59 percent in 1922 as compared with 21 percent in 1918.

In terms of dollars, Italy's imports in 1922 were only a little greater than in 1913, notwithstanding the fact that world prices were higher in the later year than in the earlier. Italy's exports, on the other hand, were, in terms of dollars, somewhat smaller in 1922 than in 1913.

Tables 13, 14, and 15 throw further light upon the course of Italy's trade during the war and immediate post-war period. Table 13, which gives a comparison of Italian foreign trade by major economic classes during the years 1913, 1918, and 1922, reveals strikingly the remarkable change which took place in the nature of the trade during the war years. While the lira values of all classes of imports were

⁶ See McGuire, Constantine E. *Italy's International Economic Position*, New York, 1926, p. 37.

greatly expanded at the time of the war, comparison of 1918 with 1913 shows that the proportions of raw materials and of manufactured products in the imports declined, whereas the proportions of foodstuffs and semimanufactured articles increased in pronounced measure. In other words, while during the pre-war period raw materials were the most important import category, during the war they were far out-distanced by foodstuffs. Data on Italy's export trade by economic classes, too, show a marked relative diminution in the exportation of foodstuffs—a result of the Government's reservation of domestic supplies for home consumption.

A comparison of the figures for 1913 with those for 1922, on the other hand, indicates progress in the industrialization of the country. In 1922 the percentage of foodstuffs in the imports was considerably larger than in 1913, while the share of manufactured articles had declined. On the export side the figures show an increase in the proportions of manufactured and semimanufactured articles and a corresponding diminution in the proportions of raw materials and foodstuffs. In 1913 imports of manufactures and semimanufactures exceeded in value exports in the same classes; in 1922 exports, especially of finished products, exceeded imports.

TABLE 13.—Distribution of Italian foreign trade by major economic classes, in 1913, 1918, and 1922

[Value in millions of lire]

Description	1913		1918		1922	
	Value	Percent of total	Value	Percent of total	Value	Percent of total
A. Imports						
Raw materials.....	1,387	38.1	4,556	28.4	5,243	33.3
Semimanufactured products.....	705	19.3	3,882	24.2	3,113	19.7
Finished products.....	851	23.3	2,837	17.7	2,360	15.0
Foodstuffs.....	703	19.3	4,764	29.7	5,049	32.0
Total.....	3,646	100.0	16,039	100.0	15,765	100.0
B. Exports						
Raw materials.....	361	14.4	503	15.0	1,155	12.4
Semimanufactured products.....	591	23.5	822	24.6	2,824	30.3
Finished products.....	798	31.8	1,253	37.5	3,131	33.7
Foodstuffs.....	762	30.3	767	22.9	2,192	23.6
Total.....	2,512	100.0	3,345	100.0	9,302	100.0
C. Excess of imports						
Raw materials.....	1,026	.....	4,053	.....	4,088	.....
Semimanufactured products.....	114	.....	3,060	.....	289	.....
Finished products.....	53	.....	1,584	.....	1,771	.....
Foodstuffs.....	1-59	.....	3,997	.....	2,857	.....
Total.....	1,134	.....	12,694	.....	6,463	.....

¹ Excess of exports.

Source: *Annuario Statistico Italiano*, 1930, p. 156.

Table 14 shows the 10 principal commodities which Italy imported and exported in each of the years 1913, 1918, and 1922, and confirms the conclusions based upon the analysis of the preceding table.

There were, in 1918, abnormally large importations of such foodstuffs as wheat, wheat flour, and meat, and of such war materials as iron and steel manufactures and arms and munitions. In each of the years shown, wheat, coal, and raw cotton were the country's three leading imports, while raw silk and cotton textiles were among the three principal exports. The relative importance of coffee in 1922 suggests greater purchasing power among the Italian people; and the presence of the automobile among the chief exports indicates the progress made in the development of an important new industry.

Table 15 shows Italy's principal sources of imports and markets for exports in 1913, 1918, and 1922. Of course Germany and Austria-Hungary disappeared from Italian trade during the war; and the United States became Italy's major supplier during the war and the immediate post-war period. Whereas in 1913 Italy bought 14.3 percent of its total imports from the United States, in 1918 it bought 41.4 percent and in 1922, 27.9 percent. On the other hand, the share of the United States in Italy's total exports fell from 10.7 percent in 1913 to 5.0 percent in 1918, while the shares of France and the United Kingdom increased from 9.2 and 10.4 percent in 1913 to 36.1 percent and 21.7 percent, respectively, in 1918. The figures for 1922, however, indicate that Italy's export trade had largely returned to its pre-war channels, the shares of the leading countries being not far different from those of 1913.

In summary, the World War caused a great derangement of Italy's foreign trade, but within a few years after its close the pre-war situation had been to a considerable extent reestablished. Like other allied countries, Italy had to increase its imports during the war while being shut off from many of its export markets. The resulting huge import balance was covered through large loans obtained abroad, a procedure which in turn brought about a progressive impairment of the country's currency. After the close of the World War imports fell off in terms of quantity and of dollar values and exports increased materially, although as late as 1922 the ratio of exports to imports was considerably lower than before the war.

TABLE 14.—Ten principal commodities entering into Italy's foreign trade, 1913, 1918, and 1922

[Value in millions of lire]

1913			1918			1922		
Commodity	Value	Percent of total value	Commodity	Value	Percent of total value	Commodity	Value	Percent of total value
A. IMPORTS								
Wheat.....	400	11.0	Wheat.....	1,542	9.6	Wheat.....	3,057	19.4
Coal and coke.....	374	10.3	Coal and coke.....	1,460	9.1	Cotton, raw.....	1,659	10.5
Cotton, raw.....	335	9.2	Cotton, raw.....	1,335	8.3	Coal and coke.....	1,272	8.1
Machinery, apparatus, and parts.....	146	4.0	Meat, fresh.....	829	5.2	Mineral oils (except crude and residues from the distillation of).....	511	3.2
Lumber, common, rough, squared, or sawed.....	130	3.6	Arms and ammunition.....	769	4.8	Corn.....	452	2.9
Silk, raw, reeled.....	110	3.0	Iron and steel manufactures.....	580	3.6	Fish (except shellfish, caviar, etc.).....	422	2.7
Iron and steel manufactures.....	78	2.1	Flour and semolina.....	574	3.6	Wool, in the grease and washed, wool waste, and flocks.....	406	2.6
Wool, in the grease and washed, wool waste, and flocks.....	75	2.1	Mineral oils (except residues from the distillation of) ¹	557	3.5	Machinery, apparatus, and parts.....	1,399	2.5
Hides and skins, raw, except fur skins.....	66	1.8	Iron and steel bars and rods.....	520	3.2	Coffee.....	306	1.9
Fish (except shellfish, caviar, etc.).....	64	1.7	Paints, coloring materials, and varnishes.....	455	2.8	Lumber, common, rough, squared, or sawed.....	1,302	1.9
All other.....	1,868	51.2	All other.....	7,418	46.3	All other.....	6,977	44.3
Total.....	3,646	100.0	Total.....	16,039	100.0	Total.....	15,765	100.0
B. EXPORTS								
Silk, raw, reeled.....	359	14.3	Wines and vermouth.....	452	13.5	Silk, raw, reeled.....	1,707	18.3
Cotton cloth.....	184	7.3	Silk, raw, reeled.....	419	12.5	Cotton cloth.....	903	9.7
Citrus fruits.....	86	3.4	Cotton cloth.....	306	9.1	Dried fruits and nuts.....	386	4.1
Wines and vermouth.....	83	3.3	Hemp, flax, and other vegetable fibers, raw, except cotton.....	227	6.8	Hemp, flax, and other vegetable fibers, raw, except cotton.....	304	3.3
Cheese.....	74	3.0	Silk cloth, woven.....	148	4.4	Automobiles.....	277	3.0
Grapes and other fresh fruit except citrus.....	66	2.6	Cloth, mixed with silk.....	112	3.4	Citrus fruits.....	233	2.5
Hides and skins, raw, except fur skins.....	65	2.6	Cotton manufactures.....	105	3.2	Hat shapes, hats, caps, and bonnets.....	226	2.4
Silk cloth, woven.....	63	2.5	Dried fruits and nuts.....	110	3.3	Wines and vermouth.....	215	2.3
Hemp, flax, and other vegetable fibers, raw, except cotton.....	60	2.4	"Other" fabrics and manufactures of silk (velvets, tulle, laces, etc.).....	101	3.0	Cheese.....	202	2.2
Dried fruits and nuts.....	56	2.2	Sulphur.....	100	3.0	Silk cloth, woven.....	201	2.2
All other.....	1,416	56.4	All other.....	1,265	37.8	All other.....	4,648	50.0
Total.....	2,512	100.0	Total.....	3,345	100.0	Total.....	9,302	100.0

¹ Does not include the value of the amounts imported on reparation account.

² Includes crude mineral oil, not separately classified. Imports, however, were apparently very small.

Source: *Movimento Commerciale del Regno d'Italia* (1915, 1918, 1923).

TABLE 15.—Italy's 10 principal foreign suppliers and markets, 1913, 1918, and 1922

[Value in millions of lire]

Country	1913		Country	1918		Country	1922	
	Value	Percent of total value		Value	Percent of total value		Value	Percent of total value
A. IMPORTS								
Germany.....	613	16.8	UNITED STATES.....	6,641	41.4	UNITED STATES.....	4,398	27.9
United Kingdom.....	502	16.2	United Kingdom.....	2,666	16.6	United Kingdom.....	2,022	12.8
UNITED STATES.....	523	14.3	Argentina.....	1,657	10.3	Germany.....	1,246	7.9
France.....	283	7.8	France.....	1,234	7.7	France.....	1,151	7.3
Austria-Hungary.....	265	7.3	British India and Ceylon.....	1,177	7.3	Australia.....	870	5.5
Russia.....	237	6.5	Brazil.....	400	2.5	Argentina.....	771	4.9
Argentina.....	167	4.6	Egypt.....	328	2.1	British India and Ceylon.....	741	4.7
British India and Ceylon.....	146	4.0	Spain.....	293	1.8	Yugoslavia.....	367	2.3
Rumania.....	101	2.8	Switzerland.....	191	1.2	Brazil.....	349	2.2
Switzerland.....	87	2.4	Japan.....	176	1.1	Switzerland.....	331	2.1
Other countries.....	632	17.3	Other countries.....	1,276	8.0	Other countries.....	3,519	22.4
Total.....	3,646	100.0	Total.....	16,039	100.0	Total.....	15,765	100.0
B. EXPORTS								
Germany.....	343	13.7	France.....	1,207	36.1	France.....	1,365	14.7
UNITED STATES.....	268	10.7	United Kingdom.....	727	21.7	Switzerland.....	1,208	13.0
United Kingdom.....	261	10.4	Switzerland.....	410	12.3	United Kingdom.....	1,117	12.0
Switzerland.....	249	9.9	UNITED STATES.....	169	5.0	UNITED STATES.....	1,018	10.9
France.....	231	9.2	Greece.....	139	4.2	Germany.....	972	10.4
Austria-Hungary.....	221	8.8	Argentina.....	138	4.1	Argentina.....	500	5.4
Argentina.....	186	7.4	Egypt.....	133	4.0	Yugoslavia.....	255	2.7
Australia and Cirenaica ¹	78	3.1	Tripolitania and Cirenaica ¹	50	1.5	Egypt.....	246	2.6
Russia.....	61	2.4	Brazil.....	49	1.5	Belgium.....	245	2.6
Belgium.....	53	2.3	Spain.....	41	1.2	Austria.....	222	2.4
Other countries.....	556	22.1	Other countries.....	282	8.4	Other countries.....	2,154	23.3
Total.....	2,512	100.0	Total.....	3,345	100.0	Total.....	9,302	100.0

¹ Italian dependencies.Source: *Movimento Commerciale del Regno d'Italia*.

FOREIGN TRADE UNDER THE FASCIST REGIME⁷**The position of Italy in world trade.**

Just before the present war, Italy's share in total world trade (table 16) was considerably smaller than that of any other of the leading countries of Western Europe. Roughly speaking, its trade was about one-half that of France, one-third that of Germany, and less than one-fifth that of the United Kingdom. In the last 15 years as a whole, Italy's share of world imports has been only a little lower than in 1911-13, while its share of world exports has averaged a little higher. The exceptionally low percentages of world trade shown for Italy in 1936 were largely due to the League of Nations' sanctions imposed during Italy's Ethiopian campaign.

The general course of Italian trade, 1922-39.

As was shown earlier in this report, several clearly distinguishable periods are apparent in the development of the Italian economy since Fascism came into power in October 1922.⁸ From 1922 to 1926 there was a period of general economic readjustment and of industrial and commercial expansion under the stimulus of a relatively liberal credit and general economic policy. The years 1927 to 1929 were marked by the stabilization of the lira and by commercial and industrial stagnation, followed at the end of the period by gradual revival. There came then the years of the world-wide depression (1930-33) and of slow recovery (1934-39).

TABLE 16.—Percentage share in total world trade of Italy, France, Germany, the United Kingdom, and the United States, average, 1911-13, and annually, 1922 to 1937

Year	Italy	France	Germany	United Kingdom	United States
A. Imports					
1911-13.....	3.4	7.8	12.1	17.4	8.4
1922.....	3.1	8.2	6.2	18.4	12.9
1923.....	3.0	7.5	5.5	18.9	14.3
1924.....	2.9	7.1	7.3	19.1	12.2
1925.....	3.1	6.3	8.7	18.9	12.7
1926.....	3.1	5.9	7.3	18.5	13.6
1927.....	3.1	6.1	9.9	17.4	12.3
1928.....	3.3	6.1	9.6	16.8	11.8
1929.....	3.2	6.4	9.0	16.7	12.4
1930.....	3.2	7.1	8.6	17.7	10.0
1931.....	2.9	8.0	7.7	18.9	10.1
1932.....	3.0	8.4	8.0	17.7	9.5
1933.....	3.1	9.0	8.1	18.0	9.1
1934.....	3.3	7.6	8.9	18.4	8.3
1935.....	3.1	6.7	8.1	18.0	10.0
1936.....	2.0	6.9	7.7	19.1	11.0
1937.....	2.7	6.2	8.0	18.6	11.3

⁷ For additional data on the course of Italy's foreign trade under Fascism, see appendix VI of this report, on: "Value, price, and quantity indexes of Italian foreign trade, and indexes of Italy's price and quantity terms of trade, 1925-38," on p. 275 ff.

⁸ For a more detailed discussion of the general characteristics of these periods, see ch. I, p. 17 ff.

TABLE 16.—Percentage share in total world trade of Italy, France, Germany, the United Kingdom, and the United States, average, 1911-13, and annually, 1922 to 1937—Continued

Year	Italy	France	Germany	United Kingdom	United States
	B. Exports				
1911-13.....	2.4	6.7	11.4	15.3	12.4
1922.....	2.0	7.7	6.5	16.1	16.4
1923.....	2.1	7.6	5.9	16.4	16.1
1924.....	2.2	7.8	5.5	14.7	16.7
1925.....	2.3	7.0	6.6	14.1	15.4
1926.....	2.4	6.4	7.7	12.6	16.0
1927.....	2.5	6.8	7.7	12.8	15.4
1928.....	2.3	6.3	9.0	12.6	15.7
1929.....	2.4	6.0	9.8	12.4	16.0
1930.....	2.4	6.4	11.0	12.2	14.7
1931.....	2.8	6.4	12.2	11.1	13.0
1932.....	2.8	6.1	10.8	11.6	12.4
1933.....	2.7	6.3	10.2	12.1	11.4
1934.....	2.4	6.3	9.0	12.1	11.1
1935.....	2.3	5.4	9.0	12.4	12.0
1936.....	1.9	4.5	9.3	12.1	11.1
1937.....	2.2	3.8	9.4	11.7	13.7

Source: *Foreign Commerce Yearbook*.

A statistical summary of Italian trade during these four periods (table 17, and chart II, p. 72), shows rapid growth in lira values of both imports and exports from 1922 to 1926, decline and stagnation from 1927 to 1929, a considerable shrinkage during the years of the world depression, and gradual though not uninterrupted revival from 1934 to 1939. Imports grew from about 15,700 million lire in 1922 to 26,200 million in 1925, fell to a low of 7,432 million in 1927, thereafter rising to a new post-depression peak of 13,900 million in 1933, thereafter falling to a depression low of 5,224 million in 1934. Exports, on the other hand, fell from a peak of 18,665 million in 1926 to a depression low of 5,224 million in 1934. After that year there was a slow revival at first, then a burst of expansion to a peak of 10,497 million in 1938.

The sudden expansion of both exports and imports after 1936 requires further comment. The doubling of the values of imports and exports is explained by the return to normal after the termination of sanctions, by the general upward trend in world trade, and by the rise in prices which took place as a consequence of the devaluation of the lira in October 1936. On the basis of indexes of import and export prices calculated by the Fascist Confederation of Industrialists, it is estimated that from 1936 to 1937 import prices increased from 50 to 60 percent, and export prices from 25 to 30 percent. Considering this rise in prices, the actual increase in Italy's trade in 1937 as compared with 1936 may be estimated to have been equal to about 45 to 50 percent.⁹ Other reasons for the increase in the trade figures after 1936 are the exceptionally large imports of wheat which took place in 1937 following a bad harvest in the preceding year, and the large increase in the importation of machinery and apparatus needed for the equipment of the new factories built in response to the Government's self-sufficiency campaign and its preparedness activity. On the export side, one important reason for the increase shown is the

⁹ See Giorgio Mortara, "Il Commercio dell'Italia con l'estero nel 1937," in *Giornale degli Economisti*, February 1938.

great expansion of exports to Italy's colonies, of which more will be said presently.

TABLE 17.—*Italy's total trade,¹ and trade with non-Italian countries and with Italian dependencies, 1919-39*

Year	Total trade				Trade with non-Italian countries				Trade with Italian dependencies ²	
	Imports	Exports	Excess of imports	Exports in percent of imports	Imports	Exports	Excess of imports	Exports in percent of imports	Imports	Exports
	Millions of lire	Millions of lire	Millions of lire	Percent	Millions of lire	Millions of lire	Millions of lire	Percent	Millions of lire	Millions of lire
1919.....	16,623	6,066	10,557	36.5	10,433	5,927	10,506	36.1	190	139
1920.....	26,822	11,774	15,048	43.9	26,688	11,582	15,106	43.4	134	192
1921.....	16,926	8,279	8,647	48.9	16,892	8,156	8,736	48.3	34	123
1922.....	15,765	9,302	6,463	59.0	15,723	9,173	6,550	58.3	42	129
1923.....	17,189	11,093	6,096	64.5	17,146	10,915	6,231	63.7	43	178
1924.....	19,381	14,373	5,008	74.2	19,301	14,117	5,184	73.1	80	256
1925.....	26,200	18,274	7,926	69.7	26,058	17,987	8,071	69.0	142	287
1926.....	25,879	18,665	7,214	72.1	25,733	18,303	7,370	71.4	146	302
1927.....	20,376	15,034	4,741	76.7	20,276	15,307	4,969	75.5	99	327
1928.....	21,920	14,556	7,364	66.4	21,802	14,284	7,538	65.4	118	292
1929.....	21,303	14,884	6,419	69.9	21,196	14,573	6,623	68.7	107	311
1930.....	17,347	12,110	5,238	69.9	17,260	11,838	5,428	68.6	81	281
1931.....	11,643	10,210	1,433	87.7	11,566	9,961	1,605	86.1	77	249
1932.....	8,268	6,812	1,456	82.4	8,205	6,566	1,639	80.0	63	246
1933.....	7,432	5,991	1,441	80.6	7,354	5,752	1,602	78.2	78	239
1934.....	7,675	5,224	2,451	68.1	7,582	4,965	2,617	65.5	93	259
1935.....	7,790	5,238	2,552	67.2	7,673	4,488	3,185	58.5	117	750
1936.....	6,039	5,542	497	91.8	5,883	3,824	2,059	65.0	156	1,718
1937.....	13,943	10,444	3,499	74.9	13,593	7,864	5,729	57.8	350	2,580
1938.....	11,273	10,497	776	93.1	11,064	8,049	3,015	72.7	209	2,448
1939 (7 mos.) ³	6,084	5,958	126	97.9	5,914	4,734	1,180	80.0	170	1,224

¹ Italian foreign-trade statistics used in this report are for "special" trade (excluding gold and coins), which corresponds, with minor discrepancies, to United States imports for consumption and domestic exports. Since Jan. 1, 1930, both Italian "special" imports and "special" exports have included temporary trade for processing or repairs, and "special" exports have not included supplies for Italian ships and airships. Previously the reverse obtained in each case.

² Includes Eritrea, Italian Somaliland, Libia, and the Aegean Islands; after 1935, Ethiopia.

³ Preliminary. Publication of Italian trade statistics ceased at the beginning of the war, in September 1939.

Source: *Commercio di Importazione e di Esportazione, Bollettino Mensile di Statistica*.

The data presented in table 17, as well as the dollar values of Italy's foreign trade given in table 18 and chart III (p. 73), show that during all of the four periods just discussed Italy's imports considerably exceeded exports. As the preceding sections have indicated, an excess of imports over exports is normal in Italy. During the years preceding the world depression, the import balance was generally offset by receipts from tourist expenditures and emigrant remittances. When the depression came, however, receipts from these invisible items in the balance of international payments were drastically reduced. Yet during the earlier depression years, as the figures on the excess of imports given in column 3 of table 17 indicate, the position of Italy's trade balance was considerably improved, mainly because of a large decline in imports, and immediate pressure upon the country's currency was thereby prevented. After 1933, however, imports grew while exports declined further and income from tourist expenditures and emigrant remittances still continued at a low ebb. The results, growing losses of gold and a pronounced weakening of Italian exchange, were among the causes which led to the adoption of the trade and exchange control measures described in a previous chapter,¹⁰ and later to the devaluation of the currency.

¹⁰ See ch. II, p. 27 ff., also ch. III, p. 28 ff.

TABLE 18.—Dollar values of Italian foreign trade, 1919-39

Year	Imports	Exports	Excess of imports	Value of lira in U. S. currency ¹
	Millions of dollars	Millions of dollars	Millions of dollars	Cents per lira
1919.....	1,890.1	689.7	1,200.4	11.3
1920.....	1,333.0	585.2	747.8	4.9
1921.....	726.1	355.1	371.0	4.2
1922.....	750.4	422.8	307.6	4.7
1923.....	790.7	510.3	280.4	4.6
1924.....	845.0	626.7	218.3	4.36
1925.....	1,042.8	727.3	315.5	3.98
1926.....	1,006.7	726.1	280.6	3.89
1927.....	1,051.3	806.7	244.6	5.16
1928.....	1,153.0	765.6	387.4	5.26
1929.....	1,114.2	778.5	335.7	5.23
1930.....	909.0	635.1	273.9	5.24
1931.....	606.6	531.9	74.7	5.21
1932.....	424.1	340.4	74.7	5.13
1933.....	498.7	402.0	96.7	5.71
1934.....	657.0	447.2	209.8	5.56
1935.....	642.7	432.2	210.5	5.25
1936.....	440.3	404.0	36.3	5.29
1937.....	733.4	548.8	184.6	5.26
1938.....	593.0	552.2	40.8	5.26
1939 ² (7 months).....	320.0	313.4	6.6	5.26

¹ Data as reported in *Federal Reserve Bulletin*. By law of August 24, 1862, the gold content of the pre-war lira was fixed at 322.58 milligrams of gold 0.900 fine; its value in U. S. currency was 19.3 cents. On December 21, 1927, the post-war paper lira was stabilized at 27.25 percent of its pre-war value. Its gold content was fixed at 79.19 milligrams, 100 percent fine and its value in U. S. currency at 5.26 cents. On October 5, 1936, following the example of France and other European gold bloc countries, the gold content of the 1927 lira was reduced by 40.94 percent. The gold content of the new lira was made equal to 46.77 milligrams, 100 percent fine; its value in U. S. currency was 5.26 cents, the dollar having been devalued in the meantime.

² Expressed in predevaluation United States cents, the exchange value of the lira was as follows: 1933 5.48 cents; 1934, 5.11 cents; 1935, 4.90 cents; 1936, 4.32 cents.

³ Preliminary. Publication of Italian trade statistics ceased at the beginning of the war, in September 1939.

Source: Converted into U. S. currency from data in official Italian trade statistics.

Though the figures for Italy's import balances in 1936 and 1938 in the trade with the world as a whole are exceptionally small and may appear to indicate a considerable amelioration in Italy's international trade position, in reality the improvement was not very considerable during those years. The columns in table 17 recording Italy's trade with non-Italian countries and with Italian dependencies show that the apparent amelioration was due in large part to greatly increased exports to the areas under Italian control (especially the newly occupied territory in East Africa), and that the excess of imports in the large.

The figures for 1938 and for the first 7 months of 1939¹¹ do, however, show a considerable reduction from the 1937 peak in the country's import balance in the trade with non-Italian countries, a development probably due largely to the more stringent application of extraordinary import controls. The 1937 figures, moreover, had been consequent unusually large mainly because of a poor harvest in 1936 and a crop was good and imports of wheat. In 1937 the wheat very materially reduced. During 1938 Italy imported for consumption only 290,489 tons of wheat as compared with 1,658,397 tons in 1937. The difference in cost amounted to 1,200,000,000 lire, or to over 40 percent of the difference between the adverse trade balances

¹¹ No statistical data on trade, production, prices, etc., have been published in Italy since the beginning of the war in September 1939.

of 1937 and of 1938. A recession in prices of foreign raw materials was also favorable to Italy since it saved hundreds of millions of lire in the lower prices paid for coffee, cotton, and other leading imports as compared with 1937.

The sharp increase in Italy's exports to Italian dependencies after 1935 is of course explained by the Ethiopian campaign and its aftermath. Whereas imports from Italian dependencies were affected in only moderate degree in 1937, at their peak, exports to the colonies were 10 times as great as in 1934.

The recent large exports to the Italian colonies represent in only a small measure increased demand of the local populations; they consist very largely of supplies for Italy's military forces and of capital goods needed for the development of the new Italian territories. In evaluating the significance of this colonial trade, it must, moreover, be remembered that exports to the colonies do not yield foreign exchange and have not been to any appreciable extent compensated by imports from them.

The geographical distribution of Italy's foreign commerce.

The outstanding changes which have occurred during the last decade and a half in the geographical distribution of Italy's foreign commerce are the relative increase of imports from Germany, the relative decline of imports from the United States, and the rise of exports to Italian dependencies explained in the preceding section.

The United States had trebled its share of Italy's imports during the World War, and in 1922, with nearly 28 percent of the total, still retained about half of this increase. The percentage, however, continued to decline, and since 1931 has been below the 1913 figure (except in 1936 when the decline of imports from sanctionist countries increased the percentage from the United States), until in 1937 a low of 11 percent was reached. (See table 19.) In 1922 Germany was far from having recovered its pre-war share of Italy's imports. Even in 1934 that share was still a full point below the 16.8 percent of 1913. In recent years, however, Germany's proportion has rapidly increased, and in 1936 and 1938 was close to 27 percent. In addition to the United States, leading countries which have in recent years supplied smaller percentages of Italy's imports than formerly are the United Kingdom, France, Australia, Argentina, and India (see table 19).

Apart from the recent great increase in exports to Italian dependencies, which constituted 5 percent of the total in 1934 and 23 percent in 1938, the greatest changes in the distribution of Italy's exports during the last few years have been the increase in the percentage sent to Germany and the decreases in the percentages sent to the United Kingdom, France, Switzerland, the United States, and Argentina. In the case of the three European countries named, the recent decrease has been but the prolongation of a trend more or less continuous throughout the period since 1922, whereas the downward trend in the share of exports going to the United States and to Argentina has been of more recent origin. (See table 20.)

In view of the abnormal increase of exports to the Italian colonies in the last few years, less significance attaches to the share of a given country in Italy's total exports than to its share in the total exports to non-Italian countries. Thus, in 1938, the United States took 9.7 percent of Italy's exports to non-Italian areas, a share not much lower than that in 1922 when it had been 11 percent.

TABLE 19.—Italian imports of all merchandise, by continents and principal suppliers, for specified years, 1922 to 1938

Imported from—	1922	1925	1931	1934	1935	1936	1937	1938
Value in millions of lire								
All countries ¹	15,765	26,200	11,643	7,675	7,790	6,089	13,943	11,273
Non-Italian countries ¹	15,723	26,056	11,592	7,582	7,673	5,933	13,563	11,054
Italian dependencies.....	42	142	77	93	117	156	350	399
America.....	6,045	8,919	2,556	1,098	1,582	1,491	3,380	2,293
United States.....	4,368	6,196	1,327	957	879	866	1,536	1,338
Argentina.....	771	1,370	564	274	295	178	1,054	274
Other America.....	806	1,353	704	377	408	418	787	651
Asia ²	1,222	2,579	850	631	611	342	1,156	812
British India and Ceylon.....	741	1,733	475	353	238	140	503	269
Other Asia.....	481	846	405	278	373	202	653	543
Africa ³	419	963	459	491	530	295	916	673
Europe ^{2,4}	7,117	12,301	7,278	4,601	4,864	3,680	7,615	7,051
Germany.....	1,245	2,173	1,534	1,213	1,427	1,617	2,589	3,016
United Kingdom.....	2,022	2,728	1,099	707	568	53	561	728
France.....	1,151	2,358	825	437	471	128	491	254
Austria.....	327	673	291	190	272	370	632	(⁵)
Rumania.....	291	131	331	121	241	221	395	253
Switzerland.....	331	521	401	293	247	233	412	376
Hungary.....	56	73	145	99	154	220	410	190
Other Europe.....	1,693	3,644	2,652	1,541	1,484	838	2,128	2,234
Oceania.....	871	1,260	322	238	70	60	479	217
Australia.....	870	1,245	314	234	66	58	475	216
Other Oceania.....	1	15	8	4	4	2	4	1
Percent of total value								
All countries ¹	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Non-Italian countries ¹	99.7	99.5	99.3	98.8	98.4	97.4	97.5	98.1
Italian dependencies.....	.3	.5	.7	1.2	1.6	2.6	2.5	1.9
America.....	38.3	34.0	22.3	21.0	20.3	24.7	24.2	20.1
United States.....	27.9	23.6	11.4	12.5	11.3	14.8	11.0	11.9
Argentina.....	4.9	5.2	4.8	3.6	3.8	3.0	7.5	2.4
Other America.....	5.5	5.2	6.1	4.9	5.2	6.9	5.7	5.8
Asia ²	7.8	9.8	7.6	8.2	7.9	5.7	8.5	7.2
British India and Ceylon.....	4.7	6.6	4.1	4.6	3.1	2.3	3.6	2.4
Other Asia.....	3.1	3.2	3.5	3.6	4.9	3.4	4.9	4.8
Africa ³	2.7	3.8	3.9	6.4	6.9	4.9	6.6	6.0
Europe ^{2,4}	45.1	47.0	62.5	59.9	62.4	60.9	54.7	62.5
Germany.....	7.9	8.3	13.2	15.8	18.3	26.8	18.6	26.7
United Kingdom.....	12.8	10.4	9.4	9.2	7.3	.9	4.0	6.5
France.....	7.3	9.0	7.1	5.7	6.0	2.1	3.5	2.3
Austria.....	2.1	2.6	2.5	2.5	3.5	6.1	4.5	(⁵)
Rumania.....	1.8	.5	2.8	1.6	3.1	3.7	2.8	(⁵)
Switzerland.....	2.1	2.0	3.4	3.8	3.2	3.9	3.0	3.3
Hungary.....	.4	.3	1.3	1.3	2.0	3.6	2.9	1.7
Other Europe.....	10.7	13.9	22.8	20.0	19.0	13.8	15.4	19.8
Oceania.....	5.5	4.8	2.8	3.1	.9	1.0	3.4	1.9
Australia.....	5.5	4.7	2.7	3.0	.8	1.0	3.4	1.9
Other Oceania.....	(⁵)	.1	.1	.1	.1	(⁵)	(⁵)	(⁵)

¹ Figures for imports include fish from Arctic and Antarctic regions and returned Italian goods, both of minor significance.

² Turkey and Russia included in Europe.

³ Does not include Italian dependencies.

⁴ Includes imports from territory which subsequently became the Irish Free State (Eire).

⁵ Included in Germany.

⁶ Less than 0.05 percent.

Source: *Commercio di Importazione e di Esportazione*.

TABLE 20.—Italian exports of all merchandise, by continents and principal markets, for specified years, 1922 to 1938

Exported to—	1922	1925	1931	1934	1935	1936	1937	1938
Value in millions of lire								
All countries ¹	9,302	18,274	10,210	5,224	5,238	5,542	10,444	10,497
Non-Italian countries ¹	9,173	17,987	9,961	4,965	4,489	3,824	7,864	8,049
Italian dependencies.....	129	287	249	259	750	1,718	2,580	2,448
America.....	1,827	3,940	2,249	812	802	889	1,579	1,649
United States.....	1,018	1,896	1,046	388	422	550	784	782
Argentina.....	500	1,145	829	218	162	160	403	405
Other America.....	309	899	374	206	218	179	392	462
Asia ²	235	774	555	274	246	144	459	433
British India and Ceylon.....	99	333	192	119	93	50	148	163
Other Asia.....	136	441	363	155	153	94	311	270
Africa ³	360	934	453	269	243	186	580	509
Europe ⁴	6,559	12,037	6,624	3,545	3,123	2,657	5,131	5,345
Germany.....	972	2,025	1,090	833	851	1,086	1,503	2,002
United Kingdom.....	4,117	1,852	1,201	529	431	156	641	587
France.....	1,365	2,024	1,119	352	305	190	442	328
Switzerland.....	1,208	1,635	771	438	338	246	508	495
Austria.....	222	666	315	122	134	193	289	(⁵)
Rumania.....	91	302	120	75	67	21	129	140
Hungary.....	25	87	87	130	89	117	202	167
Other Europe.....	1,559	3,446	1,921	1,066	908	448	1,417	1,626
Oceania.....	68	132	29	35	41	19	67	75
Australia.....	65	120	28	31	36	16	61	66
Other Oceania.....	3	12	1	4	5	3	6	9
Percent of total value								
All countries ¹	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Non-Italian countries ¹	98.6	98.4	97.6	95.0	85.7	69.0	75.3	76.7
Italian dependencies.....	1.4	1.6	2.4	5.0	14.3	31.0	24.7	23.3
America.....	19.6	21.6	22.0	15.5	15.3	16.0	15.1	15.8
United States.....	10.9	10.4	10.2	7.4	8.0	9.9	7.5	7.5
Argentina.....	5.4	6.3	8.1	4.2	3.1	2.9	3.9	3.9
Other America.....	3.3	4.9	3.7	3.9	4.2	3.2	3.7	4.4
Asia.....	2.5	4.2	5.4	5.2	4.7	2.6	4.4	4.1
British India and Ceylon.....	1.1	1.8	1.9	2.3	1.8	.9	1.4	1.5
Other Asia.....	1.4	2.4	3.5	2.9	2.9	1.7	3.0	2.6
Africa ³	3.9	5.1	4.5	5.2	4.7	3.4	5.6	4.8
Europe ⁴	70.5	65.9	64.9	67.8	59.6	46.1	49.1	50.9
Germany.....	10.4	11.1	10.7	15.9	16.2	19.6	14.4	19.1
United Kingdom.....	42.0	10.1	11.8	10.1	8.2	2.8	6.1	5.6
France.....	14.7	11.1	10.9	6.7	5.8	3.4	4.2	3.1
Switzerland.....	13.0	8.9	7.5	8.4	6.4	6.2	4.9	4.7
Austria.....	2.4	3.6	3.1	2.3	2.6	3.5	2.8	(⁵)
Rumania.....	1.0	1.7	1.2	1.4	1.3	.4	1.2	1.3
Hungary.....	.3	.5	.9	2.5	1.7	2.1	1.9	1.6
Other Europe.....	16.7	18.9	18.8	20.5	17.4	8.1	13.6	15.5
Oceania.....	.7	.7	.3	.7	.8	.4	.6	.7
Australia.....	.7	.6	.3	.6	.7	.3	.6	.6
Other Oceania.....	(⁶)	.1	(⁶)	.1	.1	.1	(⁶)	.1

¹ Figures for exports include those to the free ports of Trieste and Fiume, supplies for non-Italian ships and for Italian ships in 1922 and 1925.

² Turkey and Russia included in Europe.

³ Does not include Italian dependencies.

⁴ Includes exports to territory which subsequently became the Irish Free State (Eire).

⁵ Included in Germany.

⁶ Less than 0.05 percent.

Source: *Commercio di Importazione e di Esportazione*.

The reasons for these important geographic shifts in both import and export trade are not far to seek. Closer political and economic ties between the two countries and the recent territorial expansion of Germany account for the remarkable growth in the trade between Italy and Germany, while the efforts made to achieve a high degree of economic self-sufficiency explain in part the decline in imports into Italy from the Americas and certain former important European suppliers.

Italian foreign trade by economic classes and principal commodity groups.

Perhaps the outstanding fact in the distribution of Italian trade by economic classes and leading commodity groups (tables 21, 22, 23 and chart IV) is the predominant position which raw materials now occupy in Italy's import trade. Crude raw materials in 1938 accounted for nearly one-half of Italy's total imports. The proportion was materially greater than it was in the twenties, and much greater than in 1930 and 1931 when prices of raw materials were very low. It is significant moreover, that although the "Battle of Wheat" began in the middle twenties, foodstuffs continued, for a number of years, to form about 24 percent of imports, until in 1933 they suddenly dropped to a 15 percent level, where, excepting 1937, they have since remained. These changes reflect the Government's self-sufficiency program, which has tended to limit imports to indispensable foreign raw materials and semimanufactured products and to replace foreign foodstuffs and manufactured articles on the domestic market with commodities of local production. The program has been more successful in reducing the importation of foodstuffs than those of manufactured goods. The share of manufactured goods in total imports was even higher in the last decade than in the preceding one, but this has resulted from the decided decrease in the share of the foodstuffs group.

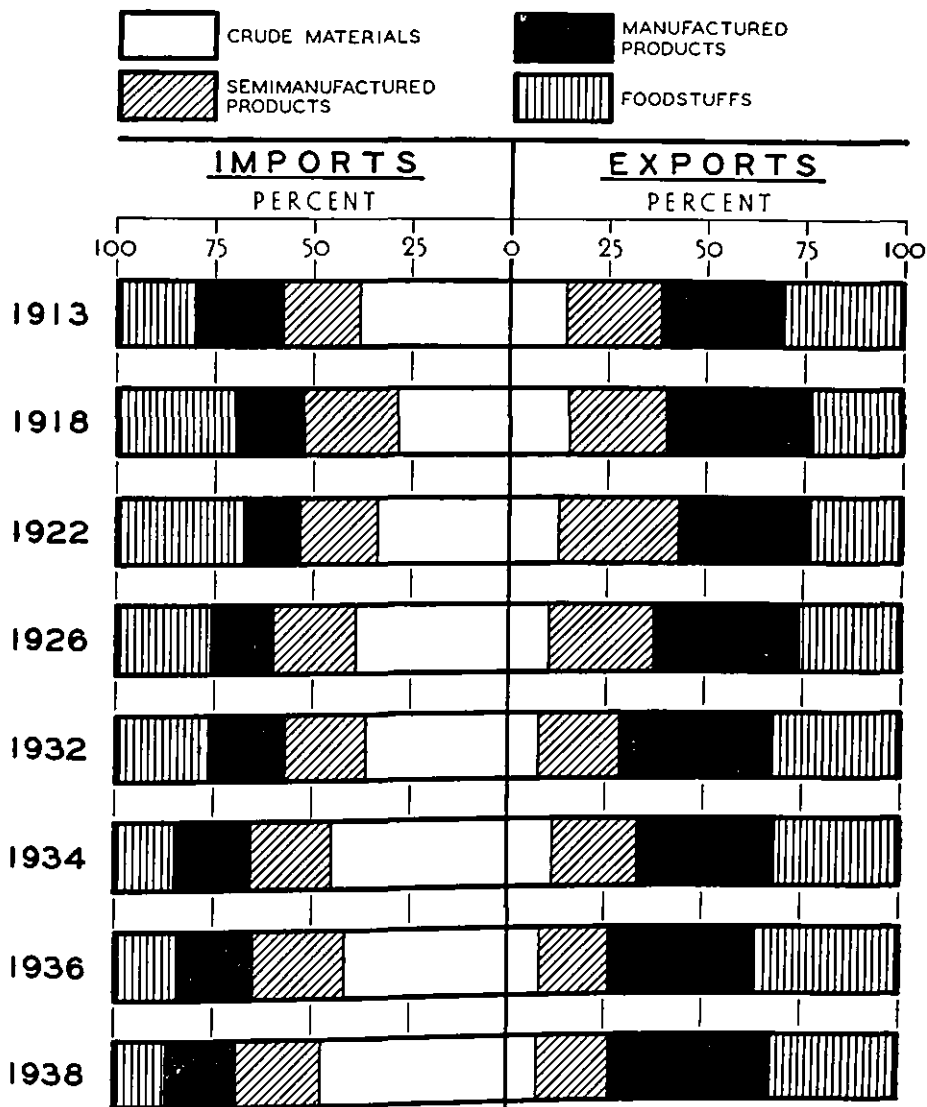
The data on the distribution by economic classes of Italy's export trade (table 21) show that while there is clearly a tendency toward a relative increase in the exports of foodstuffs, there is a relative decrease in the exports of raw materials and of semimanufactured articles. These trends indicate some success in the Italian Government's recent efforts to encourage the domestic production and exportation of foodstuffs and to provide for the fullest possible use of Italian natural resources.

Further light is thrown upon the composition of Italian foreign trade by showing the values of the principal groups of commodities which Italy imports and exports, as well as the relation of each group to the total (tables 22 and 23). Among the imports, the most important groups are those which comprise grains (chiefly wheat and corn), raw cotton, and coal, followed by mineral oils (chiefly petroleum and its derivatives), iron and steel (mainly in scrap and bar form), the group consisting chiefly of raw wool, and the machinery group. Taken together, these seven groups account for about one-half of Italy's total imports. Among Italy's leading exports are fruits and nuts, rayon and raw silk, cotton textiles, and automobiles. Together these four groups account for about 45 percent of total Italian exports.

Table 22 shows that since 1922 Italy's imports of grains (mainly wheat) and of cotton have decreased conspicuously in absolute value and in relation to the total trade. On the other hand, the groups comprising iron and steel, copper, machinery, coal, and mineral oils

CHART IV

PERCENTAGE DISTRIBUTION OF
ITALIAN FOREIGN TRADE
BY ECONOMIC CLASSES
IN SELECTED YEARS
1913-1938



have risen in relative importance. On the export side the outstanding change has been the great decrease in the silk group (mainly raw silk), which fell from 2,427 million lire in 1922 (including at that time only a small quantity of rayon) to 308 million lire (not including rayon, now shown separately) in 1938, or from 26 percent of total exports to 3 percent thereof. Exports of rayon have increased greatly but have replaced only a small part of the loss in exports of silk. The export groups which show the most conspicuous increases in relative importance since 1922 are fruits and nuts, wool and hair (chiefly woven fabrics), and vehicles (chiefly automobiles and parts).

TABLE 21.—Italian foreign trade with all countries, including Italian dependencies by economic classes, 1919–38

Year	[Value in millions of lire]								
	Total	Foodstuffs		Crude raw materials		Semimanufactured products		Manufactured products	
		Value	Percent of total	Value	Percent of total	Value	Percent of total	Value	Percent of total
A. Imports									
1919.....	16,623	5,864	35.3	5,302	31.9	2,841	17.1	2,616	15.6
1920.....	26,822	7,346	27.4	9,179	34.2	4,757	17.7	5,540	20.5
1921.....	16,926	7,053	41.6	4,820	28.5	2,418	14.3	2,835	16.7
1922.....	15,765	6,049	32.0	5,243	33.3	3,113	19.7	2,360	15.0
1923.....	17,189	4,943	28.7	6,634	38.6	3,132	18.3	2,480	14.4
1924.....	19,381	4,707	24.3	7,807	40.3	4,044	20.9	2,823	14.6
1925.....	26,200	6,341	24.2	10,219	39.0	5,566	21.2	4,074	15.5
1926.....	25,879	6,100	23.6	10,106	39.1	5,416	20.9	4,257	16.4
1927.....	20,375	5,322	26.1	7,558	37.1	4,230	20.8	3,265	16.0
1928.....	21,920	6,055	27.6	7,556	34.5	4,474	20.4	3,835	17.5
1929.....	21,303	4,635	21.8	8,029	37.7	4,415	20.7	4,224	19.8
1930.....	17,347	4,220	24.3	5,679	32.7	3,763	21.7	3,685	21.3
1931.....	11,643	3,005	25.8	3,763	32.3	2,466	21.2	2,409	20.7
1932.....	8,268	1,934	23.4	2,988	36.2	1,706	20.6	1,640	19.8
1933.....	7,432	1,140	15.3	3,160	42.4	1,618	21.8	1,524	20.5
1934.....	7,675	1,130	14.7	3,458	45.1	1,563	20.4	1,524	19.8
1935.....	7,790	1,123	14.4	3,443	44.3	1,667	23.9	1,357	17.4
1936.....	6,039	925	15.3	2,494	41.3	1,409	23.3	1,211	20.1
1937.....	13,943	2,889	20.7	6,245	44.8	2,894	20.8	1,915	13.7
1938.....	11,273	1,431	12.7	5,355	47.5	2,404	21.3	2,083	18.5
B. Exports									
1919.....	6,066	963	15.9	758	12.5	2,153	35.5	2,192	36.1
1920.....	11,774	1,647	14.0	1,583	13.4	3,582	30.4	4,962	42.2
1921.....	8,279	1,687	20.4	890	10.7	2,459	29.7	3,243	39.2
1922.....	9,302	2,192	23.6	1,155	12.4	2,824	30.3	3,131	33.7
1923.....	11,093	2,552	23.0	1,254	11.3	3,195	28.8	4,092	36.9
1924.....	14,373	3,922	27.3	1,607	11.2	3,706	25.8	5,138	35.7
1925.....	18,274	4,764	26.1	1,870	10.2	4,356	23.8	7,284	39.9
1926.....	18,665	4,812	25.8	1,917	10.3	4,352	23.3	7,584	40.6
1927.....	15,634	3,955	25.4	1,871	11.9	3,542	22.6	6,266	40.1
1928.....	14,556	3,310	22.7	1,751	12.1	3,390	23.3	6,105	41.9
1929.....	14,884	3,586	24.1	1,614	10.8	3,253	21.9	6,431	43.2
1930.....	12,119	3,353	27.6	1,160	9.6	2,678	22.1	4,928	40.7
1931.....	10,210	2,960	28.9	897	8.8	1,966	19.3	4,387	43.0
1932.....	6,812	2,201	32.3	527	7.7	1,394	20.5	2,690	39.5
1933.....	5,991	1,967	32.8	569	9.5	1,227	20.6	2,228	37.2
1934.....	5,224	1,653	31.6	603	11.5	1,120	21.5	1,848	35.4
1935.....	5,238	1,759	33.6	530	10.1	1,043	19.9	1,906	36.4
1936.....	5,542	2,039	36.8	473	8.5	966	17.5	2,064	37.2
1937.....	10,444	3,086	29.6	972	9.3	1,987	19.0	4,399	42.1
1938.....	10,497	3,371	32.1	845	8.0	1,916	18.3	4,365	41.6

Source: *Annuario Statistico Italiano* for 1937 and 1938, *Commercio di Importazione e di Esportazione*, 1938.

TABLE 22.—Italian imports (including imports from Italian dependencies) of all merchandise, by principal commodity groups,¹ 1922-38

Year	Grains, legumes, tubers, and their edible products (chiefly wheat and corn)	Oil seeds, oil nuts, and their residues (chiefly peanuts and flaxseed)	Cotton and its products (chiefly raw cotton)	Wool, hair, and their products (chiefly raw wool)	Iron, steel, and their products (chiefly scrap and bars)	Copper, its alloys, and products (chiefly refined copper)	Machinery, apparatus and parts	Stones, earths, and non-metallic minerals (chiefly coal and phosphate rock)	Wood and cork (chiefly sawed lumber)	Mineral oils, gums, resins (chiefly crude petroleum, fuel oils, gasoline)	Hides, skins, and furs (chiefly raw hides and skins)	Paper, cardboard, graphic-art products (chiefly wood pulp)	All other commodities ²	Total
A. Value in millions of lire														
1922.....	3,626	323	1,930	907	460	267	399	1,427	395	710	492	233	4,596	15,765
1923.....	3,537	402	2,534	1,048	484	358	463	1,711	474	724	573	227	4,654	17,189
1924.....	2,738	538	3,135	1,193	693	428	591	1,727	668	821	697	268	5,884	19,381
1925.....	4,169	708	3,791	1,615	1,304	572	1,059	1,964	953	976	1,041	403	7,645	26,200
1926.....	4,192	719	3,423	1,560	1,102	634	1,091	2,231	1,076	1,147	962	434	7,308	25,879
1927.....	3,448	732	2,031	1,231	784	453	691	2,100	895	1,009	791	299	5,911	20,375
1928.....	3,941	614	2,514	1,625	825	551	795	1,337	785	908	1,128	346	6,551	21,920
1929.....	2,548	679	2,528	1,592	990	486	964	1,755	840	962	939	395	6,625	21,303
1930.....	2,094	325	1,684	978	825	383	798	1,560	787	928	643	347	5,995	17,347
1931.....	1,265	309	917	619	445	264	487	1,235	520	671	439	269	4,203	11,643
1932.....	849	235	830	556	278	175	365	814	352	436	297	191	2,890	8,268
1933.....	311	183	924	593	306	170	364	833	316	390	326	203	2,513	7,432
1934.....	325	205	792	615	363	157	371	1,010	324	377	320	219	2,597	7,675
1935.....	427	185	650	386	483	211	421	1,179	339	479	288	247	2,495	7,790
1936.....	445	161	504	201	378	240	408	897	164	440	149	222	1,830	6,039
1937.....	1,587	565	1,144	701	798	479	599	1,981	357	997	471	431	3,833	13,943
1938.....	409	241	903	502	778	377	759	1,960	269	914	280	474	3,407	11,273

¹ Included are all commodity groups, imports of which from non-Italian countries averaged over 200 million lire annually in the period 1935-37.

² Important Italian imports (values expressed in millions of lire), included among "all

other commodities" in 1937, were: Cattle, 261; crude rubber, 224; coffee, 200; edible olive oil, 152; and tin, 82.

TABLE 22.—*Italian imports (including imports from Italian dependencies) of all merchandise, by principal commodity groups, 1922-38—Continued*

Year	Grains, legumes, tubers, and their edible products (chiefly wheat and corn)	Oil seeds, oil nuts, and their residues (chiefly peanuts and flaxseed)	Cotton and its products (chiefly raw cotton)	Wool, hair, and their products (chiefly raw wool)	Iron, steel, and their products (chiefly scrap and bars)	Copper, its alloys, and products (chiefly refined copper)	Machinery, apparatus and parts	Stones, earths, and non-metallic minerals (chiefly coal and phosphate rock)	Wood and cork (chiefly sawed lumber)	Mineral oils, gums, resins (chiefly crude petroleum, fuel oils, gasoline)	Hides, skins, and furs (chiefly raw hides and skins)	Paper, cardboard, graphic-art products (chiefly wood pulp)	All other commodities	Total
B. Percentage of the value of all imports														
1922.....	23.0	2.0	12.2	5.8	3.0	1.7	2.5	9.0	2.6	4.6	3.1	1.5	29.0	100.0
1923.....	20.6	2.3	14.8	6.0	2.9	2.0	2.7	10.0	2.8	4.2	3.4	1.4	26.9	100.0
1924.....	14.1	2.8	16.2	6.1	3.6	2.2	3.0	9.0	3.5	4.2	3.6	1.3	30.4	100.0
1925.....	15.9	2.7	14.5	6.2	5.0	2.2	4.0	7.5	3.7	3.7	4.0	1.6	29.1	100.0
1926.....	16.2	2.8	13.2	6.2	4.3	2.5	4.2	8.6	4.2	4.4	3.7	1.7	28.0	100.0
1927.....	16.9	3.6	10.0	6.0	3.9	2.2	3.4	10.3	4.4	5.0	3.9	1.5	28.9	100.0
1928.....	18.0	2.8	11.5	7.4	3.8	2.5	3.6	6.1	3.6	4.1	5.1	1.6	29.9	100.0
1929.....	12.0	3.2	11.9	7.5	4.7	2.3	4.5	8.2	3.9	4.5	4.4	1.9	31.0	100.0
1930.....	12.1	1.9	9.7	5.6	4.8	2.2	4.6	9.0	4.5	5.3	3.7	2.0	34.8	100.0
1931.....	10.9	2.7	7.9	5.3	3.8	2.3	4.2	10.6	4.5	5.8	3.8	2.3	35.9	100.0
1932.....	10.3	2.8	10.1	6.7	3.4	2.1	4.4	9.8	4.3	5.3	3.6	2.3	34.9	100.0
1933.....	4.2	2.5	12.4	8.0	4.1	2.3	4.9	11.2	4.2	5.2	4.4	2.7	33.9	100.0
1934.....	4.2	2.7	10.3	8.0	4.7	2.1	4.8	13.2	4.2	4.9	4.2	2.9	33.8	100.0
1935.....	5.5	2.4	8.3	5.0	6.2	2.7	5.4	15.1	5.3	6.1	3.7	3.2	32.1	100.0
1936.....	7.4	2.7	8.3	3.3	6.3	4.0	6.8	14.9	2.7	7.3	2.5	3.7	30.1	100.0
1937.....	11.4	4.0	8.2	5.0	5.7	3.4	4.3	14.2	2.6	7.2	3.4	3.1	27.5	100.0
1938.....	3.6	2.1	8.0	4.5	6.9	3.3	6.7	17.4	2.4	8.1	2.5	4.2	30.3	100.0

Source: *Annuario Statistico Italiano* for 1937 and 1938, *Commercio di Importazione e di Esportazione*, 1938.

TABLE 23.—Italian exports (including exports to Italian dependencies) of all merchandise, by principal commodity groups,¹ 1922–38

Year	Edible commodities				Textile materials and their products ²					Other commodities			Total
	Dairy products (chiefly cheese)	Grains, legumes, tubers, and their products (chiefly rice, potatoes)	Fruits, nuts, vegetables (chiefly citrus fruits, grapes, almonds)	Beverages (chiefly wines)	Cotton (chiefly woven fabrics)	Other vegetable fibers (chiefly crude hemp)	Wool and hair (chiefly woven fabrics)	Silk (chiefly raw silk)	Artificial fibers (chiefly rayon)	Vehicles (chiefly automobiles and parts)	Stones, earths, non-metallic minerals (chiefly sulphur, marble)	All other commodities ³	
A. Value in millions of lire													
1922.....	219	384	966	239	1,197	458	200	2,427		302	280	2,630	9,302
1923.....	374	454	985	224	1,791	496	304	2,766		325	323	3,051	11,093
1924.....	503	865	1,411	385	2,252	646	505	3,137		510	374	3,785	14,373
1925.....	612	1,017	1,895	350	2,906	786	755	3,778		763	431	4,981	18,274
1926.....	540	859	2,276	330	2,421	783	842	4,174		779	468	5,193	18,665
1927.....	467	740	1,919	331	1,821	729	676	3,444		658	508	4,341	15,634
1928.....	484	674	1,608	311	1,893	589	741	2,991		539	460	4,366	14,556
1929.....	406	592	1,879	298	1,886	570	769	3,031		508	462	4,483	14,884
1930.....	390	506	1,563	234	1,403	421	554	2,297		428	393	3,926	12,119
1931.....	359	374	1,312	225	1,008	277	506	1,661		740	324	3,424	10,210
1932.....	261	376	1,091	127	735	188	301	404	584	280	267	2,198	6,812
1933.....	192	407	1,007	138	611	210	257	324	530	281	200	1,828	5,991
1934.....	163	282	879	156	492	218	256	188	557	166	170	1,697	5,224
1935.....	186	253	953	178	394	214	181	190	515	255	197	1,722	5,238
1936.....	158	315	1,080	248	386	165	139	212	413	546	157	1,723	5,542
1937.....	246	540	1,603	351	1,101	410	472	314	871	908	327	3,301	10,444
1938.....	257	570	1,823	349	1,014	375	498	308	869	698	266	3,450	10,497

¹ Included are all commodity groups the exports of which to non-Italian countries exceeded 100 million lire in each of the 3 years, 1935 to 1937. In each of these years exports to all countries including Italian dependencies, exceeded 100 million lire also for iron, steel, and their products, and for machinery and apparatus.

² Excluding sewn articles which altogether constitute less than 1 percent of Italy's total exports.

³ The most important Italian export commodity included among "all other commodities" is edible olive oil, exports of which to all countries were valued at over 146 million lire in 1937, and 184 million lire in 1938.

TABLE 23.—Italian exports (including exports to Italian dependencies) of all merchandise, by principal commodity groups, 1922-38—Continued

Year	Edible commodities				Textile materials and their products					Other commodities			Total
	Dairy products (chiefly cheese)	Grains, legumes, tubers, and their products (chiefly rice, potatoes)	Fruits, nuts, vegetables (chiefly citrus fruits, grapes, almonds)	Beverages (chiefly wines)	Cotton (chiefly woven fabrics)	Other vegetable fibers (chiefly crude hemp)	Wool and hair (chiefly woven fabrics)	Silk (chiefly raw silk)	Artificial fibers (chiefly rayon)	Vehicles (chiefly automobiles and parts)	Stones, earths, non-metallic minerals (chiefly sulphur, marble)	All other commodities	
B. Percent of the value of all exports													
1922.....	2.4	4.1	10.4	2.6	12.9	4.9	2.2	26.1		3.2	3.0	28.2	100.0
1923.....	3.4	4.1	8.9	2.0	16.1	4.5	2.7	24.9		2.9	2.9	27.6	100.0
1924.....	3.5	6.0	8.8	2.7	15.7	4.5	3.5	21.8		3.5	2.6	26.4	100.0
1925.....	3.4	5.6	10.4	1.9	15.9	4.3	4.1	20.7		4.2	2.4	27.1	100.0
1926.....	2.9	4.6	12.2	1.8	13.0	4.2	4.5	22.4		4.2	2.5	27.7	100.0
1927.....	3.0	4.7	12.3	2.1	11.7	4.7	4.3	22.0		4.2	3.3	27.7	100.0
1928.....	3.3	3.9	11.1	2.1	13.0	4.0	5.1	20.5		3.7	3.2	30.1	100.0
1929.....	2.7	4.0	12.6	2.0	12.7	3.8	5.2	20.4		3.4	3.1	30.1	100.0
1930.....	3.3	4.2	12.9	1.9	11.6	3.5	4.6	18.9		3.5	3.2	32.4	100.0
1931.....	3.5	3.7	12.8	2.2	9.9	2.7	4.9	16.3		7.3	3.2	33.5	100.0
1932.....	3.8	5.5	16.0	1.9	10.8	2.8	4.4	5.9	8.6	4.1	3.9	32.3	100.0
1933.....	3.2	6.8	16.8	2.3	10.2	3.5	4.3	5.4	8.9	4.7	3.4	30.5	100.0
1934.....	3.1	5.4	16.8	3.0	9.4	4.2	4.9	3.6	10.7	3.2	3.2	32.5	100.0
1935.....	3.6	4.8	18.2	3.4	7.5	4.1	3.5	3.6	9.8	4.9	3.8	32.8	100.0
1936.....	2.9	5.7	19.5	4.5	7.0	3.0	2.5	3.8	7.5	9.8	2.8	31.0	100.0
1937.....	2.4	5.2	15.3	3.4	10.6	3.9	4.5	3.0	8.3	8.7	3.1	31.6	100.0
1938.....	2.4	5.4	17.4	3.3	9.7	3.6	4.7	2.9	8.5	6.7	2.5	32.9	100.0

SOURCE: Annuario Statistico Italiano, for 1937 and 1938, Commercio di Importazione e di Esportazione, 1938.

Leading Italian imports and exports.

A more detailed study of the values of the 10 most important import and export commodities in Italy's foreign trade during each of three representative years (table 24) fully confirms the analysis made in the preceding section.

It shows, on the import side, the greatly decreased importance of wheat as an import item (from first place in value among individual imports in 1926 to sixth place in 1934 and to below tenth place in 1938) and the increased importance of late of such raw materials as crude mineral oil, copper, and iron and steel scrap. The traditionally important items coal, raw cotton, and wool,¹² continue high on the list, though coal has gained in relative importance and cotton has declined. The main reason for these changes, as has already been pointed out, is to be found in the Fascist Government's efforts to achieve a growing measure of economic self-sufficiency, and to limit importations to raw materials not available in Italy in quantities sufficient to cover domestic and military needs. The extent to which the Government's campaign to reduce unnecessary imports is carried, is further illustrated by the disappearance, in 1938, of coffee from the list of leading imports.

On the export side, the changes appear to be somewhat less drastic, with the striking exception of raw silk, which headed the list in value in 1926 and then fell below tenth place. Its disappearance has permitted such other traditional Italian exports as cotton cloth, artificial fibers, citrus fruit and other fruit to advance to positions of greater prominence.

Turning to the quantities of the principal import commodities given in table 25, it is seen that imports of practically all items except copper and petroleum derivatives (commodities important to Italy for their possible military uses), show declines from their peaks in the late twenties, the declines being most pronounced for wheat and corn, and least pronounced for iron and steel scrap and coal. With the exception of sulphur and wines among leading export items, reductions in the volume of exports (table 26) also have taken place in recent years, probably because of the general decline in world trade arising from the depression and the increase of trade barriers, though the more intensive domestic use of certain materials formerly exported may be a factor. Moreover, it should be borne in mind, that, exports are likely to tend toward lower levels whenever imports are materially curtailed.

¹² Table 25 shows that after reaching a peak of 2.8 million metric tons in 1921, the importation of wheat declined to a low of 290 thousand tons in 1938. Imports of corn too declined drastically, from a peak of 913 thousand tons in 1928 to 55 thousand tons in 1938.

TABLE 24.—Ten principal commodities entering into Italy's foreign trade, 1926, 1934, and 1938¹

[Value in millions of lire]

1926			1934			1938 ¹		
Commodity	Value	Percent of total value	Commodity	Value	Percent of total value	Commodity	Value	Percent of total value
A. IMPORTS								
Wheat.....	3,536	13.7	Coal and coke.....	857	11.2	Coal and coke.....	1,758	15.6
Cotton, raw.....	3,005	11.6	Cotton, raw.....	722	9.4	Cotton, raw.....	828	7.4
Coal and coke.....	2,020	7.8	Wool, in the grease, and washed, wool waste, and flocks.....	513	6.7	Machinery, apparatus, and parts.....	759	6.7
Machinery, apparatus, and parts.....	1,091	4.2	Machinery, apparatus, and parts.....	371	4.8	Mineral oil, crude, and residues from the distillation of.....	657	5.8
Wool, in the grease and washed, wool waste, and flocks.....	1,079	4.2	Lumber, common, rough, squared, or sawed.....	270	3.5	Wool in the grease and washed, wool waste, and flocks.....	420	3.7
Lumber, common, rough, squared, or sawed.....	855	3.3	Wheat.....	185	2.4	Wood pulp.....	393	3.5
Mineral oils (except crude and residues from the distillation of).....	721	2.8	Fish (except shellfish, caviar, etc.).....	178	2.3	Copper and its alloys, in ingots and scrap.....	327	2.9
Oil seeds.....	616	2.4	Oil seeds.....	172	2.3	Fish (except shellfish, caviar, etc.).....	244	2.2
Coffee.....	550	2.1	Hides and skins, raw, except furskins.....	171	2.2	Lumber, common, rough, squared or sawed.....	236	2.1
Copper and its alloys, in ingots, and scrap.....	545	2.1	Mineral oils (except crude and residues from the distillation of).....	162	2.1	Iron and steel scrap.....	233	2.1
All other.....	11,861	45.8	All other.....	4,074	53.1	All other.....	5,418	48.0
Total.....	25,879	100.0	Total.....	7,675	100.0	Total.....	11,273	100.0
B. EXPORTS								
Silk, raw, reeled.....	2,229	11.9	Artificial fibers.....	299	5.7	Cotton cloth.....	675	6.4
Cotton cloth.....	1,831	9.8	Citrus fruits.....	279	5.3	Citrus fruits.....	540	5.2
Automobiles.....	710	3.8	Cotton cloth.....	260	5.0	Dried fruits and nuts.....	511	4.9
Citrus fruits.....	688	3.7	Dried fruits and nuts.....	220	4.2	Grapes and other fresh fruit, except citrus.....	370	3.5
Dried fruits and nuts.....	665	3.6	Cotton yarns, except sewing thread.....	173	3.3	Artificial fibers.....	364	3.5
Hat shapes, hats, caps, and bonnets.....	551	3.0	Cheese.....	152	2.9	Machinery, apparatus, and parts.....	340	3.2
Artificial fibers.....	532	2.8	Wines and vermouth.....	146	2.8	Wool cloth.....	304	2.9
Cloth, mixed with silk.....	499	2.7	Hemp, flax, and other vegetable fibers, raw, except cotton.....	146	2.8	Wines and vermouth.....	283	2.7
Hemp, flax, and other vegetable fibers, raw, except cotton.....	479	2.6	Machinery, apparatus, and parts.....	142	2.7	Automobiles.....	264	2.5
Cheese.....	456	2.4	Grapes and other fresh fruit, except citrus.....	129	2.5	Hemp, flax, and other vegetable fibers raw, except cotton.....	235	2.2
All other.....	10,025	53.7	All other.....	3,278	62.8	All other.....	6,611	63.0
Total.....	18,665	100.0	Total.....	5,224	100.0	Total.....	10,497	100.0

¹ For a more comprehensive list of the principal Italian imports and exports in 1938, see tables 70 and 71 in appendix II, pp. 171-173.

² Does not include the value of the amounts imported on reparation account.

TABLE 25.—*Italian imports*¹ *of principal commodities from all countries, average, 1906-10 and annually, 1919-33*

[In thousands of metric tons—1,000 metric tons equal 984.2 long tons or 2,204,608 pounds]

Year	Wheat	Corn	Raw cotton	Raw wool	Iron and steel scrap	Iron and steel manufactures
1906-10 average.....	1,174.2	196.5	194.6	20.2	367.3	295.1
1919.....	2,104.8	196.7	179.0	33.6	96.3	464.9
1920.....	2,118.4	320.0	178.9	33.1	142.9	302.8
1921.....	2,799.8	456.3	157.9	22.2	66.6	216.0
1922.....	2,681.3	504.5	177.7	45.7	305.9	93.5
1923.....	2,788.7	444.2	185.3	42.3	433.7	86.8
1924.....	2,131.0	146.1	201.4	42.1	542.0	151.3
1925.....	2,241.9	166.8	236.9	41.7	960.9	390.4
1926.....	2,146.3	482.7	239.4	53.2	766.0	254.6
1927.....	2,308.2	414.4	209.1	47.8	693.3	208.6
1928.....	2,744.8	913.4	232.5	59.7	862.0	203.4
1929.....	1,764.8	765.9	244.5	64.7	994.4	229.9
1930.....	1,935.1	713.9	204.7	60.3	855.4	245.3
1931.....	1,485.0	738.2	170.5	53.9	613.0	145.3
1932.....	1,056.2	643.3	190.2	77.3	474.2	132.5
1933.....	466.6	139.0	219.8	91.8	629.8	167.5
1934.....	469.0	163.7	187.4	71.8	731.7	220.3
1935.....	549.7	253.1	148.7	57.5	990.0	275.9
1936.....	535.0	166.7	101.4	21.0	400.4	135.2
1937.....	1,658.4	126.2	166.4	45.1	545.3	211.2
1938.....	290.5	55.3	158.5	37.7	632.8	190.0

	Copper, brass, bronze	Machinery, boilers, and apparatus	Coal, coke	Lumber	Petroleum derivatives	Hides and skins
1906-10 average.....	26.2	131.4	8,613.7	1,307.3	86.6	26.6
1919.....	79.4	63.0	6,226.5	268.8	241.1	44.9
1920.....	22.6	96.7	5,620.0	495.9	247.0	29.1
1921.....	24.0	65.4	7,470.5	578.6	203.7	23.8
1922.....	45.6	56.6	8,834.4	848.2	291.1	35.3
1923.....	49.4	54.4	9,133.7	1,079.7	348.9	36.2
1924.....	58.5	70.4	11,170.4	1,372.2	376.4	41.4
1925.....	70.4	107.1	10,512.9	1,736.9	428.4	45.3
1926.....	73.0	113.8	12,258.0	1,811.5	466.1	42.9
1927.....	70.9	73.6	14,058.7	1,700.5	536.8	33.6
1928.....	83.4	74.9	12,698.1	1,571.8	606.7	42.3
1929.....	61.1	94.3	14,602.8	1,666.1	699.1	40.5
1930.....	55.4	76.7	12,936.8	1,573.7	738.5	40.1
1931.....	57.2	46.0	11,093.9	1,178.3	701.7	39.5
1932.....	56.6	34.4	8,778.1	1,081.5	673.8	32.2
1933.....	64.1	39.0	9,561.8	1,253.5	642.4	46.6
1934.....	66.4	43.1	12,737.0	1,274.0	725.0	53.3
1935.....	93.8	41.9	14,589.6	1,271.3	842.0	46.1
1936.....	86.5	37.8	9,263.6	583.8	692.3	19.4
1937.....	81.2	40.3	12,926.7	867.0	1,375.9	34.1
1938.....	80.9	51.7	12,132.9	579.4	1,682.1	24.6

¹ See note 1, table 17.

Source: *Annuario Statistico Italiano*.

TABLE 26.—*Italian exports*¹ of principal commodities to all countries, average, 1906-10 and annually, 1919-38

[In thousands of metric tons, unless otherwise indicated. 1,000 metric tons equal 984.2 long tons, or 2,204,608 pounds]

Year	Cheese (hard and soft)	Citrus fruits	Dried fruits	Woven fabrics of cotton	Raw hemp	Marble alabaster (crude or worked)	
1906-10 average.....	21.3	369.6	51.0	27.3	49.4	268.4	
1919.....	.8	210.3	47.0	42.8	35.1	146.6	
1920.....	1.3	236.1	61.0	43.1	65.7	215.2	
1921.....	7.6	270.8	60.8	32.3	24.7	158.4	
1922.....	14.5	225.4	62.4	29.3	57.5	213.5	
1923.....	20.3	223.6	70.7	45.5	53.4	256.6	
1924.....	33.6	330.7	73.4	51.7	48.7	269.2	
1925.....	39.1	383.8	65.2	64.2	43.3	356.2	
1926.....	33.1	372.3	67.1	50.3	50.1	356.8	
1927.....	31.8	405.0	60.8	50.6	71.8	348.2	
1928.....	36.5	303.5	60.3	55.1	46.9	350.3	
1929.....	32.9	322.9	67.2	59.3	50.2	358.2	
1930.....	36.7	405.0	59.1	44.3	45.8	289.7	
1931.....	40.4	385.0	57.1	39.4	45.1	227.8	
1932.....	30.1	307.6	64.3	35.1	30.4	181.9	
1933.....	23.9	417.2	54.3	30.1	40.0	166.9	
1934.....	25.1	342.5	61.7	25.5	40.2	163.3	
1935.....	27.8	313.1	57.5	24.5	28.7	169.2	
1936.....	19.4	268.7	66.3	24.5	14.3	106.7	
1937.....	23.9	370.8	53.5	46.3	36.0	178.3	
1938.....	24.5	255.7	63.1	42.7	30.4	167.8	
		Sulphur	Olive oil	Wines and vermouth	Woven fabrics of silk	Woven fabrics of rayon	Silk raw reeled
1906-10 average.....	327.5	45.7	1,000 hl. ² 1,368.1	Million lire ³ 90.9		8.9	
1919.....	120.5	8.6	725.4	305.2		4.9	
1920.....	148.3	10.6	873.7	601.8		4.1	
1921.....	71.8	14.0	912.8	405.3		5.2	
1922.....	112.4	18.4	890.8	382.0		4.4	
1923.....	207.9	44.3	829.8	433.6		5.2	
1924.....	267.3	42.5	2,559.4	532.2		5.4	
1925.....	194.1	43.1	1,454.6	701.5		6.4	
1926.....	172.5	23.6	1,051.2	1,050.8		5.8	
1927.....	213.8	34.7	1,035.8	1,168.0		5.2	
1928.....	192.3	13.5	921.6	1,070.5		5.8	
1929.....	221.8	36.0	974.1	1,028.2		6.0	
1930.....	241.8	72.4	1,032.0	239.3	430.9	6.5	
1931.....	240.5	58.7	1,671.8	182.5	358.8	5.7	
1932.....	273.7	45.3	802.8	83.7	264.0	3.2	
1933.....	221.2	34.9	998.7	59.2	261.3	3.5	
1934.....	218.9	24.1	993.3	34.5	195.1	1.9	
1935.....	246.7	19.4	944.1	31.0	159.3	2.1	
1936.....	205.9	14.0	1,437.6	24.5	96.3	2.6	
1937.....	390.3	20.4	1,871.8	* 37.6	* 110.6	2.0	
1938.....	231.0	29.3	1,441.8	* 35.2	* 111.6	2.6	

¹ See note 1, table 17.² 1,000 hl. (hectoliters) equal 26,418 gallons.³ The products included in this classification are so diverse that value data are preferable to quantity data.⁴ Figure includes plain woven fabrics only. Statistics for prior years include, also, mixed fabrics, pile fabrics, tulles, embroideries, and other manufactures except sewn articles such as shawls, underclothing, etc. Comparable data, obtained from *Commercio di Importazione e di Esportazione*, are: for silk, 58.2 in 1937, 52.9 in 1938; for rayon, 304.3 in 1937, 400.5 in 1938.Source: *Annuario Statistico Italiano*.

Data on the principal suppliers of Italy's 10 leading imports and the leading markets for the 10 most important Italian exports in 1938, are given in tables 27 and 28, which also state the percentages of the total values supplied by or exported to each individual country.

TABLE 27.—Principal suppliers of commodities important in Italy's import trade and values supplied, 1938

[Value in millions of lire]

Commodity and country	Value	Percent of total	Commodity and country	Value	Percent of total
Coal and coke:			Wood pulp:		
Germany ¹	1,028.0	58.5	Sweden.....	155.6	39.6
United Kingdom.....	375.2	21.3	Finland.....	90.4	23.0
Poland and Danzig.....	215.6	12.3	Germany ¹	86.2	22.0
Czechoslovakia.....	67.5	3.8	Czechoslovakia.....	20.0	5.1
Belgium and Luxemburg.....	29.6	1.7	All other countries.....	40.3	10.3
All other countries.....	42.1	2.4	Total.....	392.5	100.0
Total.....	1,758.0	100.0	Copper and its alloys, in ingots and scrap:		
Cotton, raw:			Chile.....	128.0	39.1
UNITED STATES.....	477.6	57.7	UNITED STATES.....	70.1	21.4
Egypt.....	163.1	19.7	Portuguese South Africa.....	69.4	21.2
Turkey.....	63.8	7.7	Belgium-Luxemburg.....	14.1	4.3
British India.....	50.6	6.1	British South Africa.....	13.6	4.2
Brazil.....	25.1	3.0	All other countries.....	31.9	9.8
All other countries.....	47.5	5.8	Total.....	327.1	100.0
Total.....	827.7	100.0	Fish (except shellfish, caviar, etc.):		
Machinery, apparatus, and parts:			Norway.....	56.1	23.0
Germany ¹	497.8	65.6	Spain.....	39.0	16.0
Switzerland.....	75.5	9.9	Portugal.....	24.7	10.1
United Kingdom.....	59.3	7.8	"Other" countries in North America ²	24.2	9.9
UNITED STATES.....	52.5	6.9	Iceland.....	23.1	9.5
Sweden.....	20.9	2.8	Denmark.....	20.1	8.2
All other countries.....	53.0	7.0	All other countries.....	57.0	23.3
Total.....	759.0	100.0	Total.....	244.2	100.0
Mineral oil, crude, and residues from the distillation of:			Lumber, common, rough, squared, or sawed:		
UNITED STATES.....	270.3	42.0	Germany ¹	94.5	40.0
Rumania.....	114.9	17.5	Yugoslavia.....	77.4	32.7
"Other" island countries of Central America ²	99.1	15.1	UNITED STATES.....	28.9	12.2
Iraq.....	65.5	10.0	Rumania.....	9.4	4.0
Colombia.....	31.8	4.8	France.....	6.5	2.8
Iran.....	26.5	4.0	All other countries.....	19.7	8.3
All other countries.....	43.1	6.6	Total.....	236.4	100.0
Total.....	657.2	100.0	Iron and steel scrap:		
Wool, in the grease and washed, wool waste, and flocks:			UNITED STATES.....	161.0	69.2
Australia.....	138.3	32.9	France.....	30.3	13.0
Union of South Africa.....	84.3	20.1	Switzerland.....	17.9	7.7
Argentina.....	57.0	13.6	Belgium-Luxemburg.....	5.8	2.5
Uruguay.....	30.8	8.8	Netherlands.....	3.2	1.4
United Kingdom.....	28.8	6.8	All other countries.....	14.5	6.2
Belgium-Luxemburg.....	22.3	5.3	Total.....	232.7	100.0
All other countries.....	52.5	12.5			
Total.....	420.0	100.0			

¹ Includes Austria.

² Includes Netherlands West Indies, French West Indies, and the U. S. Virgin Islands.

³ Includes Alaska, Greenland, Miquelon and St. Pierre, and Newfoundland and Labrador.

Source: *Commercio di Importazione e di Esportazione, 1938.*

TABLE 28.—Principal markets for commodities important in Italy's export trade and values supplied, 1938

[Value in millions of lire]

Commodity and country	Value	Percent of total	Commodity and country	Value	Percent of total
Cotton cloth:			Machinery, apparatus, and parts:		
Italian Africa and Italian possessions.....	145.4	21.6	Italian possessions.....	172.4	50.7
Egypt.....	143.2	21.2	Germany ¹	26.1	7.7
Argentina.....	100.8	14.9	Argentina.....	14.9	4.4
Turkey.....	56.7	8.4	Brazil.....	13.9	4.1
Morocco.....	17.0	2.5	British India.....	9.9	2.9
All other countries.....	212.1	31.4	All other countries.....	103.0	30.2
Total.....	675.2	100.0	Total.....	340.2	100.0
Citrus fruits:			Wool cloth:		
Germany ¹	185.5	34.3	Argentina.....	52.6	17.3
United Kingdom.....	47.7	8.8	United Kingdom.....	41.4	13.6
Switzerland.....	45.7	8.5	Union of South Africa.....	32.2	10.6
Czechoslovakia.....	42.4	7.8	British India.....	28.1	9.2
France.....	41.5	7.7	Egypt.....	14.3	4.7
Poland and Danzig.....	41.3	7.7	All other countries.....	135.8	44.6
All other countries.....	136.4	25.2	Total.....	304.4	100.0
Total.....	540.5	100.0	Wines and vermouth:		
Dried fruits and nuts:			Italian possessions.....	98.3	34.7
Germany ¹	202.7	39.6	Switzerland.....	60.6	21.4
France.....	41.6	8.1	Germany ¹	49.9	17.6
United Kingdom.....	39.5	7.7	UNITED STATES.....	15.8	5.6
Switzerland.....	30.2	5.9	United Kingdom.....	8.3	2.9
Sweden.....	29.8	5.8	All other countries.....	50.6	17.8
United States.....	25.8	5.1	Total.....	283.5	100.0
All other countries.....	141.8	27.8	Automobiles:		
Total.....	511.4	100.0	Italian possessions.....	108.6	41.2
Grapes and other fresh fruit, except citrus:			Germany ¹	34.8	13.2
Germany ¹	215.6	58.2	Manchuria.....	19.0	7.2
Switzerland.....	52.1	14.1	Switzerland.....	13.8	5.2
United Kingdom.....	30.9	8.3	Hungary.....	10.2	3.9
Czechoslovakia.....	16.3	4.4	All other countries.....	77.3	29.3
Belgium-Luxemburg.....	14.1	3.8	Total.....	263.7	100.0
All other countries.....	41.5	11.2	Hemp, flax, and other vegetable fibers, raw, except cotton:		
Total.....	370.5	100.0	Germany ¹	175.7	74.7
Artificial fibers:			France.....	23.2	9.9
Germany ¹	112.3	30.8	United Kingdom.....	10.0	4.3
British India.....	32.8	9.0	Switzerland.....	5.0	2.1
Mexico.....	25.4	7.0	Belgium-Luxemburg.....	4.4	1.9
Italian possessions.....	21.2	5.8	All other countries.....	16.8	7.1
Switzerland.....	15.8	4.3	Total.....	235.1	100.0
All other countries.....	156.9	43.1			
Total.....	364.4	100.0			

¹ Includes Austria.Source: *Commercio di Importazione e di Esportazione, 1938.*

Italy's major foreign suppliers and markets.

As was pointed out elsewhere,¹³ the most significant fact revealed by an examination of Italy's leading sources of imports and markets for exports is the rapidly growing importance of Germany and the relative decline in both imports from and exports to the United States.

Two further notable facts are the greatly increased importance of Italian dependencies as markets for Italian exports, and the decline which took place in Italy's trade with France between 1934 and 1938, caused mainly by the failure of the clearing agreement between the two countries to operate satisfactorily.¹⁴ In 1926 the United States was Italy's leading supplier with 21.7 percent of Italy's total imports, Germany occupying second place with 10.7 percent of the total (see table 29 and chart V). In 1934 Germany had advanced to first place, accounting for 15.8 percent of total Italian purchases as compared with 12.5 percent from the United States. By 1938 Germany's position was further improved, purchases from that source amounting to 26.7 percent of total Italian imports as compared with a corresponding percentage of 11.9 for the United States. On the export side Germany occupied first place in all 3 years, taking 11.9 percent of total Italian exports in 1926, 15.9 percent in 1934, and 19.1 percent in 1938.

A list of Italy's ten principal foreign suppliers and markets for the years 1926, 1934, and 1938 reflecting these changes, and a description of the principal commodities imported from its ten leading suppliers and sold to the ten leading foreign purchasers in 1938 are given in tables 29 and 30. The tables show that in 1938 Italy's leading suppliers were Germany, the United States, the United Kingdom, Switzerland, and Poland; its leading markets Germany, Eritrea, the United States, the United Kingdom, and Libia. The principal commodities purchased from Germany, Italy's leading supplier of imports, were: coal, machinery and apparatus, iron and steel manufactures, lumber, and wood pulp. The leading commodities sold to Germany, Italy's principal foreign market, were: grapes and other fresh fruit, dried fruits and nuts, citrus fruits, hemp, flax and other vegetable fibers, fresh vegetables, and artificial fibers.

¹³ See p. 83 ff.

¹⁴ The agreement, entered into in 1936, was in fact terminated in 1938.

CHART V
ITALY'S TRADE
WITH LEADING SUPPLIERS AND MARKETS
IN SELECTED YEARS
1922-1938

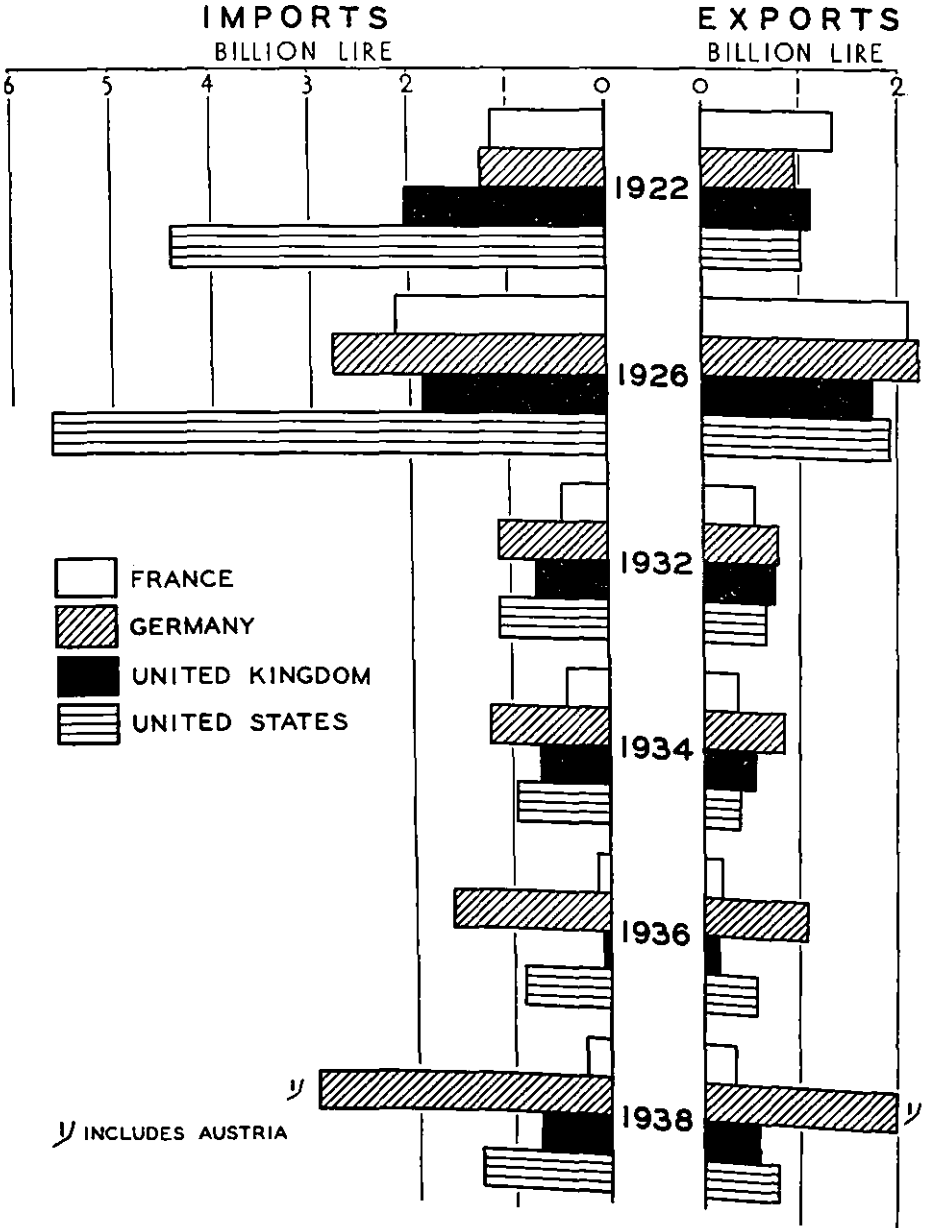


TABLE 29—Italy's 10 principal foreign suppliers and markets, 1926, 1934, and 1938

[Value in millions of lire]

1926			1934			1938		
Country	Value	Percent of total value	Country	Value	Percent of total value	Country	Value	Percent of total value
A. PRINCIPAL SUPPLIERS								
UNITED STATES.....	5,608	21.7	Germany.....	1,213	15.8	Germany.....	3,016	26.7
Germany.....	2,782	10.7	UNITED STATES.....	957	12.5	UNITED STATES.....	1,338	11.9
France.....	2,136	8.3	United Kingdom.....	707	9.2	United Kingdom.....	728	6.5
United Kingdom.....	1,881	7.3	France.....	437	5.7	Switzerland.....	376	3.3
British India and Ceylon.....	1,639	6.3	British India and Ceylon.....	353	4.6	Poland and Danzig.....	320	2.8
Argentina.....	1,474	5.7	Switzerland.....	293	3.8	Argentina.....	274	2.4
Yugoslavia.....	974	3.8	Argentina.....	274	3.6	British India and Ceylon.....	269	2.4
Australia.....	662	2.6	Australia.....	234	3.1	France.....	254	2.3
Austria.....	634	2.4	Belgium-Luxemburg.....	229	3.0	Czechoslovakia.....	254	2.3
Canada.....	621	2.4	U. S. S. R.....	220	2.9	Rumania.....	253	2.3
All other countries.....	7,468	28.8	All other countries.....	2,768	35.8	All other countries.....	4,191	37.1
Total.....	25,879	100.0	Total.....	7,675	100.0	Total.....	11,273	100.0
B. PRINCIPAL MARKETS								
Germany.....	2,215	11.9	Germany.....	833	15.9	Germany.....	2,002	19.1
France.....	2,111	11.3	United Kingdom.....	629	10.1	Eritrea ¹	1,325	12.6
UNITED STATES.....	1,934	10.4	Switzerland.....	438	8.4	UNITED STATES.....	782	7.6
United Kingdom.....	1,755	9.4	UNITED STATES.....	388	7.4	United Kingdom.....	587	5.6
Switzerland.....	1,509	8.1	France.....	352	6.7	Libia ¹	525	5.0
Argentina.....	1,119	6.0	Argentina.....	218	4.2	Switzerland.....	495	4.7
British India and Ceylon.....	663	3.5	Libia ¹	176	3.4	Argentina.....	405	3.9
Egypt.....	614	3.3	Yugoslavia.....	140	2.7	France.....	328	3.1
Austria.....	562	3.0	Netherlands.....	134	2.6	Ethiopia ¹	295	2.8
Yugoslavia.....	381	2.0	Hungary.....	130	2.5	Egypt.....	267	2.5
All other countries.....	5,802	31.1	All other countries.....	1,886	36.1	All other countries.....	3,485	33.2
Total.....	18,665	100.0	Total.....	5,224	100.0	Total.....	10,497	100.0

¹ Italian dependency.

Source: *Annuario Statistico Italiano*; for 1938, *Commercio di Importazione e di Esportazione*.

TABLE 30.—Values of principal commodities imported from and exported to countries important in Italy's foreign trade, 1938

[Value in millions of lire]

IMPORTS			EXPORTS		
Country and commodity	Value	Percent of total	Country and commodity	Value	Percent of total
Germany: 1			Germany: 1		
Coal and coke.....	1,028.0	34.1	Grapes and other fresh fruit, except citrus.....	215.6	10.8
Machinery, apparatus, and parts.....	497.8	16.5	Dried fruits and nuts.....	202.7	10.1
Iron and steel, in bars or rods.....	121.3	4.0	Citrus fruits.....	185.5	9.3
Iron and steel manufactures.....	111.6	3.7	Hemp, flax, and other vegetable fibers, raw, except cotton.....	176.7	8.8
Lumber, common, rough, squared, or sawed.....	94.5	3.1	Vegetables, fresh.....	144.7	7.2
Wood pulp.....	86.2	2.9	Artificial fibers.....	112.3	5.6
Hides and skins, tanned.....	66.9	2.2	Rice.....	82.8	4.1
Chemical fertilizers.....	54.9	1.8	Silk, raw, reeled.....	80.4	4.0
Iron and steel, in sheets.....	42.7	1.4	Waste of artificial fibers.....	59.2	3.0
Small wares, toys, and dolls.....	41.5	1.4	Potatoes.....	50.8	2.5
All other.....	870.8	28.9	All other.....	692.7	34.6
Total.....	3,016.2	100.0	Total.....	2,002.4	100.0
United States:			Eritrea:		
Cotton, raw.....	477.6	35.7	Machinery, apparatus, and parts.....	102.1	7.7
Mineral oil, crude, and residues from the distillation of.....	276.3	20.6	Cotton cloth.....	89.7	6.8
Iron and steel scrap.....	161.0	12.0	Cloth, in part of artificial fibers.....	86.4	6.5
Copper and its alloys, in ingots and scrap.....	70.1	5.2	Flour and semolina.....	63.6	6.3
Mineral oils (except crude and residues from the distillation of).....	67.6	5.1	Wines and vermouth.....	65.4	5.0
Machinery, apparatus, and parts.....	52.5	3.9	Iron and steel manufactures.....	64.7	4.9
Lumber, common, rough, squared, or sawed.....	28.9	2.2	Detached parts of automobiles (including motors), machined.....	61.4	4.6
Ships, tugs, and dredges.....	14.1	1.1	Manufactures of rubber, gutta percha, and ebonite.....	52.0	3.9
Paraffine, solid.....	13.6	1.0	Cotton yarns, except sewing thread.....	50.8	3.8
Wheat.....	10.3	.8	Automobiles.....	30.6	2.3
All other.....	166.4	12.4	All other.....	638.7	48.2
Total.....	1,338.4	100.0	Total.....	1,325.4	100.0
United Kingdom:			United States:		
Coal and coke.....	375.2	51.6	Cheese.....	112.6	14.4
Machinery, apparatus, and parts.....	59.3	8.1	Olive oil, edible.....	74.5	9.5
Ships, tugs, and dredges.....	34.2	4.7	Silk, raw, reeled.....	65.0	8.4
Wool, in the grease, and washed, wool waste and flocks.....	28.8	4.0	Tomatoes, preserved.....	59.8	7.6
Rubber, crude and reclaimed, including waste and scrap.....	17.2	2.4	Ships, tugs, dredges.....	39.1	4.9
Wool cloth.....	16.8	2.3	Cloth in part of artificial fibers.....	33.0	4.2
Fish (except shellfish, caviar, etc.).....	14.9	2.0	Waste of artificial fiber.....	31.7	4.1
Nickel and its alloys in ingots, rods, sheets, etc.....	11.4	1.6	Dried fruits and nuts.....	25.8	3.3
Metalliferous ores.....	11.1	1.5	Hat shapes, hats, caps, and bonnets.....	22.6	2.9
Iron and steel manufactures.....	10.7	1.5	Felts for hats.....	22.4	2.9
All other.....	147.9	20.3	All other.....	296.2	37.8
Total.....	727.5	100.0	Total.....	782.3	100.0
Switzerland:			United Kingdom:		
Machinery, apparatus, and parts.....	75.5	20.0	Tomatoes, preserved.....	54.7	9.3
Clocks and watches.....	59.0	15.7	Citrus fruits.....	47.7	8.1
Cheese.....	40.3	10.7	Wool cloth.....	41.4	7.1
Iron and steel scrap.....	17.9	4.8	Dried fruits and nuts.....	39.5	6.7
Paints, coloring materials, and varnishes.....	11.2	3.0	Marble and alabaster wrought.....	33.0	5.6
Pharmaceutical preparations.....	10.8	2.9	Grapes and other fresh fruit, except citrus.....	30.9	5.3
Cotton cloth.....	10.0	2.7	Cheese.....	27.8	4.7
Tobacco manufactures.....	8.8	2.3	Gloves, leather.....	22.0	3.8
Movements for clocks and watches and watchmakers' materials except springs.....	7.3	1.9	Essential oils and essences and terpenes of essential oils.....	18.7	3.2
Synthetic medicinal products, except alkaloids.....	6.4	1.7	Manufactures of wool, horse-hair, and other animal hair.....	18.4	3.1
All other.....	129.3	34.3	All other.....	262.8	43.1
Total.....	376.5	100.0	Total.....	586.9	100.0

Includes Austria.

TABLE 30.—Values of principal commodities imported from and exported to countries important in Italy's foreign trade, 1938—Continued

[Value in millions of lire]

IMPORTS			EXPORTS		
Country and commodity	Value	Percent of total	Country and commodity	Value	Percent of total
Poland and Danzig:			Libia (Italian North Africa):		
Coal and coke.....	215.6	67.3	Automobiles.....	48.9	9.3
Poultry, eggs.....	16.6	5.2	Flour and semolina.....	45.0	8.6
Rye.....	12.0	3.7	Lime, cements, and gypsum.....	33.3	6.3
Paraffin and ceresine.....	11.9	3.7	Machinery, apparatus and parts.....	32.3	6.1
Beans, peas, etc., dried.....	8.9	2.8	Iron and steel manufactures.....	22.8	4.3
Hides and skins, raw, except furskins.....	7.2	2.3	Iron and steel in bars or rods.....	19.1	3.6
Barley.....	5.5	1.7	Cotton cloth.....	13.9	2.7
Iron and steel in bars or rods.....	5.4	1.7	Airplanes, seaplanes, and parts.....	12.7	2.4
Iron and steel in sheets.....	4.7	1.5	Wines and vermouth.....	12.6	2.4
Foundry pig iron and converter pig iron, in a raw state, common.....	3.8	1.2	Detached parts of automobiles (including motors), machined.....	12.3	2.3
All other.....	28.6	8.9	All other.....	273.3	52.0
Total.....	320.2	100.0	Total.....	528.2	100.0
Argentina:			Switzerland:		
Oil seeds.....	60.9	22.2	Wines and vermouth.....	60.6	12.2
Wool, in the grease, and washed.....	57.0	20.8	Grapes and other fresh fruit, except citrus.....	52.1	10.5
Meat, fresh and frozen.....	54.0	19.7	Citrus fruits.....	45.7	9.2
Hides and skins, raw, except furskins.....	33.1	12.1	Dried fruits and nuts.....	30.2	6.1
Wool for dyeing and tanning, not ground.....	15.7	5.7	Aluminum oxide.....	27.3	5.5
Corn.....	9.9	3.6	Silk, raw, reeled.....	21.6	4.4
Extracts of meat and condensed broth.....	8.2	3.0	Meat, prepared.....	21.4	4.3
Animal tallow.....	6.2	2.3	Vegetables, fresh.....	16.7	3.4
Wheat.....	5.2	1.9	Artificial fibers.....	15.8	3.2
Oats.....	4.4	1.6	Rice.....	14.4	2.9
All other.....	19.5	7.1	All other.....	189.6	38.3
Total.....	274.1	100.0	Total.....	495.3	100.0
British India and Ceylon:			Argentina:		
Jute, raw.....	77.2	28.7	Cotton cloth.....	100.8	24.9
Oil seeds (chiefly peanuts).....	65.8	24.5	Wool cloth.....	52.6	13.0
Cotton, raw.....	50.6	18.8	Olive oil, edible.....	32.0	7.9
Metallic ores (chiefly manganese).....	23.6	8.8	Insulated wire, cords, cable, and tubes, electric.....	15.1	3.7
Rubber, crude and reclaimed, including waste and scrap.....	12.7	4.7	Machinery, apparatus, and parts.....	14.9	3.7
Mica.....	9.1	3.4	Cotton yarns, except sewing thread.....	12.7	3.1
Wheat.....	6.7	2.1	Motorcycles and velocipedes.....	11.2	2.8
Manufactures of flax, hemp, jute, and other vegetable fibers, except cotton.....	3.9	1.4	Artificial fibers.....	9.8	2.4
Hides and skins, raw, except furskins.....	3.1	1.2	Jute cloth.....	9.6	2.4
Copra.....	2.6	1.0	Manufactures of flax, hemp, jute, and other vegetable fibers, except cotton.....	9.1	2.3
All other.....	14.6	5.4	All other.....	137.4	33.8
Total.....	268.9	100.0	Total.....	405.2	100.0
France:			France:		
Iron and steel scrap.....	30.3	11.9	Dried fruits and nuts.....	41.6	12.7
Iron and steel, in bars and rods.....	23.6	9.3	Citrus fruits.....	41.5	12.7
Fish (except shellfish, caviar, etc.).....	11.3	4.4	Cheese.....	27.8	8.5
Machinery, apparatus, and parts.....	11.1	4.4	Hemp, raw.....	20.2	6.2
Iron and steel, in sheets.....	9.5	3.7	Sulphur.....	17.5	5.3
Printed books, music, and newspapers.....	9.5	3.7	Hides and skins, raw, except furskins.....	15.9	4.9
Flour and semolina (chiefly wheat flour).....	8.5	3.3	Essential oils and essences, and terpenes of essential oils.....	14.5	4.4
Coal and coke.....	8.3	3.3	Grapes, and other fresh fruit, except citrus.....	12.8	3.9
Wool, in the grease and washed, wool waste, and flocks.....	8.3	3.3	Rice.....	9.8	3.0
Rags of all sorts.....	7.0	2.8	Hides and skins, tanned.....	9.0	2.7
All other.....	126.8	49.9	All other.....	117.2	35.7
Total.....	254.2	100.0	Total.....	327.8	100.0

TABLE 30.—Values of principal commodities imported from and exported to countries important in Italy's foreign trade, 1938—Continued

[Value in millions of lire]

IMPORTS			EXPORTS		
Country and commodity	Value	Percent of total	Country and commodity	Value	Percent of total
Czechoslovakia:			Ethiopia:		
Coal and coke.....	67.5	26.6	Manufactures of rubber, gutta percha, and ebonite.....	37.2	12.6
Iron and steel, in bars or rods.....	24.7	9.7	Flour and semolina.....	29.0	9.8
Sugar.....	22.2	8.7	Tobacco manufactures.....	25.4	8.6
Wood pulp.....	20.0	7.9	Cotton cloth.....	20.7	7.0
Iron and steel, in sheets.....	14.3	5.6	Automobiles.....	18.9	6.4
Machinery, apparatus, and parts.....	14.0	5.5	Machinery, apparatus, and parts.....	17.2	5.8
Barley.....	12.1	4.8	Iron and steel manufactures.....	15.9	5.4
Iron and steel manufactures.....	8.7	3.4	Wines and vermouth.....	13.7	4.7
Stones, earths, and other non-metallic minerals, crude.....	7.3	2.9	Cloth in part of artificial fibers.....	10.6	3.6
Glass and crystal manufactures.....	5.6	2.2	Spirits, potable, liqueurs, and other spirituous beverages.....	7.1	2.4
All other.....	57.7	22.7	All other.....	99.2	33.7
Total.....	254.1	100.0	Total.....	294.9	100.0
Rumania:			Egypt:		
Mineral oils, crude, and residues from the distillation of.....	114.9	45.3	Cotton cloth.....	143.2	53.7
Mineral oils (except crude and residues from the distillation of).....	36.9	14.0	Wool cloth.....	14.3	5.4
Oilseeds.....	35.8	14.1	Artificial fibers.....	13.7	5.2
Airplane parts.....	14.0	5.5	Cotton manufactures.....	11.5	4.3
Wheat.....	12.7	5.0	Iron and steel manufactures.....	4.6	1.7
Lumber, common, rough, squared, or sawed.....	9.4	3.7	Machinery, apparatus, and parts.....	4.5	1.7
Corn.....	6.2	2.5	Cotton yarns, except sewing thread.....	4.3	1.6
Cattle.....	6.1	2.4	Paper.....	4.1	1.5
Wood pulp.....	4.5	1.8	"Other" fabrics and manufactures of artificial fibers.....	3.9	1.5
Beans, peas, etc., dried.....	3.6	1.4	Dried fruits and nuts.....	3.4	1.3
All other.....	9.4	3.7	All other.....	59.0	22.1
Total.....	253.5	100.0	Total.....	266.5	100.0

Source: *Commercio di Importazione e di Esportazione, 1938.***The trade between Italy and its dependencies.**

As organized at present (autumn, 1940), Italy's dependencies are described in Italian sources as:

I. *Italian East Africa (Africa Orientale Italiana).*—The colony of Italian East Africa was established on June 1, 1936, after the conquest of Ethiopia. It is ruled by a Viceroy and comprises, besides Ethiopia, the former Italian colonies of Eritrea and Somalia. Eritrea, the first beginnings of which date back to 1870, was the oldest Italian colony; the beginnings of Italian Somaliland go back to 1889 when an Italian protectorate was established in that region.¹⁵

¹⁵ The present population and the administrative organization of Italian East Africa are shown by the data in the following table (official estimates of May, 1939):

Province	Area (in 1,000 square kilometers)	Population (millions)	Population density (inhabitants per square kilometer)
Eritrea.....	231.3	1.5	6.5
Amara.....	197.5	2.0	10.1
Scioa.....	65.5	1.8	28.2
Galla and Sidama.....	322.2	4.0	12.4
Harar.....	206.8	1.6	7.7
Somalia.....	702.0	1.2	1.6
Total.....	1,725.3	12.1	7.0

Source: *Annuario Statistico Italiano, 1939, p. 348.*

The capital of the colony is Addis Ababa with some 150,000 inhabitants. Other important cities are Asmara, the former capital of Eritrea (57,000 inhabitants), Harar (40,000 inhabitants), Dire Dawa (30,000 inhabitants), and Mogadiscio, the former capital of Somalia (20,000 inhabitants). The main occupations of the people are sheep and cattle raising and agriculture.

II. *Italian North Africa (Africa Settentrionale Italiana)*.—Italian North Africa consists of the former colony of Libia established in 1912 after the Italo-Turkish war. This colony was, in turn, composed of the two regions of Tripolitania and Cirenaica. On October 25, 1938, the Fascist Grand Council decreed that Libia cease to be a colony and be incorporated into the national territory of Italy. The southern part of the former colony, the region of the Libian Sahara, was not affected by this decree and continues to be colonial territory.¹⁶

The principal cities of Italian North Africa are Tripoli, with about 100,000 inhabitants, Bengasi (50,000 inhabitants), Homs (31,000 inhabitants), and Misurata (15,000 inhabitants). The main occupations of the people are agriculture, along the coastal regions, and cattle raising, in the subdesert zones of the interior.

III. *Aegean Islands*.—The Aegean Islands were occupied by Italy during the Italo-Turkish war of 1912. In 1924 Turkey ceded them to Italy in full sovereignty. The total area of the islands is 2,681.6 square kilometers; the total population is 140,848 (census of April 21, 1936), and the population density 52.5 persons to the square kilometer. The main occupation of the people is agriculture, some of the islands being famous for the cultivation of table grapes. The principal cities are Rhodes (the capital), with 27,466 inhabitants (1936), Calino (15,000 inhabitants), Cos (10,000 inhabitants), and Simi (6,000 inhabitants).

IV. *The concession of Tientsin*.—According to the census of April 21, 1936, the Italian concession of Tientsin (granted Italy under an agreement with China of June 7, 1902) has an area of about one-half of a square kilometer and a population of 7,953 (7,411 Chinese, 358 Italians, 184 other Europeans).

V. *The Kingdom of Albania*.—The military occupation of the Kingdom of Albania by Italy began on April 7, 1939. On April 16 of the same year the King of Italy assumed the Albanian crown and the title of King of Italy and Albania and Emperor of Ethiopia. Nominally Albania still continues as an independent kingdom, although an agreement providing for a complete customs and monetary union between

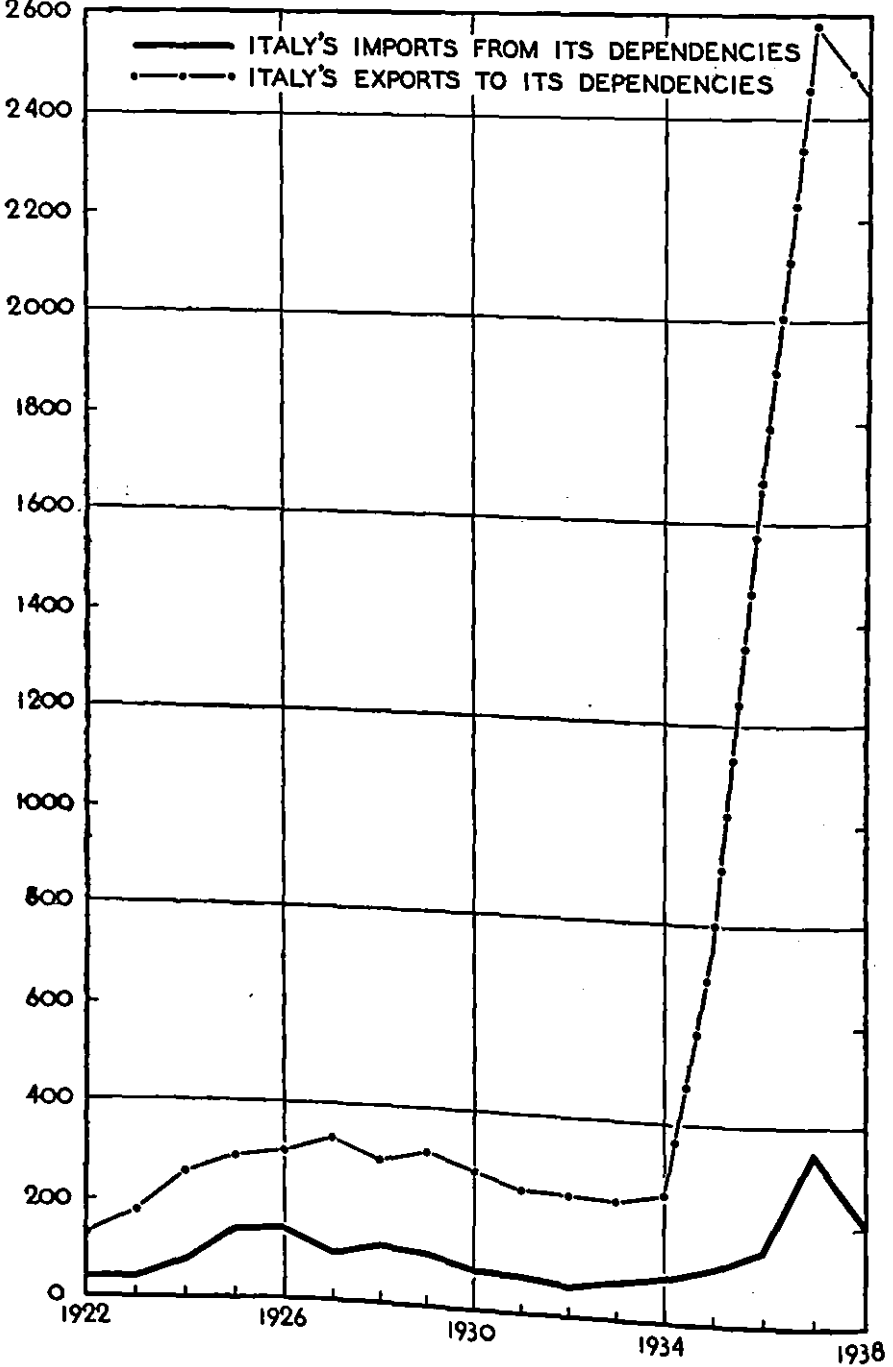
¹⁶ The present population and the administrative organization of Italian North Africa are shown by the following table (census of April 21, 1936):

Province	Area (square kilometers)	Population	Population density (inhabitants per square kilometer)
Tripoli.....		351,774	
Misurata.....		213,486	
Bengasi.....		96,193	
Derna.....		41,233	
Total metropolitan territory.....	553,940	702,686	1.27
Libian Sahara.....	1,205,600	48,165	.04
Total Italian North Africa.....	1,759,540	750,851	.43

CHART VI

ITALY'S TRADE WITH ITS DEPENDENCIES
1922-1938

MILLION
LIRE



Italy and Albania was signed on April 20, 1939. The area of Albania is 27,538 square kilometers, the population 1,037,856 (1937), and the population density 37.7 persons to the square kilometer. The principal cities are Tirana, the capital, with a population of 30,000 (1930), Scutari (24,200 inhabitants), and Koriza (22,700 inhabitants). The principal occupations of the people are sheep and cattle raising and agriculture; recently some employment has been provided by the mining operations and the production of petroleum undertaken by Italian concerns.

The salient fact in Italy's trade with its dependencies (table 31 and chart VI) is the relative unimportance of that trade until recent years and its sudden sharp increase after 1935. Taken as a whole, imports from all Italian dependencies averaged only about one-half of 1 percent of Italy's total imports between 1922 and 1931, increasing to a little over 1 percent from 1932 to 1934, and to about 2.5 percent thereafter. Exports from Italy to Italian dependencies averaged 1.6 percent of total Italian exports from 1921 to 1926, and a little over 2 percent from 1926 to 1931. They had increased to 5 percent in 1934, however, thereafter rising sharply to 14.3 percent in 1935, and to an average of 26.3 percent in 1936-38 (the highest proportion, 31 percent, occurring in 1936).

The growth of Italy's colonial trade in recent years is, of course, primarily due to the expansion of its dependencies. The occupation of Ethiopia in 1936 meant the addition of a large new area and of about 10 million people to the African territories under Italian control. The consuming power of these people, however, is low and the expansion of Italy's exports to the colonies is due only in small part to increased purchases of the local population. A detailed analysis of Italian exports to Italian East Africa shows that about one-fifth of the total has so far consisted of foodstuffs, most of which were for the use of the occupying forces. There were rather large quantities of other consumption goods, such as textiles, but a considerable part of these also was doubtless for the occupying Italians. A great part of the total exports consisted of equipment for military forces and for the development of the newly acquired territories. Thus in 1937 exports to Italian East Africa included machinery, apparatus, and parts to the value of 113 million lire, automobiles and parts to the value of 532 million lire, and rubber manufactures (mostly tires for automobiles) to the value of about 93 million lire.¹⁷ Moreover, the large exports made to Italian East Africa were compensated for neither by a corresponding flow of imports from the colony nor, of course, by the acquisition of foreign exchange. Foreign exchange must, in fact, be given up for the purchase of some of the raw materials going into the production of commodities exported to the colonies. It is evident, therefore, that a large part of such exports represent not an expansion of trade in the traditional sense, but rather the cost (in commodities) of the occupation and development of the new territories.

Tables 32 and 33 give a detailed account of the principal commodities imported into Italy from the various Italian dependencies and of the commodities exported from Italy to the dependencies in 1938. The principal commodities imported were, in order of value, bananas, hides and skins, cotton, wheat, coffee, and fish; the leading exports to the dependencies were flour, machinery and apparatus, cotton

¹⁷ For comparable data on exports to Italian dependencies in 1936, see p. 109 of this chapter.

cloth containing artificial fibers, iron and steel manufactures, and automobiles.

TABLE 31.—*Italian imports from and exports¹ to Italian dependencies, 1921-38*

(Value in thousands of lire)

Year	Eritrea ²	Ethiopia ²	Somalia ²	Libia	Aegean Islands	Total	Percent of total Italian imports or exports
A. Imports							
1921.....	14,069	(³)	2,803	14,364	2,586	33,822	0.2
1922.....	22,635	(³)	6,337	12,540	35	41,547	.3
1923.....	21,331	(³)	5,234	15,968	104	42,637	.3
1924.....	46,047	(³)	8,481	25,482	300	80,310	.4
1925.....	93,736	(³)	12,190	35,606	92	141,624	.5
1926.....	97,094	(³)	19,221	28,564	884	145,763	.6
1927.....	62,291	(³)	16,933	18,858	686	98,768	.5
1928.....	68,354	(³)	29,879	18,431	1,922	118,586	.5
1929.....	52,564	(³)	27,819	23,795	3,217	107,395	.5
1930.....	34,599	(³)	20,079	21,431	5,229	81,338	.5
1931.....	31,684	(³)	21,327	20,038	4,105	77,154	.7
1932.....	23,304	(³)	22,738	10,680	6,230	62,952	.8
1933.....	26,429	(³)	33,234	11,172	6,939	77,774	1.1
1934.....	30,116	(³)	31,650	22,629	8,819	93,214	1.2
1935.....	36,410	(³)	37,097	33,788	9,624	116,919	1.5
1936.....	32,244	7,403	55,650	51,397	9,855	156,549	2.6
1937.....	109,406	72,134	64,706	90,906	12,793	349,945	2.5
1938.....	23,759	32,476	80,943	55,472	16,277	208,927	1.9
B. Exports							
1921.....	28,165	(³)	12,183	71,600	10,789	122,737	1.5
1922.....	28,880	(³)	8,747	74,390	17,131	129,148	1.4
1923.....	42,211	(³)	13,673	102,391	19,426	177,701	1.6
1924.....	49,235	(³)	11,575	180,594	14,723	256,127	1.8
1925.....	63,530	(³)	17,062	185,482	21,502	287,576	1.6
1926.....	64,888	(³)	23,174	192,147	21,105	301,314	1.6
1927.....	57,582	(³)	22,679	227,035	19,219	327,115	2.1
1928.....	48,426	(³)	19,742	208,489	15,165	291,822	2.0
1929.....	54,657	(³)	27,466	210,276	19,202	311,600	2.1
1930.....	37,550	(³)	21,290	200,244	22,317	281,401	2.3
1931.....	28,607	(³)	19,781	185,943	14,141	248,472	2.4
1932.....	30,486	(³)	20,460	181,980	13,308	246,224	3.6
1933.....	29,717	(³)	20,853	176,798	11,504	238,872	4.0
1934.....	41,368	(³)	30,287	176,237	11,030	259,022	5.0
1935.....	409,945	(³)	124,528	198,280	16,997	740,750	14.3
1936.....	1,063,155	71,210	215,996	333,946	33,685	1,717,992	31.0
1937.....	1,586,636	299,994	224,538	395,987	73,682	2,579,837	24.7
1938.....	1,325,435	294,860	217,323	626,164	84,490	2,448,272	23.3

¹ See note 1, table 17.

² Since 1936, part of Italian East Africa.

³ Not available.

Source: *Commercio di Importazione e di Esportazione, 1938, p. 1067.*

More detailed information regarding the course of the trade between Italy and its dependencies in recent years is given in the tables included in appendix III. These tables give a statistical account of the trade between Italy and the various dependencies including Albania and of the trade (by principal commodities, suppliers, and markets) of the individual dependencies themselves.¹⁸

¹⁸ See appendix III, p. 174 ff.

TABLE 32.—Value of Italian imports, by principal commodities, from Italian dependencies, with percentages of respective Italian world imports, 1938

[Value in thousands of lire]

Commodity	Italian North Africa	Italian East Africa				Aegean Islands	Total from all dependencies	Percent of total Italian imports
		Eritrea	Ethiopia	Somalia	Total			
Pineapples and bananas.....			79	62,240	62,328		62,328	100.0
Hides and skins, raw, except furskins.....	10,685	10,467	20,441	2,250	33,158	904	44,747	25.5
Cotton, raw.....	(1)	2,693	8	10,540	13,241	15	13,256	1.6
Wheat.....	10,900	3	2		5	152	11,057	4.9
Coffee.....	2	17	9,620	2	9,639	(1)	9,641	6.5
Fish, except shellfish, caviar, etc.....	7,549			789	789		8,338	3.4
Dried fruits and nuts.....	1,636			264	264	3,880	5,780	40.7
Airplanes, seaplanes, and parts.....	4,953	76	2		78		5,031	10.1
Olive oil, edible.....	543					4,076	4,619	2.4
Sponges, common, in their natural state.....	2,833					773	3,606	95.4
All other.....	16,371	10,503	2,324	4,849	17,676	6,477	40,524	.4
Total.....	55,472	23,759	32,476	80,942	137,178	16,277	208,927	1.9

1 Less than 500 lire.

Source: *Commercio di Importazione e di Esportazione, 1938*, p. 1069.

TABLE 33.—Value of Italian exports, by principal commodities, to Italian dependencies, with percentages of respective Italian world exports, 1938

[Value in thousands of lire]

Commodity	Italian North Africa	Italian East Africa				Aegean Islands	Total to all dependencies	Percent of Italian world exports
		Eritrea	Ethiopia	Somalia	Total			
Flour and semolina.....	45,024	83,644	28,996	9,302	121,942	12,475	179,441	99.4
Machinery, apparatus, and parts.....	32,252	102,056	17,156	15,854	135,066	5,124	172,442	50.7
Cotton cloth.....	13,905	89,701	20,703	18,644	129,048	2,422	145,375	21.6
Cloth in part of artificial fibers.....	6,141	86,365	10,622	24,104	121,091	1,133	128,365	61.3
Iron and steel manufactures.....	22,790	64,651	15,941	9,646	90,238	4,195	117,223	67.7
Automobiles.....	48,902	30,577	18,897	4,431	53,905	5,774	108,681	41.2
Manufactures of rubber, gutta-percha, and ebonite.....	5,775	52,049	37,207	6,444	95,700	857	102,332	72.2
Wines and vermouth.....	12,596	65,421	13,693	6,267	85,381	354	98,331	34.7
Detached parts of automobiles (including motors), machined.....	12,308	61,450	5,712	7,443	74,605	381	87,294	74.5
Lime, cements, and gypsum.....	33,287	23,870	6,242	3,946	34,058	2,400	69,745	85.3
Cotton yarns (except sewing thread).....	2,937	50,772	4,753	2,703	58,228	381	61,546	26.3
Wheat paste.....	6,967	28,570	5,606	4,798	38,974	1,927	47,868	84.0
Cotton manufactures.....	5,778	27,522	4,334	4,022	35,878	1,860	43,522	27.4
Iron and steel in bars or rods.....	19,144	13,778	1,876	1,947	17,601	1,662	38,407	92.3
Tobacco manufactures.....	1,459	6,694	25,375	1,953	34,022	14	35,495	66.1
Olive oil, edible.....	4,643	23,067	3,224	4,262	30,553	57	35,253	19.2
Furniture, implements, wares, and other manufactures of wood.....	9,732	17,024	1,219	1,852	20,093	1,455	31,282	57.8
Cloth in part of artificial fibers.....	4,449	19,115	1,680	3,115	23,910	1,560	29,919	26.8
Cheese.....	6,133	14,976	1,005	2,484	18,465	2,057	26,555	11.7
Boots and shoes, sandals and slippers of skin and leather.....	5,237	15,573	1,862	3,045	21,080	621	26,938	69.1
Spirits, potable, liqueurs, and other spirituous beverages.....	1,031	12,964	7,093	2,016	22,073	125	23,229	87.8
"Other" fabrics and manufactures of artificial fibers.....	2,344	14,518	2,490	1,096	19,004	974	22,322	20.7
Airplanes, seaplanes, and parts.....	12,663	8,506	403	112	9,111	308	22,082	13.1
Artificial fibers.....	1,125	18,767	382	857	20,066	100	21,231	5.8
Rice.....	11,987	4,276	231	2,700	7,207	1,979	21,173	10.4
Manufactures of wool, horsehair, and other animal hair.....	2,094	14,288	3,338	201	17,827	901	20,822	17.1
Implements, tools, and instruments for arts, trade, and agriculture.....	2,897	12,902	1,307	1,858	16,067	327	19,291	79.4
All other.....	192,564	362,339	53,423	70,721	486,483	33,061	712,108	12.2
Total.....	526,164	1,325,435	294,860	217,323	1,837,018	84,490	2,448,272	23.3

Source: *Commercio di Importazione e di Esportazione, 1938*, pp. 1069-79.

CHAPTER V. UNITED STATES-ITALIAN TRADE IN RECENT YEARS

THE POSITION OF ITALY IN UNITED STATES TRADE

In recent years the United States has been Italy's second largest supplier of imports and third largest market for exports. In 1938 purchases from the United States were 11.9 percent of total Italian imports, while sales in the United States were 7.5 percent of total Italian exports.¹ Italy's position in the foreign trade of the United States is, by comparison much less important, the difference arising chiefly from the fact that the total population and trade of the United States are several times larger than those of Italy. In 1939 Italy was eighteenth on the list of foreign suppliers of the United States, having furnished in that year 1.7 percent of total United States imports for consumption. In the same year, Italy was sixteenth among United States foreign markets, sales to Italy being equal to 1.9 percent of total United States exports of domestic merchandise (see tables 34 and 35).

TABLE 34.—*Position of Italy in United States import trade: United States imports for consumption from principal countries and from Italy, in 1939*

Imported from—	Value of imports (in millions of dollars)	Percent of total	Imported from—	Value of imports (in millions of dollars)	Percent of total
Canada.....	332.6	14.6	Argentina.....	58.5	2.6
Japan.....	161.1	7.1	Germany ¹	54.7	2.4
United Kingdom.....	151.3	6.6	Mexico.....	54.4	2.4
British Malaya.....	149.1	6.6	Colombia.....	48.9	2.1
Brazil.....	106.3	4.7	Sweden.....	42.1	1.8
Cuba.....	101.1	4.4	ITALY.....	38.8	1.7
Netherlands Indies.....	93.2	4.1	Chile.....	30.7	1.4
Philippine Islands.....	91.9	4.0	Switzerland.....	30.4	1.3
British India.....	66.3	2.9	All other countries.....	480.1	21.2
Belgium.....	62.9	2.8			
France.....	61.4	2.7	Total all countries.....	2,276.1	100.0
China.....	60.3	2.6			

¹ Includes Austria and Sudeten area, and after Mar. 18 or 19, 1939, trade with the other Czechoslovak provinces occupied by Germany, Hungary, and Poland; also, after Mar. 25, 1939, the Lithuanian territory of Memel.

Source: Compiled from official statistics of the U. S. Department of Commerce.

¹ See ch. IV, p. 99, and table 29 on p. 101.

TABLE 35.—*Position of Italy in United States export trade: United States exports of domestic merchandise to principal countries and to Italy, in 1939*

Exported to—	Value of exports (in millions of dollars)	Percent of total	Exported to—	Value of exports (in millions of dollars)	Percent of total
United Kingdom.....	498.7	15.9	Belgium.....	64.2	2.0
Canada.....	468.0	15.1	Venezuela.....	61.6	2.0
Japan.....	231.6	7.4	Australia.....	61.3	2.0
France.....	180.2	5.7	ITALY.....	58.5	1.9
Philippine Islands.....	99.8	3.2	China.....	55.5	1.8
Netherlands.....	96.6	3.1	Soviet Union.....	51.8	1.7
Sweden.....	94.2	3.0	Colombia.....	50.6	1.6
Cuba.....	80.8	2.6	Germany ¹	44.5	1.4
Mexico.....	80.8	2.6	All other countries.....	625.2	19.9
Brazil.....	79.0	2.6			
Argentina.....	70.6	2.3	Total all countries....	3,123.3	100.0
Union of South Africa.....	69.0	2.2			

¹ Includes Austria and Sudeten area, and after Mar. 18 or 19, 1939, trade with the other Czechoslovak provinces occupied by Germany, Hungary, and Poland; also, after Mar. 25, 1939, the Lithuanian territory of Memel.

Source: Compiled from official statistics of the U. S. Department of Commerce.

THE GENERAL COURSE OF UNITED STATES-ITALIAN TRADE, 1919-39

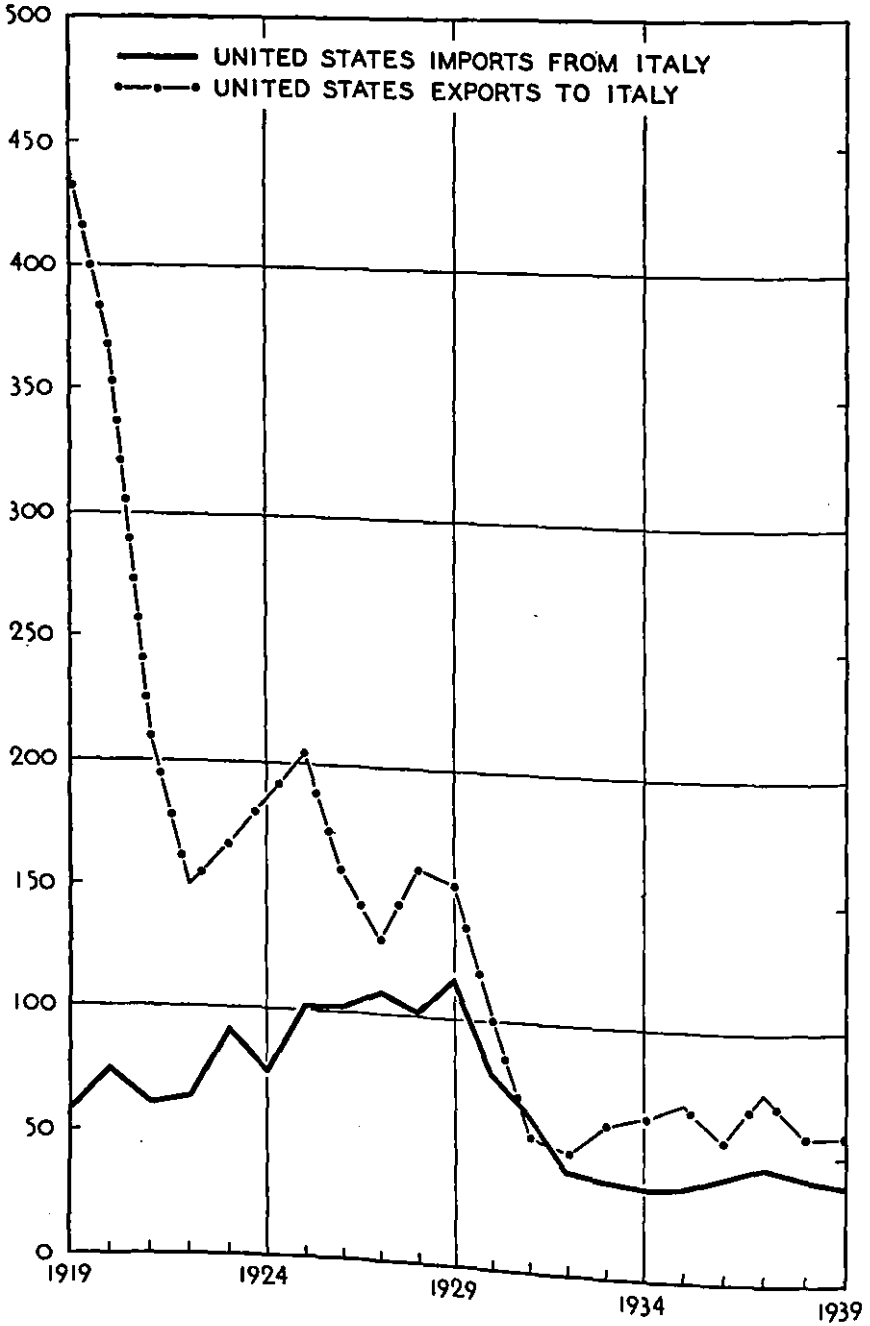
The salient fact about United States-Italian trade in the last two decades is the marked decline in its value. United States exports to Italian countries shrank from the abnormally large immediate post-war total of 437 million dollars in 1919 to 130 million in 1927. After a revival in 1928 and 1929, exports began a new decline (although for a time the decline was less than that in exports to the world as a whole), reaching a low of 48 million in 1932. After an irregular revival, exports increased to 77 million in 1937 but again fell off and amounted to 58 million in 1939 (table 36 and chart VII). Some of this decline in values, especially noticeable when 1929 is used as a base, is explained by the severe decline in prices which took place after that year.

The changes in United States exports to Italy and Italian possessions have been in considerable part due to causes which affected also exports to the world as a whole. Nevertheless the proportion which exports to Italy and Italian possessions represent of total United States exports has been greatly reduced since 1919. From a high of 5.6 percent in that year, and from somewhat over 4 percent in the years 1920 to 1925, the proportion declined to 2.3 percent in 1931. In certain years of the depression however, exports to Italy fell off less than those to the world as a whole and from 1932 to 1935 Italy's proportion of the total rose to somewhat over 3 percent. After 1935 it again dropped and amounted to 1.9 percent in 1938 and 1939.

United States imports from Italy and Italian possessions reached their peak—over 100 million dollars—in the late twenties. They fell to a low of 37 million in 1934. After increasing to 47 million in 1937, they declined to 39 million in 1939. The share of Italy and Italian possessions in total United States imports averaged about 2.5 percent during the twenties and rose to over 3 percent in 1931 and 1932. The explanation of this is that United States imports from the world as a whole consist to a large extent of raw materials, demand for which varies greatly with the degree of industrial activity in this country, whereas imports from Italy are largely foodstuffs, the demand for which is less affected by business conditions. With the subsequent

CHART VII

UNITED STATES TRADE WITH ITALY 1919-1939

MILLION
DOLLARS

industrial recovery in the United States the share of total imports supplied by Italy and its possessions again declined, being 1.6 percent in 1937 and 1.7 percent in 1939 (see table 36).

The decline in United States-Italian trade appears with equal clarity if considered from Italy's point of view (table 37). Besides a notable reduction in values of both imports and exports in recent years (accounted for in part by the fall in world prices during the depression), the Italian statistics show that from 1919 to 1925 the United States rapidly lost the abnormal position gained during the war and that although from 1926 to 1929 it supplied about 20 percent of Italian imports, that share recently has been reduced to little more than half of the former figure. The proportion of Italian exports going to the United States was also reduced, but much less drastically.

TABLE 36.—United States trade in all merchandise with Italy and Italian dependencies, 1919-39

[Value in thousands of dollars]

Year	United States imports ¹ from Italian countries				United States exports to Italian countries				Excess of exports over imports
	Italy ²	Italian Africa ³	Total	Percent of total U. S. imports	Italy ²	Italian Africa ³	Total	Percent of total U. S. exports	
1919	59,060	496	59,556	1.5	436,573	352	436,925	5.6	377,309
1920	75,367	430	75,797	1.4	368,011	404	368,415	4.5	292,623
1921	62,290	12	62,302	2.5	211,707	101	211,808	4.8	149,506
1922	63,930	8	63,938	2.0	149,326	41	149,367	4.0	85,429
1923	92,268	83	92,351	2.4	166,295	47	166,342	4.1	73,991
1924	75,011	1	75,012	2.1	185,009	31	185,040	4.1	100,028
1925	102,205	2	102,207	2.4	203,679	95	203,774	4.2	101,567
1926	102,526	1	102,527	2.3	155,856	15	155,871	3.3	63,344
1927	108,970	11	108,981	2.6	129,781	55	129,816	2.7	20,835
1928	101,681	22	101,703	2.5	159,880	80	159,960	3.2	58,257
1929	117,067	76	117,143	2.7	152,534	65	152,599	2.9	35,456
1930	79,321	63	79,384	2.6	99,530	65	99,595	2.6	20,211
1931	62,659	110	62,769	3.0	54,175	72	54,247	2.3	8,522
1932	42,403	54	42,457	3.2	48,260	196	48,456	3.1	5,099
1933	38,571	119	38,690	1.6	60,767	184	60,950	3.7	22,262
1934	36,750	213	36,972	2.2	64,091	276	64,367	3.1	27,395
1935	37,642	214	37,856	1.8	70,813	4,558	75,371	3.4	37,515
1936	42,200	224	42,424	1.7	56,097	771	56,868	2.3	14,444
1937	47,433	236	47,669	1.6	75,775	1,515	77,290	2.3	29,621
1938	42,208	150	42,358	2.2	57,821	250	58,071	1.9	15,713
1939	38,808	203	39,011	1.7	58,469	82	58,551	1.9	19,540

¹ General imports 1919-33; imports for consumption after 1934.

² Includes Italian Aegean Islands.

³ Tripolitania, Cirenaica, Eritrea, and Somalia. United States trade with Ethiopia has been as follows, in thousands of dollars, since 1934 (the year preceding the beginning of Italian occupation):

	1934	1935	1936	1937	1938	1939
United States imports from Ethiopia	528	498	590	630	237	307
United States exports to Ethiopia	19	72	18	362	53	1
Excess of imports over exports	509	426	572	268	184	306

⁴ Excess of imports over exports.

Source: Compiled from official statistics of the U. S. Department of Commerce.

TABLE 37.—*Italian trade in all merchandise with continental United States, Puerto Rico, and the Philippines, 1919-38*

[Value in millions of lire]

Year	Italian imports from United States countries				Italian exports to United States countries				Excess of imports	Value of the lira in United States currency
	United States	Philippines and Puerto Rico	Total	Percent of total Italian imports ¹	United States	Philippines and Puerto Rico	Total	Percent of total Italian exports ¹		
1919.....	7,350	11	7,361	44.8	630	1	631	10.6	6,730	Cents per lira 11.37
1920.....	8,689	5	8,694	32.6	939	2	941	8.1	7,753	4.97
1921.....	5,711	3	5,714	34.0	1,084	1	1,085	13.3	4,629	4.29
1922.....	4,398	12	4,410	28.1	1,018	3	1,021	11.1	3,389	4.76
1923.....	4,608	9	4,617	26.9	1,523	7	1,530	14.0	3,087	4.60
1924.....	4,648	18	4,666	24.2	1,239	7	1,246	8.8	3,420	4.36
1925.....	6,196	27	6,223	23.9	1,896	10	1,906	10.6	4,317	3.98
1926.....	5,608	27	5,635	21.9	1,934	17	1,951	10.6	3,684	3.89
1927.....	3,958	21	3,979	19.6	1,642	16	1,658	10.8	2,321	5.16
1928.....	4,012	18	4,030	18.5	1,521	6	1,528	10.7	2,503	5.26
1929.....	3,561	13	3,574	16.9	1,718	6	1,724	11.8	1,850	5.23
1930.....	2,538	8	2,546	14.7	1,327	4	1,331	11.2	1,215	5.24
1931.....	1,327	5	1,332	11.5	1,046	3	1,049	10.5	283	5.21
1932.....	1,198	3	1,111	13.5	638	3	641	9.8	470	5.13
1933.....	1,115	3	1,118	15.2	530	2	532	9.2	586	6.71
1934.....	957	7	964	12.7	388	2	390	7.9	574	8.55
1935.....	879	5	884	11.5	422	2	424	9.4	460	8.25
1936.....	895	17	912	15.5	550	3	553	14.5	359	7.29
1937.....	1,539	12	1,551	11.4	783	5	788	10.0	763	5.26
1938.....	1,338	6	1,344	12.1	782	6	788	9.8	556	5.26

¹ Excluding Italy's trade with Italian dependencies.NOTE.—See note 1, table 17. Statistics are not available for Italian trade with Alaska, Hawaii, Guam, Samoa, Virgin Islands, and the Panama Canal Zone.
Source: *Commercio di Importazione e di Esportazione*.

The most important reason for the decline in the absolute values of United States-Italian trade during the last decade lies in the general reduction of trade and economic activity which occurred everywhere as a result of the world depression and in the corresponding fall in world prices. A special factor, however, is to be found in the turn which Italy's economic and commercial policy has taken in recent years. The campaign for economic self-sufficiency has been gradually intensified since the sanctionist episode in 1936 until it now aims at freeing Italy—so far as possible—from dependence upon foreign sources of supply. The campaign has resulted in a marked decline in Italian imports of foodstuffs (especially wheat), which were formerly a large factor in the imports from the United States. Despite the intensive use of domestic products, the use of substitutes wherever possible, and the application of the system of import controls described in chapters II and III of this report, the insufficiency of domestic raw materials has so far prevented the volume of imports of raw materials from being very drastically reduced. Nevertheless, the effects of the new trade policies upon imports from the United States have been readily discernible in the trade figures which show little recovery from their depression lows and a growing concentration of Italian imports upon a few basic raw materials.²

A further handicap to the expansion of American exports is the continuing excess of imports over exports in Italy's trade with the

² For a fuller discussion of this point, see p. 124 ff. of this chapter.

United States, and Italy's present policy of attempting to limit purchases from each country as much as possible to a figure corresponding with the volume of sales to it. A material expansion of Italian exports to the United States is also unlikely, inasmuch as United States imports from Italy consist in large part of commodities consumed by people of Italian birth, now decreasing in number because of existing restrictions on migration (both on the part of the United States and on the part of Italy), and of specialties the production of which in the United States is, in several instances, now making rapid progress.

To complete this general survey of United States-Italian trade relations, mention must be made of the commercial arrangements between the two countries in force in recent years. Since the termination on December 15, 1937, of the United States-Italian treaty of commerce and navigation of February 26, 1871, trade with Italy has been conducted under a temporary commercial arrangement signed on December 16, 1937.³ This provides for most-favored-nation treatment and guarantees to the United States in principle a "fair share" in Italy's importations of articles "of considerable interest," this share being proportionate to United States participation in total Italian imports of such commodities in 1934, the year used as a base period for quota computations.⁴ Since the quotas for all countries were, for most commodities, considerably below the totals for 1934, imports from the United States declined proportionately.⁵

UNITED STATES-ITALIAN TRADE BY ECONOMIC CLASSES

An analysis of the distribution of United States trade with Italy by economic classes throws further light upon the nature of the trade and the changes that have taken place since 1928 (tables 38 and 39 and chart VIII). Almost one-half of United States imports from Italy have consisted of foodstuffs, most of them being in the "manufactured foodstuffs" category. Imports in this category for the past

³ For the full text of the temporary commercial arrangement now in force between Italy and the United States see appendix I, of this report, p. 167 ff.

⁴ From the text of the agreement it is apparent that while on the one hand the United States "will continue to accord to articles the growth, produce, or manufacture of Italy the benefits of the minimum rates of the American tariff as established in its trade agreements with other countries (Cuba excepted)," Italy undertakes:

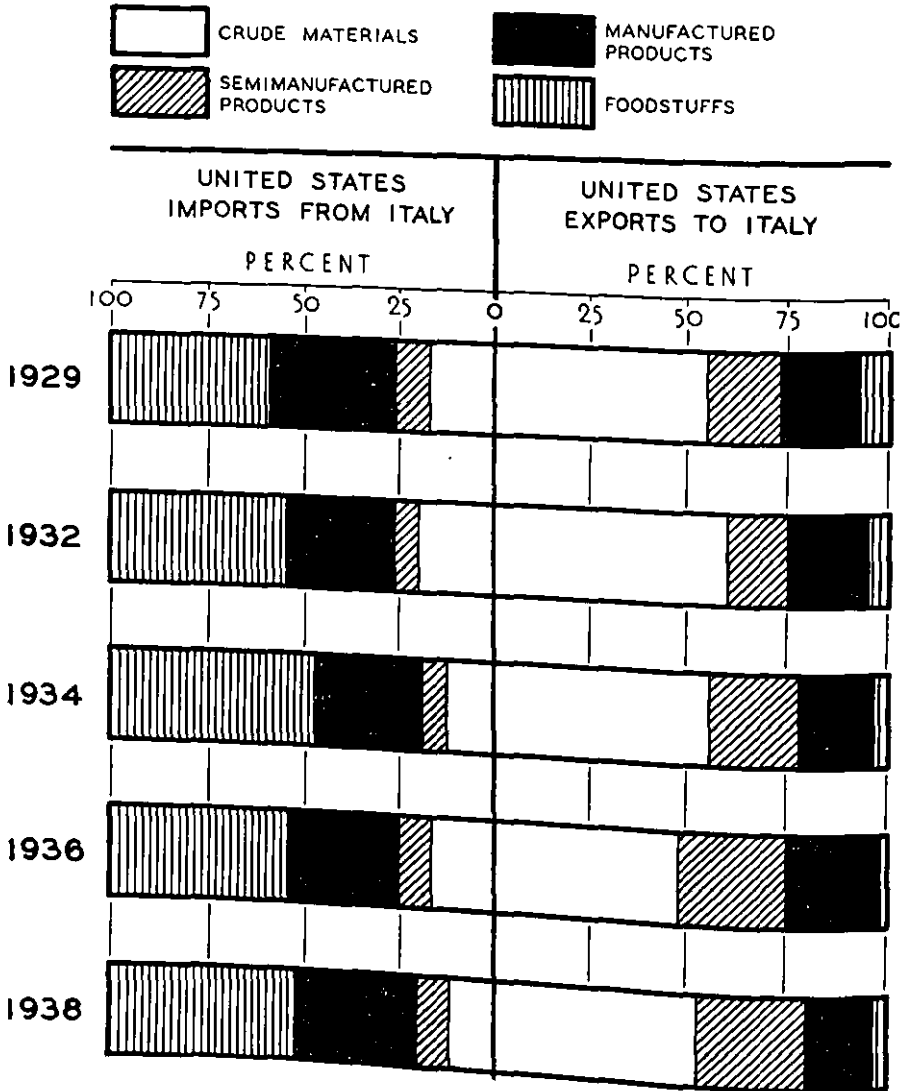
- (1) To grant to the United States "immediately and unconditionally" all tariff benefits of whatever kind granted to any other country;
- (2) Not to maintain any import or export restriction on any article originating in or destined for the United States which is not applied to the like article originating in or destined for any third country;
- (3) To grant "immediately and unconditionally" to any article originating in or destined to the United States any abolition of import or export restrictions granted in favor of a like article originating in or destined to a third country;
- (4) To allot to the United States a proportion of the total Italian import quota for any article in which the United States has a considerable interest, equivalent to the proportion of the total importation of such article from the United States during a previous representative period;
- (5) To impose no prohibition, restriction, or delay on the transfer of payment for imports from the United States;
- (6) To accord "unconditionally treatment no less favorable" to the United States for payment of imports from the United States, than that accorded to any article from any third country with respect to rates of exchange, or than that accorded any like article from any third country with respect to formalities relating to exchange transactions;
- (7) To accord to the United States fair and equitable treatment in respect to any foreign purchases made by Italian import monopolies.

⁵ In practice the working of the temporary arrangement was impaired by recurring delays in the establishment of the quotas and by the fact that in some 18 instances quotas allocated to the United States were short of the 1934 percentages, while on the other hand, "long" quotas were granted for a few basic commodities. Items for which Italian imports from the United States were valued at less than \$25,000 were not considered "of material importance," and no quotas were granted for most of them. Several commodities of comparatively minor importance thus could not be exported at all from the United States to Italy. See Bureau of Foreign and Domestic Commerce, *Trade of the United States with Italy in 1938* (multilithed), April 1939.

For a full list of Italian quotas on imports from the United States for 1939 and 1940, see appendix I of this report, p. 169 ff.

CHART VIII

PERCENTAGE DISTRIBUTION OF
UNITED STATES-ITALIAN TRADE
BY ECONOMIC CLASSES
IN SELECTED YEARS
1929-1938



6 years have been steady in value, at about one-half the figures of 1928-29. Every other category of imports shows a greater percentage decline in value. Finished manufactures were as important in the trade of 1928-29 as were manufactured foodstuffs; they have fallen sharply in absolute value, but still constitute, as in 1928, about one-third of all imports from Italy. Crude foodstuffs show the greatest relative decline.

TABLE 38.—United States imports from and exports to Italy, by economic classes, 1928-39

[Value in thousands of dollars]

Year	Crude foodstuffs	Manufactured foodstuffs	Crude materials	Semi-manufactures	Finished manufactures	Total
A. Imports ¹						
1928.....	7,859	34,389	15,853	9,743	33,837	101,681
1929.....	8,256	38,973	19,009	10,219	39,700	117,067
1930.....	4,369	20,142	19,513	6,579	22,718	79,321
1931.....	2,648	20,308	16,086	3,479	20,139	62,659
1932.....	1,515	17,595	8,450	2,573	12,269	42,403
1933.....	1,089	15,144	8,709	3,152	10,410	38,571
1934.....	1,138	18,081	4,564	2,353	10,623	30,759
1935.....	1,948	18,788	4,492	2,048	10,369	37,642
1936.....	3,328	16,008	6,952	3,600	12,314	42,200
1937.....	2,908	18,119	5,600	4,997	15,751	47,433
1938.....	1,406	18,277	5,078	3,602	13,755	42,208
1939.....	1,490	16,236	4,691	3,807	12,584	38,808
B. Exports						
1928.....	9,768	7,056	81,896	30,440	30,720	159,880
1929.....	3,736	7,276	84,727	26,470	30,324	152,534
1930.....	3,194	3,383	45,166	21,189	26,597	99,530
1931.....	1,447	2,130	27,220	10,402	12,976	54,175
1932.....	779	1,417	29,261	7,045	9,758	48,260
1933.....	317	1,347	38,961	10,026	10,115	60,767
1934.....	522	1,260	35,854	14,146	12,310	64,091
1935.....	156	306	33,823	19,241	17,196	70,813
1936.....	258	250	27,104	15,037	13,447	56,097
1937.....	605	365	41,991	18,824	13,990	75,776
1938.....	1,267	287	30,711	15,682	9,875	57,821
1939.....	89	879	27,630	19,801	10,170	58,469

¹ General imports 1928-33, inclusive, imports for consumption thereafter.

Source: Compiled from official statistics of the U. S. Department of Commerce.

Data on the export side, on the contrary, show that of late United States exports of foodstuffs to Italy have dwindled to practically nothing. Broadly speaking, about one-half of total United States exports to Italy now consist of crude materials, about one quarter of semimanufactured articles, and the rest of manufactured commodities. Varying with prices and other temporary factors, crude and semi-manufactured materials together have accounted for two-thirds to four-fifths of total United States exports to Italy in the years covered by the table, with a tendency toward a gradually increasing proportion. In other words, as has already been pointed out,⁶ Italy has been endeavoring to concentrate its purchases upon indispensable raw materials which the country lacks and which can be advantageously procured in the United States.

⁶ See p. 114 of this report.

TABLE 39.—Percentage distribution of total United States trade with all countries, with Europe and with Italy, by economic classes, 1928-39

Year	Foodstuffs						Other merchandise								
	Crude			Manufactured			Crude			Semimanufactured			Manufactured		
	All countries	Europe	Italy	All countries	Europe	Italy	All countries	Europe	Italy	All countries	Europe	Italy	All countries	Europe	Italy
A. Imports for consumption:															
1928	13.4	3.2	7.7	9.9	7.8	33.8	35.9	20.9	15.6	18.6	26.6	9.6	22.2	41.5	33.3
1929	12.3	2.7	7.1	9.6	7.5	33.3	35.4	19.4	17.0	20.1	26.8	8.7	22.6	43.6	33.9
1930	13.1	3.0	5.6	9.6	8.6	32.9	32.7	18.4	24.6	19.9	26.0	8.3	24.7	43.0	28.6
1931	14.6	3.3	4.2	10.6	9.2	32.4	30.7	19.8	25.7	17.8	23.4	5.5	26.3	44.3	32.2
1932	17.6	2.9	3.6	13.1	11.3	41.5	27.1	17.8	19.9	16.4	26.2	6.1	25.8	41.8	28.9
1933	14.6	2.2	2.8	14.2	10.7	30.3	28.9	19.0	22.7	20.1	31.5	8.2	22.2	36.6	27.0
1934	15.5	3.5	3.1	16.1	15.2	49.2	28.2	17.6	12.4	18.8	27.8	6.4	21.4	35.9	28.9
1935	15.8	3.5	5.3	15.6	15.5	49.9	28.6	17.7	11.9	20.1	29.2	5.4	19.9	34.1	27.5
1936	14.4	2.9	7.9	15.9	15.8	37.9	30.2	19.8	16.5	20.2	28.3	8.5	19.2	33.2	29.2
1937	13.7	1.8	6.1	14.6	16.6	38.2	32.3	18.1	12.0	21.1	30.1	10.5	18.3	33.4	33.2
1938	13.3	1.4	3.6	15.9	18.8	43.3	29.6	15.9	12.0	19.8	27.6	8.5	21.4	36.3	32.6
1939	12.8	1.2	3.8	13.8	17.2	41.9	32.7	15.2	12.1	21.4	31.8	9.8	19.3	34.6	32.4
B. Domestic exports															
1928	5.9	6.0	7.5	9.3	12.0	5.4	25.7	37.9	63.1	14.2	14.9	23.4	44.9	29.2	26.6
1929	5.2	6.2	2.4	9.4	12.3	4.8	22.2	32.9	55.5	14.1	15.1	17.4	49.1	33.5	19.9
1930	4.7	5.6	3.2	9.6	11.8	3.4	21.9	29.6	45.4	13.6	13.8	21.3	50.2	39.2	26.7
1931	5.3	6.4	2.7	10.4	13.7	3.9	23.8	25.5	50.2	13.4	13.5	19.3	47.1	40.9	23.9
1932	5.7	7.3	1.6	9.6	13.2	2.9	32.6	38.2	60.6	12.5	12.2	14.7	39.6	29.1	30.2
1933	2.9	3.2	.5	9.4	13.1	2.2	35.9	45.3	64.1	14.4	13.4	16.5	37.4	25.0	16.7
1934	2.8	3.2	.8	8.0	11.8	2.0	31.1	39.5	55.9	16.2	16.4	22.1	41.9	29.1	19.2
1935	2.6	3.4	.2	7.0	9.9	.5	30.5	41.6	47.8	15.6	15.5	27.2	44.3	29.6	24.3
1936	2.4	2.8	.5	5.9	8.4	.4	27.6	39.2	48.3	16.3	17.2	26.8	47.7	32.4	24.0
1937	3.2	4.3	.8	5.4	7.4	.5	21.9	33.0	55.4	20.5	21.6	24.8	49.0	33.7	18.5
1938	8.2	12.7	2.2	6.0	8.2	.5	19.4	26.4	53.1	16.6	17.5	27.1	49.8	35.2	17.1
1939	3.5	5.3	.1	6.5	9.0	1.5	16.9	21.8	47.1	19.7	20.9	33.9	53.4	43.0	17.4

¹ General imports, 1928-33, inclusive.

Source: Compiled from official statistics of the U. S. Department of Commerce.

UNITED STATES-ITALIAN TRADE BY PRINCIPAL COMMODITIES

The leading commodities imported from Italy in 1939 were, in the order of their importance: Cheese, edible olive oil, canned tomatoes, raw silk, rayon filaments, vermouth and other still wines, hats and hat materials of straw or other vegetable fibers, works of art and antiques, cotton quilts and bedspreads, and edible nuts (table 40, chart IX). The leading United States exports to Italy, on the other hand, were raw cotton, iron and steel scrap, crude petroleum, refined copper, lubricating oils, industrial machinery, gas oil and fuel oil, paraffin wax, lumber and timber, and gasoline (table 41, chart IX).

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TABLE 40.—United States imports¹ of 10 leading commodities from Italy, 1929, 1934, and 1939

[Value in thousands of dollars]

Commodity	Value	Percent of total
1929		
Olive oil, edible.....	12,397	10.6
Cheese.....	10,130	8.6
Tomatoes, canned.....	8,317	7.1
Silk, raw.....	7,984	6.8
Hats and hat bodies of wool felt.....	7,021	6.0
Works of art and antiques.....	5,626	4.8
Nuts and preparations, edible.....	5,004	4.3
Cigarette leaf tobacco, unstemmed.....	4,182	3.6
Hats and hat materials of straw or other vegetable fiber.....	4,114	3.5
Cherries in natural state.....	3,237	2.8
All other.....	49,055	41.0
Total.....	117,067	100.0
1934		
Cheese.....	5,973	16.3
Olive oil, edible.....	3,008	10.6
Tomatoes, canned.....	3,052	8.3
Vermuth and other still wines.....	2,382	6.5
Cigarette leaf tobacco, unstemmed.....	2,159	5.9
Hats and hat materials of straw or other vegetable fiber.....	1,904	5.3
Hats and hat bodies of wool felt.....	1,487	4.0
Works of art and antiques.....	1,080	3.0
Nuts and preparations, edible.....	901	2.5
Tomato paste.....	897	2.4
All other.....	12,947	35.2
Total.....	30,759	100.0
1939		
Cheese.....	5,700	14.9
Olive oil, edible.....	4,303	11.2
Tomatoes, canned.....	2,222	5.7
Silk, raw.....	2,163	5.6
Rayon filaments, not exceeding 30 inches in length.....	1,931	5.0
Vermuth and other still wines.....	1,694	4.1
Hats and hat materials of straw or other vegetable fiber.....	1,312	3.4
Works of art and antiques.....	1,307	3.4
Quilts and bedspreads of cotton.....	1,227	3.2
Nuts and preparations, edible.....	1,222	3.1
All other.....	15,677	40.4
Total.....	38,808	100.0

¹ General imports for 1929; imports for consumption for 1934 and 1939.

Source: Compiled from official statistics of the U. S. Department of Commerce.

TABLE 41.—United States domestic exports of 10 leading commodities to Italy, 1929, 1934, and 1939

[Value in thousands of dollars]

Commodity	Value	Percent of total
1929		
Cotton, raw, except linters.....	79,760	52.3
Copper, refined in ingots, bars, or other forms.....	15,145	9.9
Gasoline, naphtha, and other finished light products.....	5,571	3.7
Lubricating oils.....	4,019	2.6
Industrial machinery.....	3,970	2.6
Animal oils and fats, edible (chiefly lard).....	3,485	2.3
Lumber and timber.....	2,949	1.9
Corn.....	2,661	1.7
Meat and meat products (chiefly bacon).....	2,544	1.7
Automobiles, parts, and accessories.....	2,241	1.5
All other.....	30,189	19.8
Total.....	152,534	100.0
1934		
Cotton, raw, except linters.....	31,916	49.8
Copper, refined in ingots, bars, or other forms.....	3,212	5.0
Lubricating oils.....	2,807	4.4
Lumber and timber.....	2,488	3.9
Iron and steel scrap.....	2,227	3.5
Industrial machinery.....	1,604	2.5
Paraffin wax.....	1,221	1.9
Leather.....	1,143	1.8
Office appliances.....	1,084	1.7
Electrical machinery and apparatus.....	989	1.5
All other.....	15,400	24.0
Total.....	64,091	100.0
1939		
Cotton, raw, except linters.....	19,542	33.4
Iron and steel scrap.....	6,335	10.8
Petroleum, crude.....	6,271	10.7
Copper, refined in ingots, bars, or other forms.....	5,937	10.2
Lubricating oils.....	3,916	6.7
Industrial machinery.....	1,668	2.9
Gas oil and fuel oil.....	1,549	2.6
Paraffin wax.....	992	1.7
Lumber and timber.....	919	1.6
Gasoline.....	839	1.4
All other.....	10,501	18.0
Total.....	58,469	100.0

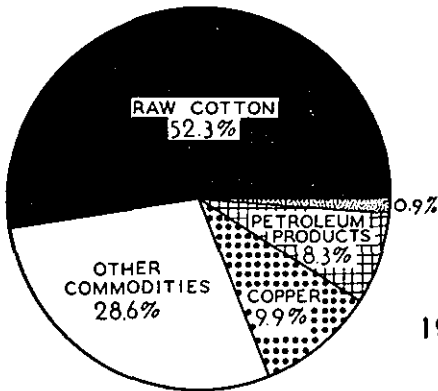
Source: Compiled from official statistics of the U. S. Department of Commerce.

The information given in the preceding tables is supplemented by statistics showing United States imports of important dutiable and duty-free commodities from Italy, the percentages of duty-free imports into the United States from Italy and other leading countries, and United States exports of selected important commodities to Italy by years, from 1919 to 1939 (tables 42, 43, 44, and 45).

CHART IX

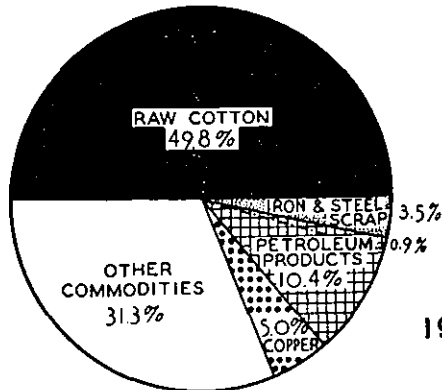
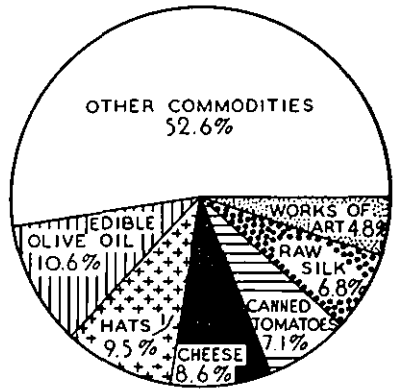
PRINCIPAL UNITED STATES
IMPORTS FROM AND EXPORTS TO ITALY
1929, 1934, AND 1939

UNITED STATES
EXPORTS TO ITALY

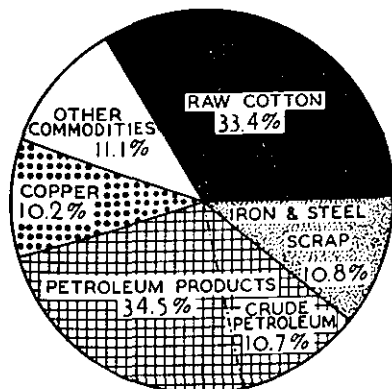
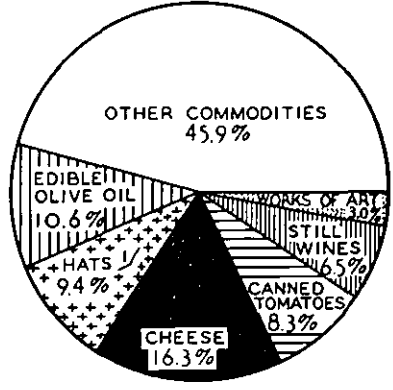


1929

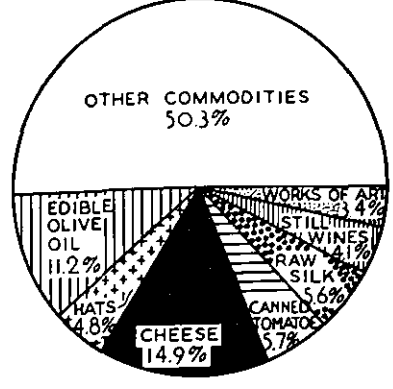
UNITED STATES
IMPORTS FROM ITALY



1934



1939



⌋ Includes hats and hat materials of fiber and wool

TABLE 42.—United States imports¹ of selected important dutiable commodities, and of all dutiable commodities from Italy, 1919–39

[Value in thousands of dollars]									
Year	Cheese	Wines	Edible olive oil	Nuts except chest-nuts	Canned tomatoes	Cigarette leaf	Other commodities	Total dutiable	Percent of total imports from Italy
1919	\$ 122	249	750	7,791	(²)	(²)	20,513	29,425	49.8
1920	\$ 235	340	3,882	5,990	(²)	(²)	33,224	43,671	58.0
1921	\$ 3,288	205	6,092	5,408	(²)	(²)	19,815	34,808	55.9
1922	\$ 6,395	62	6,978	5,941	589	(²)	27,775	47,740	74.7
1923	\$ 10,427	26	8,055	5,345	1,522	990	31,266	57,631	62.5
1924	8,906	3	8,757	4,922	2,208	3,487	26,710	54,993	73.3
1925	8,576	2	10,551	5,371	4,039	6,227	36,759	71,525	70.0
1926	10,348		9,882	6,115	4,073	4,369	43,494	78,281	76.4
1927	12,176	(³)	11,245	4,502	5,265	7,214	48,337	88,739	81.4
1928	12,833	2	9,946	4,109	5,155	3,766	47,103	82,914	81.5
1929	10,130	4	12,397	4,285	8,317	4,182	51,616	90,931	77.7
1930	8,771		8,070	2,975	2,681	3,699	29,856	56,052	70.7
1931	7,258	(³)	5,224	2,564	2,692	4,773	24,423	46,934	74.9
1932	7,399	(³)	4,589	887	2,654	3,384	14,419	33,332	78.6
1933	5,604	363	4,165	502	2,799	1,794	13,590	28,817	74.7
1934	5,973	2,444	3,908	447	3,052	2,159	13,704	31,777	86.4
1935	6,805	1,751	4,663	894	2,951	1,578	13,461	32,103	85.3
1936	6,217	1,933	3,006	1,987	2,267	1,882	16,028	33,900	78.9
1937	5,934	1,912	5,155	1,656	2,202	943	20,749	38,551	81.3
1938	5,658	1,719	5,722	622	2,434	213	17,863	34,221	81.1
1939	5,790	1,633	4,363	693	2,222	251	16,558	31,510	81.2

¹ General imports prior to 1934, imports for consumption thereafter.² Includes substitutes for cheese.³ Not separately recorded before Sept. 22, 1922.⁴ Not separately recorded.⁵ Less than \$500.

Source: Compiled from official statistics of the U. S. Department of Commerce.

TABLE 43.—United States imports¹ of selected important duty-free commodities, and of all duty-free commodities from Italy, 1919–39

[Value in thousands of dollars]								
Year	Art works	Raw silk	Chest-nuts	Inedible olive oil	Principal exemptions ²	Other commodities	Total duty-free	Percent of total imports from Italy
1919	768	17,889	\$ 188					
1920	2,134	10,345	\$ 1,350	46	404	10,280	29,635	50.2
1921	1,570	17,545	\$ 794	33	1,643	16,281	31,686	42.0
1922	1,360	4,591	732	170	1,374	6,029	27,482	44.1
1923	2,388	20,726	835	1,452	813	7,242	16,190	25.3
				2,038	1,006	7,644	34,637	37.6
1924	3,003	7,330	980					
1925	3,620	12,121	947	2,018	510	6,176	20,017	26.7
1926	5,752	6,480	1,126	2,992	740	10,260	30,680	30.0
1927	5,156	2,716	578	1,831	461	8,565	24,245	23.6
1928	4,517	3,600	936	3,681	464	7,636	20,231	18.6
				1,431	477	7,805	18,766	18.5
1929	5,235	7,984	719	2,904	1,396	7,898	26,136	22.3
1930	3,611	11,558	771	2,105	744	4,481	23,270	20.3
1931	1,950	8,497	717	1,300	743	2,518	15,725	25.1
1932	2,277	3,687	452	744	360	1,551	9,071	21.4
1933	1,837	4,769	349	808	278	1,713	9,754	25.3
1934	1,036	147	454	825	394	2,126	4,982	13.6
1935	1,495	604	635	255	466	2,084	5,539	14.7
1936	1,949	3,223	842	212	377	2,297	8,900	21.1
1937	1,736	1,939	637	966	308	3,206	8,882	18.7
1938	1,797	2,988	531	(³)	321	2,351	7,988	18.0
1939	1,275	2,163	528	4	436	2,892	7,298	18.8

¹ General imports prior to 1934, imports for consumption thereafter.² Temporary imports, returned United States goods, household and personal effects, etc. Not strictly comparable beginning Jan. 1, 1934, as later years do not include temporary imports.³ Classified as marrons.⁴ Less than \$500.

Source: Compiled from official statistics of the U. S. Department of Commerce.

TABLE 44.—Percentages of duty-free imports into the United States from selected countries and continents, in specified years, 1922 to 1939¹

Year	Europe	Italy ²	United Kingdom ³	Germany	France	Canada	South America	Asia	Africa	All countries
1922.....	34.6	25.3	42.9	28.9	30.0	76.3	84.2	84.2	79.3	60.1
1925.....	37.1	30.0	46.2	33.8	28.1	73.0	85.2	81.0	85.0	62.7
1927.....	36.3	18.6	48.2	34.5	27.4	72.5	85.5	83.0	88.1	62.7
1929.....	38.4	22.3	47.9	36.8	30.6	77.3	83.9	81.2	90.1	64.6
1931.....	37.9	25.1	51.2	33.8	29.4	81.8	87.6	80.7	81.5	66.1
1932.....	37.6	21.4	46.0	29.9	30.5	83.3	86.6	82.5	77.0	66.4
1933.....	39.0	25.3	47.1	28.1	29.2	70.1	71.5	80.0	67.9	60.6
1934.....	36.1	13.6	40.4	29.4	29.5	65.3	78.5	79.4	69.5	60.6
1935.....	38.2	14.7	44.6	29.9	33.8	60.9	68.8	80.2	76.9	59.1
1936.....	38.3	21.1	42.1	29.4	32.7	53.1	66.5	79.5	72.5	57.1
1937.....	37.2	18.7	37.6	34.8	31.6	60.4	59.0	80.2	76.9	58.6
1938.....	34.6	18.8	30.2	28.5	27.5	73.5	73.3	78.0	81.3	60.4
1939.....	34.5	18.8	29.1	26.0	26.2	66.5	70.3	81.1	81.0	61.4

¹ Based on general imports up to 1933; and on imports for consumption thereafter.

² The decline in the percentage of duty-free imports from Italy has not been due to a shift of articles from the free to the dutiable list but, chiefly, to reduced purchases of raw silk and works of art which are on the free list and, after the repeal of prohibition, to increased purchases of wines and vermouth which are on the dutiable list.

³ Includes important transshipments of rubber, tin, tea, etc.

Source: Compiled from official statistics of the U. S. Department of Commerce.

TABLE 45.—United States domestic exports of all merchandise and selected important commodities to Italy, 1919-39

[Value in thousands of dollars]

Year	Raw cotton (except hatters)	Wheat	Crude petroleum	Petroleum derivatives	Copper ¹	Iron and steel scrap ²	Other commodities	Total
1919.....	92,565	91,055	3	14,958	15,509	87	222,398	436,573
1920.....	103,024	85,356	77	24,508	201	68	154,777	368,011
1921.....	47,768	96,118	-----	13,522	2,220	-----	52,079	211,707
1922.....	65,196	37,313	-----	12,264	7,409	17	27,127	149,326
1923.....	82,065	19,832	52	14,643	10,471	-----	38,632	164,295
1924.....	84,165	23,145	240	17,660	14,773	238	44,788	185,009
1925.....	91,238	26,394	482	18,563	18,197	447	48,358	203,679
1926.....	76,529	12,293	289	16,367	11,700	145	38,533	155,856
1927.....	60,550	16,275	160	11,754	11,760	331	28,931	129,761
1928.....	78,836	9,661	-----	15,354	17,814	929	37,886	159,880
1929.....	79,760	929	-----	12,685	15,145	1,315	42,700	152,534
1930.....	41,431	2,859	2	12,395	10,811	417	31,615	99,530
1931.....	24,937	1,195	-----	6,447	3,906	18	17,672	54,175
1932.....	27,024	611	81	5,539	2,551	37	12,417	48,260
1933.....	37,501	71	39	5,536	2,027	859	14,734	60,767
1934.....	31,916	96	560	5,502	4,166	2,227	19,624	64,091
1935.....	29,935	-----	1,695	8,104	6,746	4,165	20,168	70,813
1936.....	22,767	186	2,246	6,764	4,484	3,564	16,086	56,097
1937.....	33,294	459	6,869	7,214	5,483	6,640	15,816	75,775
1938.....	19,208	1,180	9,558	5,459	4,295	6,061	12,000	57,821
1939.....	19,542	29	6,271	7,444	5,937	6,335	12,911	58,469

¹ Copper ores and crude refined copper. Crude copper and copper ores were in thousands of dollars: 208 in 1928, 1,107 in 1932, 954 in 1934, and none in the other years shown.

² In recent years total Italian imports of iron and steel scrap were no larger than during the twenties. Export prohibitions elsewhere, however, forced Italy to buy a large part of required supplies in the United States.

Source: Compiled from official statistics of the U. S. Department of Commerce.

The data on imports indicate, for several of the commodities shown, a rather pronounced trend toward a reduction in values in recent years. While the diminution in value figures was in part occasioned by the fall in prices which took place during the period, the reasons for the decline undoubtedly go beyond that factor alone. As has

already been pointed out,⁷ an important factor in United States import trade from Italy is the demand for Italian products by people of Italian origin. This demand is now gradually but clearly decreasing on account of the great reduction in immigration and corresponding diminution in the number of Italian-born residents, the fact that American-born people of Italian origin do not express as strong a preference for Italian products as do their Italian-born parents, and, finally, the growing production of Italian specialties in the United States. While, for example, for some varieties of Italian cheese such as the Pecorino, United States needs continue to be supplied almost wholly by imports from Italy, other important varieties such as the Provolone and the Parmigiano are being manufactured here in increasing volume. Other domestically produced articles of food, such as tomato paste, also compete successfully with the imported product.

Reductions in imports from Italy have not been confined to the dutiable list. Over the period shown in the tables, much the greatest percentage decrease is that in the value of raw silk imported. The price has greatly declined, and Italy has not been able to meet the competition of Japan. Another significant decline is that in works of art, imports of which decreased by 5 million dollars from 1929 to 1939.⁸ By reason of the marked reduction in imports of these major duty-free articles the proportion of total imports from Italy which have entered free of duty has declined; the decline has not therefore, been principally due to transfers from the free to the dutiable list.

On the export side even more serious reductions have occurred in recent years. Exports of foodstuffs, notably of wheat, have been greatly curtailed, while the trade in other commodities has shown a growing tendency toward concentration upon a few basic items.

About two-thirds of the total value of exports to Italy in 1937, 1938, and 1939 was provided by four commodities: Cotton, crude petroleum, iron and steel scrap, and copper. The influence of the self-sufficiency program in Italy accounts in part for the recent decline in the cotton trade, since rayon and other synthetic fibers are being used increasingly by Italians as a substitute for, or in combination with, cotton. The rise in exports of crude petroleum to Italy, which has been accompanied by a decline in exports of petroleum derivatives, is also attributable to the country's self-sufficiency program. It is impossible for Italy to do without imported petroleum, there being no local production, but large refineries and storage tanks have been built in the past two years to make possible refining operations in Italy. It is very likely that the importation of crude oil in preference to refined products will be continued in future years.

Recent United States exports of iron and steel scrap to Italy have been unusually large. Total Italian imports, however, were no larger than during the twenties, increased purchases of scrap in the United

⁷ See p. 115 of this report.

⁸ "Other commodities" on the "duty-free" table fell off much more over the whole period, than on the "dutiable" table; but it must be noted that in 1922, 1930, and later years, various items previously free were transferred to the dutiable or taxable list.

States being due mainly to export prohibitions adopted by former suppliers which forced Italy to buy in this country a large part of the quantities needed.⁹

RECENT TRENDS IN UNITED STATES-ITALIAN COMMERCE

The salient facts brought out by the foregoing discussion of United States-Italian trade may now be briefly summarized. The marked reduction which has occurred in the volume of the trade during the last 10 years has been due in large part to the general reduction in trade which occurred everywhere as a result of the world depression; of late, however, it has been accentuated by the restrictions imposed upon Italian foreign trade as a result of Italy's campaign for economic self-sufficiency and by the adoption by Italy of trade policies leading to a shift of Italy's purchases from the United States to other foreign sources of supply, particularly to countries with which Italy has clearing and other special trade agreements. The fact that there has constantly been an import balance in Italy's trade with the United States which failed to be offset, as before the depression, by income from emigrant remittances and tourist expenditures, has constituted, under Italy's present policy of attempting to limit purchases from each country as much as possible to correspond with the volume of its sales, an additional handicap to the expansion of American exports and a factor which has tended to encourage the concentration of Italian purchases in this country upon a few basic raw or semiprocessed materials. Over 65 percent of United States exports to Italy consist, at the present time, of only four commodities: Raw cotton, crude petroleum, iron and steel scrap, and refined copper. Italy is heavily dependent upon foreign sources of supply for each of these commodities, and the United States being a leading world supplier of them, there appears to be (apart from the effects of war) little prospect of a lessening in the Italian demand in this country for them.

United States imports from Italy, on the other hand, consist of a much more varied list of commodities, the importation of some of which tends to be retarded by increasing United States production whereas the sale of others is largely dependent upon the demand of people of Italian origin. Unless suitable means are found to make possible an increase in the sale of Italian products on American markets or in the invisible credit items of the Italian balance of payments, developments in recent years point to a probable further limitation of Italian purchases in the United States.

Enough has been said in the foregoing pages to give a general picture of the salient characteristics and trends in United States-Italian commerce. A more detailed account of that trade is given in the description of United States exports to and imports from Italy by principal commodity groups and leading commodities in 1936, 1937, 1938, and 1939 (tables 46 and 47) and in the discussion of the present trade position of some of the leading commodities in United States-Italian commerce given in the later pages of this chapter.

⁹ For detailed data on the course of imports of iron and steel scrap into Italy, see table 95 in appendix IV of this report, p. 185.

TABLE 46.—United States imports from Italy by commodity groups and principal commodities, 1936-39—Continued

Commodity and group	Quantity				Value (thousands of dollars)			
	1936	1937	1938	1939	1936	1937	1938	1939
Textile fibers and manufactures, total—Con.								
Wool, raw.....					13	154	38	248
Wool manufactures.....					1,422	1,671	1,709	905
Woolen fabrics.....1,000 sq. yd.	61	718	505	329	36	470	384	256
Hat bodies and shapes of wool felt thousands.....	10,941	7,297	11,396	5,264	1,313	1,059	1,286	563
Silk, raw.....1,000 lb.	2,164	1,151	2,278	1,141	3,223	1,939	2,088	2,163
Silk waste.....do.	135	402	2	89	47	214	1	68
Silk fabrics, not pile.....do.	61	131	80	55	296	562	360	274
Rayon manufactures.....					1,270	1,442	2,218	2,054
Rayon yarns.....1,000 lb.	128	506	131	28	52	183	53	14
Rayon filaments not exceeding 30 inches in length.....do.	4,659	5,637	9,908	9,481	1,100	1,092	1,940	1,931
Hat braids, plaits and laces of straw or other fiber.....1,000 yd.	15,241	38,412	33,284	21,614	84	161	188	166
Straw hats.....thousands.....	2,844	2,264	2,108	2,407	869	756	727	793
Ramie hats.....do.	2,376	1,257	836	1,070	2,270	416	257	269
Other textile fibers and manufactures.....					524	967	743	834
Wood and paper, total.....					785	1,127	888	642
Briar, laurel, or ivy root..... thousands.....	18,905	19,137	21,381	22,134	349	332	347	335
Wood furniture.....					228	348	214	201
Cork wood, bark, shavings, etc., 1,000 lb.	3	6,352	5,807	3,082	(²)	133	135	38
Rags for paper stock.....do.	665	3,325	34	114	18	68	2	1
Other wood and paper.....					190	246	190	267
Nonmetallic minerals, total.....					1,078	1,320	1,279	1,492
Alabaster or jet, wholly or partly manu- factured.....					152	182	141	95
Blown, pressed, colored, etc. glassware.....					57	121	120	113
Earthenware.....					205	316	350	400
Talc, steatite, and french chalk and manufactures.....1,000 lb.	14,393	17,306	15,084	17,233	212	208	192	210
Other nonmetallic minerals.....					452	493	440	674
Metals and manufactures, except machinery and vehicles, total.....					462	811	176	188
Quicksilver or mercury.....1,000 lb.	492	747	84	26	385	649	50	30
Machinery and vehicles, total.....					64	393	264	124
Passenger automobiles..... number.....		867	68	30		291	29	28
Chemicals and related products, total.....					1,246	1,658	777	757
Argols, tartars, and wine lees.....1,000 lb.	13,002	7,372	4,987	4,441	716	540	417	359
Mineral-earth pigments.....					88	130	54	93
Nitrogenous fertilizer materials..... tons.....		12,747	374			409	8	
Soap, castile.....1,000 lb.	780	957	779	768	92	130	95	89
Other chemicals and related products.....					350	347	192	216
Miscellaneous articles, total.....					3,516	3,383	3,403	3,208
Accordions and concertinas..... number.....	23,610	24,758	10,874	31,053	898	953	827	991
Books and other printed matter.....					92	159	212	191
Works of art produced prior to 1830.....					1,704	1,454	1,268	822
Household and personal effects.....					183	109	121	277
Other miscellaneous articles.....					639	708	946	927

² Less than 500.

³ Includes some hats of other material.

Source: Compiled from official statistics of the U. S. Department of Commerce.

TABLE 47.—United States exports to Italy, by commodity groups and principal commodities, 1936-39

Commodity and group	Quantity				Value (thousands of dollars)			
	1936	1937	1938	1939 ¹	1936	1937	1938	1939 ¹
Domestic exports, total.....					58,097	75,775	57,821	58,469
Animal products and animals, edible, total.....					135	207	60	303
Lard.....1,000 lb.....		1,427	23	1,875		177	2	169
Animal products and animals, inedible, total.....					415	351	272	393
Vegetable food products and beverages, total.....								
Wheat.....1,000 bu.....	204	450	1,394	70	374	782	1,483	657
Coffee, green.....1,000 lb.....	262	970	91	314	186	459	1,180	29
					42	145	17	44
Vegetable products, inedible, except fibers and wood, total.....					1,130	1,022	691	812
Rosin.....barrels.....	59,369	5,668	9,497	8,951	558	90	82	78
Gum spirits of turpentine.....1,000 gal.....	485	74	19	82	202	34	4	22
Wood turpentine.....do.....	244	386	95	187	93	128	22	43
Unmanufactured tobacco.....1,000 lb.....	333	1,270	826	610	65	304	259	154
Cigars and cheroots.....thousands.....	(²)	10,020	(²)	(²)	1	181	(²)	(²)
Cigarettes.....do.....	17,817	20,852	57,698	99,896	30	55	153	269
Other vegetable products, inedible.....					181	230	171	246
Textile fibers and manufactures, total.....					23,640	34,266	20,444	20,408
Cotton, raw.....1,000 bales.....	340	526	377	268	22,767	33,294	19,268	19,542
Cotton linters.....1,000 lb.....	4,163	8,810	16,548	5,844	106	394	526	188
Cotton pulp.....do.....	2,983	4,120	5,050	3,516	266	370	390	221
Cotton rags, except paper stock.....do.....	2,995	2,305	1,327	1,565	197	108	79	85
Other textile fibers and manufactures.....					214	100	181	372
Wood and paper, total.....					1,336	1,832	1,397	1,310
Logs and hewn timber, hardwoods.....1,000 ft.....	1,542	1,936	1,824	1,297	202	246	207	137
Sawed timber, southern pine.....do.....	4,186	4,242	5,294	3,492	146	181	216	169
Boards, planks, and scantlings.....do.....					449	759	441	591
Spruce.....1,000 ft.....	1,226	2,997	435	1,885	154	371	63	267
Sulphite wood pulp, bleached.....1,000 tons.....	8	2,180	824	560	(²)	308	56	30
Rags for paper stock.....do.....	2,002	1,182	1,234	767	236	132	134	92
Other wood and paper.....					303	206	343	201
Nonmetallic minerals, total.....					9,849	14,645	15,404	14,415
Coal, bituminous.....tons of 2,240 lb.....	38,040			34,475	207			248
Coke.....do.....	2,790	8,175	2,404	1,050	43	156	41	20
Petroleum, crude.....1,000 bbl.....	1,863	4,544	6,751	4,985	2,246	6,869	9,558	6,271
Gasoline and other petroleum motor fuel.....1,000 bbl.....	426	437	419	219	1,179	1,460	1,705	839
Naphtha, solvents, and other finished light products.....1,000 bbl.....	79	159	(²)		273	698	3	
Illuminating oil.....barrels.....	8,870	94,279	5	13,793	27	182	(²)	24
Gas oil and distillate fuel oil.....1,000 bbl.....	747	404		151	850	585		258
Residual fuel oil.....do.....	942	257	1,201	1,402	1,012	300	1,116	1,291
Lubricating oil.....1,000 bbl.....	95	139	128	232	1,948	3,111	1,774	3,916
Red and pale.....do.....	124	170	115	228	784	1,102	496	1,484
Cylinder oil.....do.....	28,154	21,059	22,104	28,838	1,074	1,679	849	2,125
Paraffin wax.....1,000 lb.....	24,848	3,178	29	474	975	751	801	992
Petroleum asphalt.....tons of 2,240 lb.....					395	53	1	8
Abrasives.....do.....					278	232	109	63
Asbestos, unmanufactured.....tons of 2,240 lb.....	1,702	171	583	451	214	24	91	44
Other nonmetallic minerals.....					202	224	205	441
Metals and manufactures, except machinery and vehicles, total.....					10,037	14,322	11,573	14,618
Pig iron.....tons of 2,240 lb.....	105	10,003	6,072	5,240	3	243	114	134
Iron and steel scrap.....1,000 tons of 2,240 lb.....	285	381	435	420	3,564	6,040	6,061	6,335
Steel sheets, black.....1,000 lb.....	3,337	10,488	4,806	4,526	170	549	264	190
Tinplate and tanners' tin.....do.....	(²)	13,501	152		(²)	756	8	
Water, oil, gas and other storage tanks.....1,000 lb.....	13,089	197			441	18		
Ores and nonferrous metals and alloys used in the manufacture of iron and steel.....								
Bauxite and other aluminum ores and concentrates.....tons of 2,240 lb.....	3,739				193	189	411	478
Refined copper in ingots, bars or other forms.....1,000 lb.....	47,701	41,624	43,747	56,029	219			
Nickel manufactures.....					4,484	5,483	4,295	5,937
Other metals and manufactures.....					340	35	8	36
					923	409	412	1,508

¹ Preliminary.² Less than 500.³ 2,000 pounds air-dry weight.

TABLE 47.—United States exports to Italy, by commodity groups and principal commodities, 1936-39—Continued

Commodity and group	Quantity				Value (thousands of dollars)			
	1936	1937	1938	1939	1936	1937	1938	1939
Machinery and vehicles, total.....					7,483	6,366	4,801	3,568
Refrigerators and parts.....					111	139	130	35
Telephone apparatus.....					31	112	97	37
Industrial machinery.....					3,369	3,089	1,042	1,668
Well and refinery machinery.....					1,025	987	124	444
Metal-working machinery.....					1,488	1,660	1,179	771
Accounting and calculating machines number.....	2,121	3,210	2,904	1,466	449	637	608	330
Agricultural machinery and implements.....					1,063	626	613	369
Tractors and parts.....					1,048	601	571	349
Automobiles, parts and accessories.....					694	301	268	258
Aircraft and parts.....					631	470	187	81
Other machinery and vehicles.....					1,135	982	1,256	790
Chemicals and related products, total.....					1,385	1,319	1,128	1,480
Carbon black or gas black..... 1,000 lb.....	5,209	6,956	9,765	8,260	239	301	441	375
Phosphate rock..... tons of 2,240 lb.....	65,813	69,012	52,911	88,375	394	420	324	575
Other chemicals and related products.....					752	587	363	530
Miscellaneous articles, total.....					313	694	557	605

Source: Compiled from official statistics of the U. S. Department of Commerce.

LEADING INDIVIDUAL UNITED STATES EXPORTS TO ITALY

In each of the years 1937, 1938, and 1939 raw cotton, crude petroleum, iron and steel scrap, and refined copper were the four leading commodities exported from the United States to Italy. Taken together they constituted 69.0 percent of total United States exports to Italy in 1937, 67.7 percent in 1938, and 65.1 percent in 1939. (See table 48.)

TABLE 48.—Leading United States exports to Italy, 1937-39

(Value in thousands of dollars)

Commodity	1937		1938		1939	
	Value	Percent of total U. S. exports to Italy	Value	Percent of total U. S. exports to Italy	Value	Percent of total U. S. exports to Italy
Raw cotton, except linters.....	33,294	43.9	19,268	33.3	19,542	33.4
Crude petroleum.....	6,869	9.1	9,558	16.5	6,271	10.7
Iron and steel scrap.....	6,640	8.8	6,061	10.5	6,335	10.8
Refined copper.....	5,483	7.2	4,295	7.4	5,937	10.2
Total.....	52,286	69.0	39,182	67.7	38,085	65.1
All other.....	23,489	31.0	18,639	32.3	20,384	34.9
Total.....	75,775	100.0	57,821	100.0	58,469	100.0

Source: Compiled from official statistics of the U. S. Department of Commerce.

Raw cotton.

United States production and exports.—In the last two decades total world production of raw cotton averaged somewhat over 26 million bales.¹⁰ Of this total over 50 percent was produced in the United

¹⁰ Computed on the basis of 478 pounds net per bale.

States. Other leading cotton producing countries, in the order of their importance in recent years, were India, the Soviet Union, China, Egypt, and Brazil.¹¹ Production in these countries has recently tended to increase in relation to production in the United States, thus the share of the United States in world production has gradually declined; for the 5-year period 1920-25 it averaged 53.9 percent and for the period 1935-40, 42.5 percent.

Of the total United States production of raw cotton over one-half has in past years usually been exported; but after 1933, particularly after 1936, exports declined, reaching a low of 1.76 billion pounds or 29.4 percent of domestic production in the crop year 1938-39.¹² In the cotton year 1939-40, however, exports increased to 3.27 billion pounds (about 6,833,000 bales) and the ratio to 55 percent of domestic production. The leading export markets for American cotton have been the United Kingdom, Japan, Germany, France, Italy, Canada, and Belgium. In recent years the United Kingdom has purchased about 20 percent of total United States exports; sales to Germany dropped from an average of about 20 percent from 1921 to 1933 to 10.1 percent in 1935 and 3.8 percent in 1939, while those to Japan increased from about 10 percent in the first post-war decade to over 20 percent in the second. French and Italian purchases remained fairly constant at an average of somewhat over 10 and 9 percent of the total, respectively. However, while the recent substantial decline in total United States exports of cotton caused Italy's share to remain almost unchanged, exports to Italy expressed in absolute figures have shown a marked diminution in recent years.¹³

Italian production and imports.—The production of raw cotton is so limited in Italy that the Italian cotton industry is dependent almost wholly upon foreign sources of supply.

At one time cotton cultivation in Italy was fairly large. During the Civil War in the United States, a critical period for the European cotton industry, Italian production reached 40 million pounds (about 84,000 bales) per annum. For economic reasons, however, cotton cultivation gave way to other crops, even where, as in southern Italy, natural conditions are favorable to cotton growing.¹⁴

¹¹ Average annual production of cotton in India was about 4 million bales (of 478 pounds each); in China, 2.5 million bales. Soviet production increased from less than 100,000 bales in the early twenties to over 3 million in recent years. The production of Egypt amounted to over 1.5 million bales and that of Brazil increased from less than half a million bales during the twenties to over 2.1 million bales in 1939-40.

¹² See table 86 on *World production and United States domestic production and exports of raw cotton, except fibers, 1927-21—1924-25 and 1925-29—1929-30 averages, and by crop years, 1929-40*, in appendix IV of this report, p. 181.

¹³ For table showing quantities and percentages of total quantities of United States exports of raw cotton to leading markets, 1920-39, see appendix IV, of this report, p. 181.

¹⁴ See Banca d'Italia, *L'Economia Italiana*, p. 731. Measured by the number of spindles installed, the Italian cotton industry was, in 1939, fifth in size in Europe and eighth in the world:

Number of cotton spinning spindles in principal countries, on Jan. 31, 1939

Country	Thousands of spindles	Country	Thousands of spindles
United Kingdom.....	36,322	U. S. S. R.....	10,350
United States.....	25,911	British India.....	10,054
Germany (including Austria).....	12,967	France.....	9,794
Japan.....	11,502	Italy.....	8,324

¹⁵ Source: International Federation of Master Cotton Spinners' and Manufacturers' Associations, *International Cotton Statistics*, March 1939, p. 8.

In 1938 there were in Italy 219 spinning mills employing more than 10 workers each with a total of 5,473,000 installed spindles and 719 weaving mills employing more than 10 workers each with 136,000 looms. According to the census of April 21, 1936, there were 83,564 workers employed in the Italian cotton-spinning industry, and 115,278 workers in the weaving industry. See *Annuario Statistico Italiano*, 1939, pp. 96, 100, 83.

Under the impetus of the Government's self-sufficiency program, efforts have recently been made to grow cotton on a large scale in Sicily, Calabria, Basilicata, and other southern Italian provinces. Although, as a result, production was sharply increased, it still amounted to less than 6 percent of imports in 1938.

Imports of cotton into Italy have been materially reduced since 1933. The principal reasons for the decline were import restrictions in force after 1934, and the substitution of domestically produced fibers such as rayon and hemp for imported cotton, recently decreed by the Italian Government.¹⁵

In recent years, Italy's leading sources of raw cotton imports have been the United States, which in 1938 supplied about 60 percent of Italian imports, Egypt, which supplied about 17 percent, and British India, which furnished about 9 percent. The proportion from the United States has declined somewhat in recent years, and that from British India has been very drastically reduced; the share of Italian purchases in Egypt has, however, increased materially. Since 1936, moreover, Italian purchases from Brazil and Turkey, formerly unimportant suppliers, have together, accounted for about 10 percent of total importations. (See table 49.)

TABLE 49.—*Italian production and imports of raw cotton from principal suppliers, 1923-39*

[In thousands of metric tons ¹]

Year	Production	Total imports	Imports from United States	Percent imported from leading suppliers				
				United States	Egypt	British India	Brazil	Other countries
1923	1.1	185	115	61.9	11.1	25.8		1.2
1924	1.0	201	117	58.0	9.7	30.8		1.5
1925		237	158	66.6	7.7	23.6		2.1
1926		239	171	71.6	7.1	19.2		2.1
1927		209	160	76.6	8.3	13.5		1.6
1928		232	169	72.7	8.7	17.0		1.6
1929	0.7	244	166	68.1	9.8	19.6		2.5
1930	1.0	205	133	64.9	9.0	23.4		2.7
1931	.3	170	105	61.5	12.6	21.4		4.5
1932	.2	190	147	77.1	12.1	7.7		3.1
1933	.3	220	165	75.1	11.6	12.0		1.3
1934	.9	187	115	61.5	17.9	17.2	1.2	2.2
1935	.8	149	87	58.4	19.6	17.8	1.3	2.9
1936	2.1	101	74	72.5	13.6	6.8	3.0	4.1
1937	4.2	166	98	59.1	13.8	10.6	4.1	12.4
1938	9.5	158	95	59.1	17.0	8.6	3.6	11.7
1939 (6 months) ²	(*)	57	29	51.6	17.7	8.8	7.7	14.2

¹ 1,000 metric tons equal 2,204,600 pounds, or 4,612 bales of 478 pounds each.

² Preliminary.

³ Not available.

⁴ Includes: Paraguay, 2.6 percent; Turkey, 1.6 percent; and Argentina, 1.2 percent.

⁵ Includes: Turkey, 5.9 percent; Belgian Congo, 1.2 percent; Mexico, 1.1 percent; and Paraguay, 1.0 percent.

⁶ Includes: Turkey, 6.7 percent; Mexico, 1.3 percent; Belgian Congo, 1.1 percent; Paraguay, 0.9 percent; and Italian possessions, 1.0 percent.

NOTE—Data include imports from Italian dependencies.

Sources: *Annuario Statistico Italiano, Statistica del Commercio Speciale di Importazione e di Esportazione*, and *International Yearbook of Agricultural Statistics*.

¹⁵ For a fuller discussion, see p. 133 ff.

The policy of foreign trade control aiming at bilateral balancing, which has tended to facilitate purchases from certain cotton-growing regions while making trade with others more difficult, as well as technical factors related to the uses to which the cotton was to be put, accounted for the change in the relative quantities of the various growths of raw cotton consumed in Italy. Thus, while the importation of long Egyptian cotton has shown a marked tendency to increase, the shorter Indian cotton has suffered a considerable decline. Consumption of American cotton decreased at much the same rate as did total cotton consumption, whereas Turkish and Brazilian cottons, which correspond to American in quality, have greatly improved their relative position, not for technical reasons, but because of the closer trade relations existing between Italy and these countries after the recent conclusion of clearing and payment agreements with them.¹⁶ The proportion of Italian imports of cotton from the United States to total Italian imports of all commodities from the United States—somewhat less than 40 percent on the average—has, however, remained fairly constant during the last 15 years.¹⁷

Tariff treatment, competitive conditions, and present trade position.—As was pointed out above,¹⁸ the importation of cotton into Italy is at present (1940) completely subject to the control of the Italian Cotton Institute (Istituto Cotoniero Italiano), a compulsory Government-controlled cartel of all Italian spinners.¹⁹ The Institute, in collaboration with the central governmental import control authorities, determines the total quantity of raw cotton to be imported annually and apportions the necessary import licenses among the individual importing firms. Until recently, when import and export restrictions were liberalized somewhat, imports of cotton were made contingent upon the exportation of cotton manufactures under complex provisions which have undergone considerable change. Generally speaking, the imports of cotton into Italy are at present more seriously hampered by barriers of a nontariff nature than by the prevailing rather high tariff of 150 lire per quintal (about \$3.58 per 100 pounds).

¹⁶ The shift from one source of supply to another is limited somewhat by technical considerations. Any country with as large a cotton manufacturing industry as that of Italy must draw upon a number of sources to obtain the various types of cotton lint which its industry requires. Use of a given type of cotton lint is limited by the quality of the cotton. In the determination of specific uses staple length is the most important element. Short cottons cannot be spun into fine yarns and although long cottons can be spun into coarse yarns they are seldom used for yarns much below their upper spinning limit because of the higher price staple length to have predominantly different uses. British-Indian cotton ranges in length from less than 1/2 of an inch to about 1 inch; American cotton from less than 1/2 to 1 1/4 inches; Egyptian cotton staple length. The upper limits of yarn fineness beyond which cotton of a given staple cannot be easily spun are about as follows: 1 1/2-inch cotton to 20s yarn; 1 1/4-inch cotton to 40s yarn; 1 1/2-inch cotton to 70s cotton under 1 inch; for passenger car tires 1 and 1 1/4-inch cottons are used and for heavy duty tires cottons as long as 1 1/2-1 3/4 inches are employed. See Clark's *Weave Room Calculations*, 2d ed., 1926, p. 243. The limit for a given length of staple. Technological improvements in the spinning industry since 1926 have, moreover, raised the limits quoted somewhat.

¹⁷ See table 88 in appendix IV of this report, p. 182.

¹⁸ See ch. III of this report, p. 45.

¹⁹ The "Istituto Cotoniero Italiano" was first organized in 1913 as a voluntary association of Italian cotton spinners. Its original function was to regulate output, marketing conditions, terms of sale, etc., and to gather statistical data on the progress of the industry. After 1921 the "Istituto" limited its activity to determination of uniform marketing practices and to the gathering of statistical material.

By royal decree-law of March 3, 1934, the "Istituto" was given legal autonomy and all Italian cotton and board of directors of which are appointed by the Minister of Corporations, the president of the present functions of the "Istituto" are the periodical gathering of detailed information on the progress of the Italian cotton industry, the supervision of production and its control in relation to available markets, the determination of uniform marketing practices, and the procurement of the necessary raw material.

The expenses of the "Istituto" are met through a compulsory contribution of the necessary raw material. customs authorities now amounting (after successive reductions from an original 30 lire per quintal) to 10 *Gazzetta Ufficiale*, December 13, 1938), and by special contributions imposed upon member firms from time to time (Royal Decree of December 16, 1935).

Other important factors which account for the recent decline in Italian cotton imports, besides the rationing of importations for the purpose of protecting foreign exchange reserves, are the compulsory partial substitution of domestic fibers—mainly rayon and hemp—for imported cotton, recently decreed by the Italian Government; the extension of cotton production in Italy and Italian colonies; and, during the spring and summer of 1939, the reluctance of American commercial banks to finance cotton exports to Italy because of the reputedly growing scarcity of foreign exchange available for cotton purchases in that country. While the restrictive effects of the last of the factors named were alleviated by the intervention of the United States Export-Import Bank, which made possible the financing of a substantial share of the cotton export business normally accommodated by American commercial banks,²⁰ the other two factors have continued to exert an increasingly unfavorable influence upon the volume of sales of American raw cotton in Italy.

As the campaign for economic self-sufficiency progressed, the Italian Government intensified its efforts to increase the domestic production of raw cotton and the utilization of substitute fibers. The Italian Cotton Institute and the Fascist Federation of Agriculturists (*Federazione degli Agricoltori*) were called upon to engage in extensive research and experimentation for the choice of appropriate seeds and the wider use of modern ginning and pressing machinery; the Cotton Institute also financed purchases abroad of cottonseed and of mechanical equipment for the processing of cotton. At the same time studies were made concerning the possibility of increasing the production of raw cotton in the Italian colonies, imports from which amounted, from August 1, 1938, to July 27, 1939, to 11,723 quintals (about 5,407 bales) as compared with 3,971 quintals for the preceding cotton year.

By royal decree of March 9, 1936, the Cotton Institute was entrusted with the buying of domestically produced raw material (cotton and substitute fibers) which spinners were compelled to use with the imported fiber up to 5 percent of their total requirements. At the same time the Cotton Institute was given the task of determining the industry's total raw material needs and of submitting to the proper government authorities its proposals as to the share of this total which could be covered by domestically produced fibers.

A decree dated April 20, 1939,²¹ provided that the sale in Italy of textiles and other products made of pure cotton or of pure wool be forbidden, and that manufacturers of yarns, textiles, and other products be obliged to mix at least 20 percent of substitute fibers with cotton or wool in the manufacture of such products for sale on the domestic market.²² Finally, the law of June 16, 1939,²³ on the utiliza-

²⁰ Before the present war the Export-Import Bank had taken a leading part in financing shipments of American cotton to Italy. Such shipments were financed by the Bank up to 85 percent of the amounts involved on sight drafts up to 6 months with the option of an extension for a further 3 months. During the 1938-39 cotton season the Bank financed over 56,000 bales to Italy, or 19.2 percent of total shipments for that year.

The following is the typical procedure under which such shipments were generally made: The Italian spinner or dealer makes his own arrangements with his Italian bank. The Italian bank then asks an American bank acting for the Export-Import Bank in the capacity of agent for a letter of credit or authority to accept in favor of the American exporter. The American bank thereupon advances to the American shipper the face amount of his drafts. See *The Cotton Trade Journal*, International Edition, 1939-40, p. 124.

²¹ *Gazzetta Ufficiale*, April 26, 1939.

²² Exceptions to the foregoing provisions are permitted for the following commodities in the manufacture of which pure cotton may be used: Fine goods produced with yarn not less than 40s from Egyptian combed or Sakellaridis cotton, or other long-fiber cotton; filter cloth for industrial and agricultural use; articles for technical use in which pure cotton is necessary, but only as authorized by the Ministry of Corporations; sewing-machine thread and cord for making fish nets. In the manufacture of textiles destined to be made into towels, bed and table linen, workmen's clothes and cleaning cloths produced with yarns up to size 18, inclusive, an admixture of not less than 20 percent of hemp staple or of similar vegetable fibers must be used together with an admixture of up to 10 percent of staple fiber.

²³ Published in *Gazzetta Ufficiale*, July 18, 1939.

tion of domestically produced cotton, provided that the 1939 crop be turned over to special provincial cotton pools for ginning, and that both the fiber and the byproducts be sold by these pools for the account of individual growers. All cotton fiber produced domestically, the law states further, must be sold by the provincial pools exclusively to the Italian Cotton Institute at prices periodically fixed by a governmental cotton committee.²⁴ The Cotton Institute is then to apportion the domestic fiber among the individual spinners.

The results achieved by the Government's restriction of the importation of foreign raw material and by the growing use of substitutes by the Italian cotton industry are graphically illustrated by the fact that while in 1934 cotton waste and substitute fibers consumed by the cotton spinning industry were equal to 8.5 percent of the total material used, in the first half of 1939 the proportion amounted to 37.2 percent of total consumption (see table 50). In the cotton weaving industry the proportion of yarns of rayon and of other substitute fibers used grew from 11.2 percent in 1934 to 44.3 percent in the first half of 1939 (see table 50).²⁵

Although the more liberal release of foreign exchange by Italy in the early months of 1940, and the exceptional demand from export markets for Italian cotton goods, caused mainly by reduced competition of belligerents in those markets, tended to aid American shippers up to the time Italy itself entered the war, the outlook for a lasting expansion in sales of American raw cotton on the Italian market even under peace conditions, is rather unfavorable.

TABLE 50.—Consumption by the Italian cotton industry of cotton fiber and yarn, cotton waste, and substitute fibers, 1934-39

A. SPINNING INDUSTRY

[In quintals]

Year	Cotton fiber		Cotton waste and other fibers		Total, cotton fiber, cotton waste, and other fibers
	Quantity	Percent of total	Quantity	Percent of total	
1934.....	1,844,328	91.5	171,084	8.5	2,015,412
1935.....	1,697,705	85.8	281,184	14.2	1,978,889
1936.....	1,190,694	75.0	396,657	25.0	1,587,351
1937.....	1,467,286	68.4	678,771	31.6	2,146,057
1938.....	1,477,427	72.8	553,133	27.2	2,030,560
1938 (6 months).....	736,437	71.1	298,834	28.9	1,035,271
1939 (6 months).....	703,058	62.8	417,010	37.2	1,120,068

²⁴ It is reported that at a recent meeting held by the Cotton Committee, composed of members of the Ministry of Corporations and of the Ministry of Agriculture and Forestry, the price of first grade domestic cotton had been increased from 15.95 lire to 22 lire per kilogram (from about 38 cents to 62 cents a pound). Prices of other grades of domestic cotton are reported to have been increased correspondingly.

²⁵ The extent to which certain substitute fibers (or "autarchie" fibers as they are currently called in Italy) are used is indicated by a decision of the Interministerial Committee for Autarchy made at a meeting in Rome in March 1939 which provides that Italian manufacturers of cotton goods shall use during each of the years 1939 and 1940 at least 45 million kilograms of cotton goods and 8.8 million kilograms of hemp staple. The Italian woolen mills must use 2.3 million kilograms of staple fiber and 4.75 million kilograms of hemp staple. end of 1939 and 4.75 million kilograms of "cisalfa" (an artificial fiber substitute for wool) by the (monthly), Milan, March 1939, p. 7. See *Raion* (Italian artificial fiber trade

TABLE 50.—Consumption by the Italian cotton industry of cotton fiber and yarn, cotton waste, and substitute fibers, 1934-39—Continued

B. WEAVING INDUSTRY

[In quintals]

Year	Cotton yarn		Rayon yarn		Yarns of other fibers		Total all yarns
	Quantity	Percent of total	Quantity	Percent of total	Quantity	Percent of total	
1934.....	1, 071, 888	88. 8	84, 708	7. 0	50, 328	4. 2	1, 206, 924
1935.....	1, 084, 509	84. 1	117, 155	9. 1	87, 894	6. 8	1, 289, 558
1936.....	825, 703	73. 5	187, 587	16. 7	109, 562	9. 8	1, 122, 852
1937.....	872, 323	62. 5	335, 268	24. 0	188, 693	13. 5	1, 396, 284
1938.....	890, 472	64. 0	316, 890	22. 8	184, 191	13. 2	1, 391, 553
1938 (6 months).....	443, 950	62. 2	173, 979	24. 4	95, 747	13. 4	713, 676
1939 (6 months).....	409, 307	55. 7	191, 968	26. 1	133, 391	18. 2	734, 666

Source: Compiled from data given in *Annuario Statistico Italiano*, 1939, p. 111, and *Bollettino Mensile di Statistica*.

Crude petroleum.

United States production and exports.—World production of crude petroleum grew from about half a billion barrels in 1919 to two billion in 1939. Of the total world output, more than 60 percent is produced in the United States. Other leading producing countries are: the Soviet Union, Venezuela, Iran, the Netherlands Indies, Rumania, Mexico, Iraq, and Colombia.²⁶

The United States exports much more petroleum in refined than in crude form, the combined total in recent years being on the average equal to 13 to 14 percent of domestic production. Exports of crude petroleum itself, however, are large and have increased from less than 2 percent of domestic production in 1919 to about 6 percent in 1939, the leading export markets in that year being Canada, with purchases of 39 percent of total exports; Japan, 22 percent; France, 20 percent; and Italy, 6.9 percent.²⁷ While exports to Italy were generally less than 1 percent of total United States exports before 1934, after that year they grew rapidly, reaching a high of 8.7 percent in 1938. This increase in exports of crude petroleum to Italy was accompanied after 1937, by a marked reduction in exports of refined products to that country. United States exports of gasoline, naphtha, and other finished light products to Italy for example, declined from 595 thousand barrels in 1937 to 219 thousand in 1939.

Italian production and imports.—Despite recent efforts to increase it, Italian domestic production of crude petroleum continues to be extremely limited and the country is consequently dependent almost wholly upon foreign sources of supply. (See table 51.) In recent

²⁶ In 1939 production of crude petroleum by principal producing countries was as follows:

Country:	Production (in millions of barrels of 42 gallons)
United States.....	1, 264
U. S. S. R.....	212
Venezuela.....	206
Iran.....	78
Netherlands Indies.....	62
Rumania.....	46
Mexico.....	43
Iraq.....	31
Colombia.....	22

Source: U. S. Bureau of Mines.

²⁷ For data showing quantities and percentages of total quantities of United States exports of crude petroleum to leading markets, 1920-39, see table 91, appendix IV, p. 183 of this report.

years imports of crude mineral oils into Italy have shown a marked tendency to increase, whereas between 1935 and 1938 the importation of gasoline diminished by five-sevenths, that of kerosene by two-thirds, and that of lubricating oils by one-half, the main cause of this shift being the considerable expansion of domestic refinery facilities. (See table 51).

TABLE 51.—*Italian domestic production of crude petroleum and imports of crude mineral oils, gasoline, kerosene, lubricating oils, and distillation residues, 1929-38*

[In thousands of quintals] ¹

Year	Domestic production of crude petroleum	Imports of—				
		Crude mineral oils	Gasoline	Kerosene	Lubricating oils	Distillation residues ²
1929.....	59	598	3,868	1,616	809	5,900
1930.....	78	964	3,898	1,565	850	7,717
1931.....	162	1,015	3,671	1,475	730	8,042
1932.....	270	1,272	3,249	1,461	665	8,345
1933.....	265	1,352	2,913	1,373	669	10,807
1934.....	202	1,430	3,483	1,504	657	11,225
1935.....	160	2,200	3,665	1,545	899	12,506
1936.....	161	3,008	2,101	1,126	751	11,390
1937.....	144	9,359	2,608	949	40	12,111
1938.....	132	14,765	1,003	518	40	9,601

¹ 1,000 quintals, 220,460 pounds, are equivalent to, roughly, 770 barrels of Italian imported crude oil, and from 850 barrels to 666 barrels of the derivative products, depending on their specific gravity.

² Mainly fuel oil.

Sources: *Annuario Statistico Italiano*, 1939; Banca d'Italia, *L'Economia Italiana*.

Italy's principal foreign suppliers of crude petroleum in recent years have been the United States, imports from which in 1938 amounted to 58.6 percent of the total; Iraq, 16.0 percent; and Colombia, Albania, and Rumania, which furnished 8.0, 4.4, and 4.6 percent respectively.

Imports from the Soviet Union were over 50 percent of the total from 1926 to 1932 but dropped to an insignificant amount after 1934.²⁸

Tariff treatment, competitive conditions, and present trade position.—No duty is imposed by the Italian tariff on crude mineral oils imported for refining. Crude oils imported for use as fuels are subjected to a duty of 15 lire per metric ton (about 11.27 cents per barrel of 42 gallons) all other crude mineral oils to a duty of 12 lire per quintal (about 90.3 cents per barrel). For all importations of crude petroleum and its derivatives import licenses are required.

As was said above, in recent years considerable impetus has been given to the Italian petroleum refining industry. Sustained efforts have also been made to expand the production of crude oil in territories under Italian control. The work of two state controlled and financed concerns, founded for the development of domestic and

²⁸ For data on Italian imports of crude mineral oils from principal suppliers 1923-33, see table 92 in appendix IV, of this report, p. 184.

Albanian oil fields, has been considerably extended.²⁹ In 1935 a Special Office for Liquid Fuels (Ufficio Speciale dei Combustibili Liquidi) was established at the Ministry of Corporations for the control of imports, of existing stocks, and of their apportionment among the various domestic consumers.³⁰ In February 1936, a new concern—the Azienda Nazionale Idrogenazione Combustibili (A. N. I. C.)—was organized for the production of synthetic gasoline and lubricating oils. Finally, to promote the use of domestic fuels a series of decrees were issued providing for the use of charcoal gas burners by public vehicles and for the compulsory use of a certain proportion of domestic fuels.

Although domestic production of crude petroleum has not increased as a result of autarchic measures, Italian domestic refining of imported crude oils has been significantly expanded in recent years. If, as seems probable, this trend is to continue, importations of crude petroleum into Italy are likely to increase (barring, of course, interference by war activities), while imports of gasoline and refined oils will continue to diminish.

Iron and steel scrap.

United States exports.—Pig iron and iron and steel scrap are the principal semimanufactured ferrous materials used in the manufacture of cast iron, wrought iron, and steel. In many countries, particularly in those deficient in high-grade iron ore deposits, scrap is now the more important raw material for the manufacture of steel, mainly because its smaller content of nonferrous impurities makes it possible to increase steel output more readily. Since many foreign countries have restricted exports of scrap, supplies of scrap have become increasingly scarce, forcing buyers to turn to the United States. As a result, exports of iron and steel scrap by the United States (which has become by far the world's leading exporter) increased from an average of less than half a million long tons per year before 1932 to over 3.5 million tons in 1939. In recent years (not including 1940) over one-half of total United States exports have gone to Japan, an average of somewhat over 15 percent to the United Kingdom and between 10 and 15 percent to Italy.³¹

Italian production and imports.—The Italian iron and steel industry has been handicapped since its inception by a serious deficiency both

²⁹ The concerns in question are: the Azienda Generale Italiana Petroli—A. G. I. P.—established in May 1926, and the Azienda Italiana Petroli Albania (A. I. P. A.) established in July 1925.

Domestic and Albanian production of crude petroleum since 1935 compare as follows:

Year	Production (In thousands of quintals)	
	Italy	Albania
1935.....	100	124
1936.....	161	483
1937.....	144	879
1938.....	132	1,268

³⁰ Source: *Annuario Statistico Italiano*, 1939.

³¹ Royal decree-law of October 24, 1935.

³¹ For table showing the relation between domestic consumption of iron and steel scrap and United States exports, and quantities exported to leading markets, for the years 1920-39, see appendix IV, pp. 184, 185. During the period January to August 1940 United States exports of iron and steel scrap amounted to 2.1 million tons, of which 34 percent were shipped to the United Kingdom, 31 percent to Japan, and 15 percent to Italy. After October 16, 1940, exports of iron and steel scrap may be made to countries of the Western Hemisphere and Great Britain only.

in fuel and in iron-bearing raw materials.³² There are in Italy practically no deposits of coal suitable for the production of metallurgical coke, and the output of iron ore and scrap is insufficient to supply domestic needs. Table 52 (p. 139) shows domestic production and imports since 1929 of the most important raw materials used by the Italian iron and steel industry. The data indicate that a very large proportion of the coal and more than one-half of the supplies of iron and steel scrap must be imported. While total imports of scrap have on the average remained fairly stable since 1929, imports from the United States, recently Italy's leading supplier, have shown a pronounced tendency to increase. Imports of scrap from the United States increased from less than one-tenth of total Italian imports before 1933 to two-thirds in 1938. In that year other leading suppliers were France (15.8 percent of the total), Switzerland (8.6 percent), and Belgium-Luxemburg (2.7 percent).³³

Tariff treatment, competitive conditions, and present trade position.— State control over the Italian iron and steel industry has expanded greatly in recent years. At the present time all Italian producers are affiliated with organizations which, under strict government supervision, regulate the principal factors in production and trade. As was noted earlier³⁴ all Italian imports of iron and steel scrap are subject to the control of a special semigovernmental organization, the "Ente Distribuzione Rottami" which has a monopoly of foreign purchases and which distributes the imported material among domestic consumers.³⁵ The Ente operates under the strict control of the General Commissariat for the Production of War Materials (Commissariato Generale per le Fabbricazioni di Guerra), which was authorized in June 1938 to effect the allocation of iron and steel scrap among consumers in harmony with a production plan worked out by the competent Corporation (Corporazione della Metallurgia e della

³² Italy's steel industry is, nevertheless, the sixth largest in Europe, ranking after those of Germany, the Soviet Union, the United Kingdom, France, and Belgium. In 1938 it employed 29,000 workers. In 1939 the output of the world's leading iron and steel producing countries was as follows:

[In thousands of gross tons. Preliminary figures]

Country	Pig iron *	Steel ingots and castings
United States		
Germany ^b	35,515	46,150
U. S. S. R.	* 20,150	* 24,540
United Kingdom	* 15,374	17,440
France ^c	8,130	* 13,559
Belgium	7,826	8,402
Japan ^d	2,839	2,857
Italy	3,320	* 6,230
	* 950	* 2,337

* Includes charcoal iron and ferro-alloys.

^b Includes Saar district, Austria, Czechoslovakia since March 1939, and Poland since September 1939.

^c Highest yearly production.

^d Includes Alsace-Lorraine.

* Includes Korea and Manchuria.

Source: *The Iron Age*, Annual Review Number, Jan. 1940, p. 104.

³³ For data on Italian imports of iron and steel scrap by principal suppliers and by quantities and years, from 1922 to 1938, see table 95 in appendix IV of this report, p. 185.

³⁴ See chap. III, of this report, p. 43.

³⁵ These functions were taken over by the "Ente Distribuzione Rottami" from the special "Consortium" (Consortio Nazionale Approvvigionamento Materie Prime Siderurgiche—"Capsider") formed on October 11, 1935, by Italian iron and steel producers to purchase and distribute raw materials for their industry. The decree establishing the Ente Distribuzione Rottami was issued on June 28, 1938. Membership in the Ente is compulsory and operations are on a nonprofit basis.

Meccanica) and approved by the Supreme Commission on National Self-sufficiency (Commissione Suprema per l'Autarchia). Since iron ore and practically all types of iron and steel scrap are admitted free of duty, governmental trade controls constitute, at present, the main barrier to the importation of raw materials for the Italian iron and steel industry.

TABLE 52.—*Domestic production and imports into Italy of iron ore, iron pyrites, pig iron, iron and steel scrap, and coal and coke, 1929-38*

[In thousands of metric tons; 1 metric ton = 2,204.6 pounds]

Year	Iron ore	Iron pyrites	Pig iron †	Iron and steel scrap ‡	Coal §	Coke (metallurgical) ¶
A. Domestic production						
1929.....	715.2	664.5	671.2	662.4	1,015	792
1930.....	718.1	717.3	537.4	666.1	816	813
1931.....	560.9	645.8	510.4	742.6	600	740
1932.....	412.3	517.0	460.8	687.1	637	714
1933.....	508.0	732.7	518.3	743.1	722	730
1934.....	484.6	812.4	529.3	718.2	785	817
1935.....	551.5	833.2	633.4	842.5	992	998
1936.....	838.8	865.3	761.8	(*)	1,579	1,211
1937.....	997.8	914.5	801.2	(*)	2,028	1,703
1938.....	990.0	930.3	864.5	(*)	2,355	1,739
B. Imports						
1929.....	212.0	230.6	177.7	994.4	13,526	690
1930.....	235.8	209.9	156.7	855.4	12,208	534
1931.....	159.4	104.4	84.1	613.0	10,370	507
1932.....	92.6	99.7	47.8	474.2	8,018	555
1933.....	238.5	118.1	51.4	629.8	8,790	574
1934.....	295.0	119.3	60.9	731.7	11,781	706
1935.....	187.0	35.0	78.2	990.0	13,536	813
1936.....	40.2	—	27.1	400.4	8,720	476
1937.....	183.0	25.6	22.2	545.3	12,573	329
1938.....	385.8	14.8	69.8	632.8	11,915	198

† Apparently including that produced from imported ore.

‡ Consumption of domestic scrap by the Italian iron and steel industry.

§ Domestic output is mainly lignite, a low-grade coal little used by the iron and steel industry.

¶ Apparently produced in large part from imported coal.

* Figures not available.

Sources: *Annuario Statistico Italiano*; Banca d'Italia, *L'Economia Italiana*.

The main objectives of the existing governmental controls are the limitation of foreign imports for the conservation of exchange and the encouragement of the use of domestic raw materials. To achieve greater self-sufficiency vigorous efforts have been made in recent years to locate and develop additional deposits of coal and of iron ore, to increase the collection of iron and steel scrap from domestic sources, and to restrict the consumption of iron and steel products by the civilian population.

Moreover, since 1933, when the newly formed Institute of Industrial Reconstruction (Istituto per la Ricostruzione Industriale, "I. R. I.") took over from Italian banks large blocks of heavily depreciated stocks of leading Italian metallurgical enterprises, the Italian Government has had a direct financial interest in the iron and steel industry. In July 1937, the holdings of the Institute were transferred to the "Società Finanziaria Siderurgica" ("Finsider"), a specialized holding company estab-

lished to coordinate the industry and to promote its technical and financial improvement.³⁶

Refined copper.

United States production and exports.—In the last 20 years average annual world production of copper has amounted to about 3 billion pounds. Of this total the mines of the United States produced over 50 percent until 1927 and an average of somewhat over 30 percent thereafter. Other leading producers, whose output has increased rapidly in recent years, are Chile, Canada, and the African copper producing territories.³⁷

The United States is both a large producer and a large importer and exporter of unmanufactured copper. The imports are chiefly unrefined metal for refining in bond and for export. In recent years annual imports have averaged about 500 million pounds, and exports about 600 million pounds.³⁸ The leading export markets for refined copper were, in the order of their importance during the period 1935-39, Japan, which purchased about 25 percent of total United States exports; France, about 15 percent; the United Kingdom, 13 percent; Germany, 12 percent; and Italy, 10 percent.³⁹

Italian production and imports.—Italian production of copper is extremely limited and most of the metal used is imported.⁴⁰ In recent years total Italian imports have been materially larger than even in the late twenties, increasing from a low of 515.2 thousand quintals (113.6 million pounds) in 1932 to a peak of 898.2 in 1935. After that year, imports declined to 761.1 thousand quintals in 1937, but increased to 773.3 in 1938. This considerable expansion was due, primarily, to growing military requirements and to the increased demand of Italy's hydroelectric industry. Imports from the United States, which accounted for about 60 percent of total Italian imports before 1931, declined to about 20 percent of the total in 1937 and 1938. Other leading suppliers in 1938 were Chile with nearly 40 percent of the total, and Portuguese South Africa with nearly 22 percent. British South Africa supplied 4.4 percent and Belgium-Luxemburg 4.3 percent.⁴¹

Tariff treatment, competitive conditions, and present trade position.—The customs duty imposed by the Italian tariff on refined copper (ingots or scrap) is low, 14.70 lire per quintal (0.35 cents per pound).

³⁶ "Finsider" was capitalized at 900 million lire, the Institute having been authorized to subscribe the capital stock and to issue its own government-guaranteed bonds for the remainder (Royal decree-law, June 24, 1937).

³⁷ In 1938 production of unmanufactured copper by the world's leading copper producing countries was as follows:

Country:	Production (in millions of pounds)
United States.....	1,106.9
African territories.....	790.8
Chile.....	774.6
Canada.....	580.4
Japan.....	169.8
Mexico.....	91.3
Spain and Portugal.....	75.9

Source: *Yearbook of the American Bureau of Metal Statistics.*

³⁸ See table 96, *World production and United States production, imports and exports of unmanufactured copper, by years, 1920-39*, in appendix IV of this report, p. 186.

³⁹ For data on United States exports of refined copper to leading markets, 1920-39, see, table 97 in appendix IV of this report, p. 186.

⁴⁰ In 1938 only 600 workers were employed in Italian copper mines, the combined output of which was 3.8 thousand metric tons for the year. The refining and processing of the domestically produced ore gave employment to 180 persons.

⁴¹ For Italian imports of refined copper from leading suppliers, 1922-38, see table 98 in appendix IV of this report, p. 187.

As was noted earlier,⁴² private importations of the metal were prohibited on July 28, 1935, and a governmental import monopoly was established. The monopoly, administered by the Supply Service of the Italian State Railways, now controls all importations and allocates imported supplies among Italian consumers.

LEADING INDIVIDUAL UNITED STATES IMPORTS FROM ITALY

In 1937, 1938, and 1939 the four leading commodities imported by the United States from Italy were, in the order of their importance in 1939, cheese, edible olive oil, canned tomatoes, and raw silk. Taken together these four commodities constituted 32.1 percent of total United States imports from Italy in 1937, 39.9 percent in 1938, and 37.4 percent in 1939. (See table 53.)

TABLE 53.—Leading United States imports from Italy, 1937-39
[Value in thousands of dollars]

Commodity	1937		1938		1939	
	Value	Percent of total U. S. imports from Italy	Value	Percent of total U. S. imports from Italy	Value	Percent of total U. S. imports from Italy
Cheese.....	5,933	12.5	5,658	13.4	5,790	14.9
Edible olive oil.....	5,155	10.9	5,722	13.6	4,363	11.2
Canned tomatoes.....	2,202	4.6	2,434	5.8	2,222	5.7
Raw silk.....	1,939	4.1	2,088	7.1	2,103	5.6
Total.....	15,229	32.1	16,802	39.9	14,538	37.4
All other.....	32,204	67.9	25,406	60.1	24,270	62.6
Grand total.....	47,433	100.0	42,208	100.0	38,808	100.0

Source: Compiled from official statistics of the U. S. Department of Commerce.

Cheese.

Italian production and exports.—In recent years Italy has been the world's third largest producer of cheese, and its fourth largest exporter. As a producer it has ranked after Germany and the United States; as an exporter, after New Zealand, the Netherlands, and Canada.⁴³

⁴² See ch. III of this report, p. 43.

⁴³ Production of cheese by 16 of the world's leading producing countries before the World War and in recent years was as follows:

Producing country	1909-13 (5-year average)*		1931-35 (5-year average)	
	Quantity (million pounds)	Percent of total	Quantity (million pounds)	Percent of total
Germany.....	591	22.3	728	21.7
United States.....	370	14.0	544	16.2
Italy.....	355	13.4	510	15.2
France.....	490	18.8	485	14.5
Netherlands.....	211	8.0	208	6.0
New Zealand.....	53	2.0	217	6.6
United Kingdom.....	66	2.5	115	3.4
Switzerland.....	181	6.8	112	3.3
Canada.....	201	7.6	110	3.3
Other leading countries.....	123	4.6	262	7.9
Total.....	2,650	100.0	3,351	100.0

* 5-year average or some year within this period.

* Includes: Sweden, Denmark, Argentina, Australia, Norway, Finland, and South Africa.

NOTE.—For detailed data on exports of cheese by the world's leading cheese exporting countries, 1920-36, see table 99, in appendix IV of this report, p. 187.

Source: U. S. Department of Agriculture: *World Production and International Trade in Butter and Cheese* (multilithed), Washington, May 1930, p. 4.

The principal varieties of cheese produced in Italy and the quantities of each produced in the fiscal year 1936-37 are shown in table 54.

TABLE 54.—*Production of cheese in Italy, by principal varieties, 1936-37*

Variety:	Quantity (1,000 pounds)
Parmesan.....	128, 922
Parmesan-Reggiano.....	87, 331
Type Reggiano.....	36, 513
Other.....	5, 078
Pecorino.....	102, 444
Real Pecorino.....	29, 448
Pecorino Romano.....	26, 772
Other.....	46, 224
Caciocavallo-Provolone.....	35, 387
Asiago and similar.....	28, 916
Montasio and similar.....	29, 222
Gorgonzola.....	40, 459
Sbrinz.....	13, 528
Emmenthaler and similar.....	15, 012
Toma.....	11, 267
Bel Paese and similar.....	11, 711
Crescenza and similar.....	10, 988
Quartiolo.....	10, 043
Mozzarella.....	9, 012
Scamorze and Provolone.....	4, 242
Fontina.....	4, 035
Bitto.....	3, 461
Vacchino.....	4, 701
Others.....	28, 038
Total.....	491, 388

NOTE.—It is estimated that 621,866,000 gallons of milk were used in the manufacture of this cheese. Among the types listed, Parmesan, Pecorino, Caciocavallo-Provolone, Asiago, Montasio, Sbrinz, Emmenthaler, are the principal varieties of hard cheese; Gorgonzola is a medium variety; and Bel Paese and Fontina are soft cheeses.

Source: *Foodstuffs Round the World*, U. S. Department of Commerce, vol. II, No. 17, Oct. 21, 1938.

In 1938 Italy exported 38.4 million pounds of hard cheese. Of this 59.3 percent went to the United States, 12.7 percent was shipped to France, 12.0 percent to the Italian colonies, and 6.4 percent to Germany. Of the total of 15.7 million pounds of soft cheese exported, 45.6 percent went to the United Kingdom, 17.0 percent to the United States, 16.2 percent to France, and 11.5 percent to Switzerland.⁴⁴

United States production and imports.—In recent years the United States has been the world's second largest producer of cheese. Large quantities of foreign cheeses have, nevertheless, been imported. In 1939, imports amounted to 59.0 million pounds. In 1937 they had been 60.6 million pounds, equal to over 9 percent of domestic production (649.4 million pounds in 1937). The leading suppliers in 1939 were Italy, Switzerland, and Canada, followed by France and the Netherlands. After having supplied (in terms of weight) well over 50 percent of total United States imports of cheese from 1931 to 1935, Italy contributed, in 1939, only 23.8 million pounds, or 40.3 percent of the total. Imports from Switzerland amounted to about 25 percent of the total from 1922 to 1930; they fell to 10 percent in 1936 but recovered to 20 percent in 1939. In 1939 imports from Canada, the Netherlands, and France amounted to 10.9, 5.2, and 5.8 percent of

⁴⁴ For tables showing Italy's exports of hard and soft cheese to principal markets, by quantities and values, 1920-38, see appendix IV of this report, pp. 188-190.

the total, respectively, while imports from all other suppliers were equal to 17.9 percent of total importations.⁴⁵

Statistics of total United States imports of cheese from all sources by principal types since 1931 (see table 55) show that about 25 percent of the total quantity imported was of the Romano or Pecorino type, about 15 percent was of the Emmenthaler or Swiss type, and about 10 percent was Provolone and Provolette. Nearly all imports of the first and third of these types come from Italy.

TABLE 55.—United States imports for consumption of specified types of cheese from all countries, 1931-39

Year	Romano or Pecorino	Emmenthaler or Swiss	Provolone and Provolette	Reggiano or Parmesan	All other	Total
Quantity in 1,000 pounds						
1931.....	16,570	15,675	8,508	2,708	17,341	60,802
1932.....	16,705	11,707	6,507	2,184	16,532	53,635
1933.....	13,414	10,728	6,465	1,616	17,272	49,495
1934.....	14,428	6,819	6,952	2,167	17,168	47,530
1935.....	15,817	6,259	6,320	2,679	17,850	48,925
1936.....	15,437	6,287	5,175	2,386	30,544	59,829
1937.....	15,395	10,332	5,575	1,732	27,621	60,655
1938.....	15,516	9,904	5,110	1,567	22,321	54,418
1939.....	16,056	10,559	3,292	2,436	26,718	59,061
Value in 1,000 dollars						
1931.....	4,012	4,482	1,650	723	3,504	14,871
1932.....	4,647	2,657	1,081	541	3,133	12,059
1933.....	3,555	2,501	1,162	424	3,202	10,844
1934.....	3,430	1,753	1,360	543	3,573	10,659
1935.....	4,204	1,636	1,306	562	3,492	11,200
1936.....	4,165	1,755	975	460	5,359	12,714
1937.....	3,786	2,503	1,120	402	4,994	12,805
1938.....	3,776	2,308	1,051	406	3,999	11,540
1939.....	4,170	2,606	663	611	4,792	12,842
Percent of total quantity						
1931.....	27.3	25.8	14.0	4.5	28.4	100.0
1932.....	31.1	21.8	12.1	4.1	30.9	100.0
1933.....	27.1	21.7	13.1	3.3	34.8	100.0
1934.....	30.4	14.3	14.6	4.6	36.1	100.0
1935.....	32.3	12.8	12.9	5.5	36.5	100.0
1936.....	25.8	10.5	8.0	4.0	51.1	100.0
1937.....	25.4	17.0	9.2	2.9	45.5	100.0
1938.....	28.5	18.2	9.4	2.9	41.0	100.0
1939.....	27.2	17.9	5.6	4.1	45.2	100.0

Source: Compiled from official statistics of the U. S. Department of Commerce.

A study of the distribution of imports of cheese from Italy by varieties (see table 56) shows that in 1939, 65.1 percent of the total was of the Romano or Pecorino type, 13.7 percent of the Provolone and Provolette variety, and 8.6 percent was Reggiano or Parmesan cheese.

⁴⁵ For tables showing United States imports of cheese from Italy and other principal suppliers, 1920-39, see appendix IV, of this report, pp. 191, 192.

TABLE 56.—*Distribution by principal types of United States imports for consumption of cheese from Italy, 1931-39*

Year	Romano or Pecorino	Provolone and Pro- volette	Reggiano or Parmesan	All other	Total
Quantity in 1,000 pounds					
1931.....	16,499	8,470	2,687	5,132	32,788
1932.....	16,541	6,506	2,117	4,572	29,736
1933.....	13,326	6,465	1,537	4,000	25,328
1934.....	14,307	6,950	1,997	3,678	26,932
1935.....	15,417	6,314	2,608	4,234	28,573
1936.....	15,236	5,155	2,370	3,817	26,578
1937.....	15,175	5,560	1,665	4,032	26,432
1938.....	15,227	5,107	1,400	3,057	24,791
1939.....	15,500	3,266	2,059	3,002	23,827
Value in 1,000 dollars					
1931.....	4,000	1,643	716	973	7,332
1932.....	4,620	1,080	531	784	7,015
1933.....	3,542	1,162	408	678	5,790
1934.....	3,413	1,360	514	686	5,973
1935.....	4,137	1,305	551	812	6,805
1936.....	4,128	963	457	669	6,217
1937.....	3,746	1,117	389	681	5,933
1938.....	3,726	1,051	378	503	5,658
1939.....	4,078	659	550	503	5,790
Percent of total quantity					
1931.....	50.3	25.8	8.2	15.7	100.0
1932.....	55.6	21.9	7.1	15.4	100.0
1933.....	52.0	25.5	6.1	15.8	100.0
1934.....	53.1	25.8	7.4	13.7	100.0
1935.....	54.0	22.1	9.1	14.8	100.0
1936.....	57.3	19.4	8.9	14.4	100.0
1937.....	57.4	21.0	6.3	15.3	100.0
1938.....	61.4	20.6	5.6	12.4	100.0
1939.....	65.1	13.7	8.6	12.6	100.0

Source: Compiled from official statistics of the U. S. Department of Commerce.

Tariff treatment, competitive conditions, and present trade position.—United States tariff rates applicable to the principal types of cheese imported from Italy have been as follows:

Tariff Act of:	Rate of duty
1913.....	20 percent ad valorem.
1921.....	23 percent ad valorem.
1922.....	5 cents per pound but not less than 25 percent ad valorem.
1930.....	7 cents per pound but not less than 35 percent ad valorem.

Italy also receives the benefit of reduced rates, provided by trade agreements, on certain types of which it supplies relatively small or insignificant quantities.⁴⁶

The notable diminution in United States imports of cheese from Italy in recent years is undoubtedly due in large part to the development of

⁴⁶ Roquefort in original loaves—5 cents per pound but not less than 25 percent ad valorem, effective June 15, 1936 (trade agreement with France).

Blue-mold in original loaves—5 cents per pound but not less than 25 percent ad valorem, effective June 15, 1936 (trade agreement with France).

Cheese having the eye formation characteristic of the Swiss or Emmenthaler type, and Gruyère processed with Finland). Cheese: 5 cents per pound but not less than 20 percent ad valorem, effective November 2, 1936 (trade agree-

a new domestic industry specializing in the production of Italian varieties of cheese. In 1937 the domestic production of Italian varieties of cheese represented about 2 percent of total United States production, or 14 million pounds.⁴⁷ Domestic production of Italian varieties is increasing rapidly; the competition of the domestically produced with the imported product is growing and is likely to lead to a further decline in United States imports.

Edible olive oil.

Italian production and exports.—Italy ranks next to Spain among the world's producers of olive oil. In 1938-39 Spain produced 705 million pounds, Italy 398 million, and Greece, the third largest producer, 207 million pounds.⁴⁸ Italian production has been rather irregular with no clearly defined trend. In recent years a peak in production occurred in 1937 with 600 million pounds, while a low point of 276 million was reached in 1930. Since 99 percent of the olives harvested are used for the production of oil, the output of oil varies with the volume of the annual crop, which depends on weather conditions.

Italy is among the world's leading exporters of olive oil, but it is also one of the world's leading importers; its imports generally exceeding its exports by a considerable margin. A large part of the imports are refined, blended with Italian oil and then reexported. Both imports and exports declined considerably after reaching peaks in 1929 and 1931; a pronounced revival occurred however in 1937 and 1938. (See table 57.)

TABLE 57.—*Italian production of olive oil, and Italian imports and exports of edible olive oil, 1929-38*

(In thousands of quintals)

Year	Production	Imports	Exports	Year	Production	Imports	Exports
1929.....	2,895	453	610	1934.....	2,169	283	158
1930.....	1,250	601	540	1935.....	2,184	280	168
1931.....	2,258	819	437	1936.....	1,573	108	106
1932.....	2,101	378	338	1937.....	2,723	226	176
1933.....	1,638	371	239	1938.....	1,805	422	293

Source: *Annuario Statistico Italiano* and Banca d'Italia, *L'Economia Italiana*.

Italy's principal sources of imports of edible olive oil are Tunisia, Turkey, Spain, Greece, Algeria, and Syria; the leading export markets are the United States, Argentina, and since 1935, the Italian colonies. In 1938 the United States purchased 41.4 percent of total Italian exports, Italian colonies and possessions 17.9 percent, and Argentina 17.8 percent.⁴⁹

United States production and imports.—Olives grown in countries bordering on the Mediterranean are used principally for the production of oil, those grown in California (where over 95 percent of the domestic output is produced) are used primarily for canning. California olives crushed for oil are a byproduct of the canning industry, consisting of surplus fruit or fruit too small or imperfect for canning.

⁴⁷ Producers of Italian cheese in the United States have recently reported an even larger production of Italian varieties.

⁴⁸ See table 105 on *Production of olive oil by principal producers and production by the United States, 1921-22 to 1938-39*, in appendix IV of this report, p. 193.

⁴⁹ For Italian exports of edible olive oil to leading markets, 1920-32, see table 106, in appendix IV of this report, p. 184.

In recent years domestically produced oil has supplied less than 10 percent of United States consumption.⁴⁰

Over 90 percent of the edible olive oil consumed in the United States is imported. The leading sources of supply are Italy and Spain, Italy supplying between 50 and 60 percent of total imports and Spain, until 1936, almost all of the remainder. After 1936, however, because of the Civil War in Spain, exports by that country were materially curtailed and while Italy continued to furnish about 55 percent of United States imports between 22 and 34 percent entered from Greece, France, and Tunisia.⁴¹

In recent years, total United States imports of edible olive oil have varied between 73 million pounds in 1932 and 48 million pounds in 1937. Of total imports of 71 million pounds in 1938, 43 percent was packaged olive oil and the rest bulk oil, most of which was later packaged in the United States. During the decade of the twenties, imports amounted to an average of about 80 million pounds, importations of packaged oil generally exceeding those of bulk oil. In recent years Italy has been the principal source of the higher-priced packaged oil, while Spain, except for the last 3 years, has been the leading supplier of bulk oil.

Tariff treatment, competitive conditions, and present trade position.—The distinction between bulk and packaged olive oil has been recognized for tariff purposes since the Tariff Act of 1897, when the duty on oil in small packages was fixed at 10 cents per gallon in excess of that for olive oil in bulk.

The Tariff Act of 1922 was the first to impose a duty on a per pound basis. In that act the rate on bulk oil was fixed at 6½ cents per pound, and on oil in packages, weighing with the immediate container less than 40 pounds, at 7½ cents per pound. The act of 1930 increased the 7½-cent rate to 9½ cents. Effective July 24, 1931, the rate on packaged oil was reduced to 8 cents per pound by Presidential proclamation following a cost of production investigation by the United States Tariff Commission under the provisions of the Tariff Act of 1930; the rate on bulk oil remained unchanged.⁴² Table 58 gives a comparison of the rates on edible olive oil since 1913.

⁴⁰ Domestic production of olive oil and the proportion of domestic olives used for it are shown by the following table:

Year	Production of olive oil	Proportion of domestic olives used for olive oil production	Year	Production of olive oil	Proportion of domestic olives used for olive oil production
	<i>1,000 pounds</i>	<i>Percent</i>		<i>1,000 pounds</i>	<i>Percent</i>
1929.....	1,003.1	16.6	1935.....	664.2	7.1
1930.....	2,184.0	36.9	1936.....	4,498.2	56.4
1931.....	1,648.9	32.9	1937.....	2,323.9	27.6
1932.....	860.3	14.4	1938.....	4,741.5	41.0
1933.....	2,103.4	50.9	1939*.....	6,924.8	(b)
1934.....	1,034.9	17.3			

* Preliminary.

† Not available.

Sources: Production of olive oil and olives crushed, from Bureau of the Census, U. S. Department of Commerce; olive production from *Agriculture Year Book* and *Crops and Markets*, U. S. Department of Agriculture.

⁴¹ United States imports of edible olive oil from leading suppliers in 1920-39 are shown in table 107, appendix IV, of this report, p. 195.

⁴² See U. S. Tariff Commission, *Report to the President on Olive Oil, Report No. 22, Second Series*, Washington, 1931.

TABLE 58.—*Tariff rates on imports of edible olive oil, 1913-39*

Tariff Act of—	Specific rates			
	Bulk oil ¹		Packaged oil ²	
	Cents per pound	Cents per gallon	Cents per pound	Cents per gallon
1913.....	2.6	20.0	3.4	30.0
1921.....	5.3	40.0	5.7	50.0
1922.....	6.5	49.5	7.5	65.3
1930.....	6.5	49.5	9.5	82.7
1930 ³	6.5	49.5	8.0	69.7

Year	Ad valorem equivalents	
	Bulk oil	Packaged oil
	<i>Percent</i>	<i>Percent</i>
1926.....	35.2	42.9
1929.....	38.6	43.4
1932.....	73.2	78.0
1934.....	64.8	60.3
1936.....	56.0	59.8
1937.....	35.3	42.4
1938.....	48.3	56.4
1939 (preliminary).....	52.1	59.7

¹ Conversion factor 7.61 pounds per gallon.

² Conversion factor 8.71 pounds per gallon, including immediate container.

³ By Presidential proclamation effective July 24, 1931.

As mentioned, total United States production of olive oil represents less than 10 percent of total domestic consumption and takes place almost entirely within the State of California. A large part of the small domestic output is used within the State by the fish-packing industry and for direct consumption. Yet, even California does not produce enough oil for its own requirements but uses more imported oil than domestic. It is mainly in California that the domestic and imported bulk olive oil meet in direct competition. Representing but a small part of total domestic consumption, the California product must be disposed of at market prices determined principally by import conditions.

There is some competition between olive oil and other domestic edible vegetable oils, such as cottonseed, corn, and peanut oils. Olive oil, however, is much higher priced and is consumed largely by those who prefer it because of custom or taste. Tea seed oil, imported from China, is sometimes used as a substitute for olive oil or is blended with it.

Canned tomatoes.

Italian production and exports.—The world's leading producers of canned tomatoes are the United States with an average annual production in the last 4 years of nearly 700 million pounds, Italy with a production of 130 million, and Canada with an average of 100 million pounds.⁵³ In addition to its output of canned tomatoes, Italy produced, in 1937, 168 million pounds of tomato paste. Of Italy's total production of canned tomatoes, about 85 percent is exported, and of

⁵³ See table 108, on *Production of canned tomatoes in Italy, the United States, and Canada, 1920-39*, appendix IV, of this report, p. 195.

tomato paste, about 34 percent. Leading Italian markets for preserved tomatoes (canned and paste) are the United States, which purchased about 50 percent of total Italian exports before 1936 and somewhat over 30 percent thereafter; the United Kingdom, with purchases of about 30 percent; and Belgium, Germany, Argentina, and France, with purchases of from 1 to 6 percent of the total.⁵⁴

United States production and imports.—Three-fourths of the tomato crop grown in the United States is used for canning and for the manufacture of other tomato products; the remainder is marketed in the fresh state. Indiana, Maryland, California, and New Jersey lead in the production of canned tomatoes; the tomato canning belt generally extends from New Jersey to California, following roughly the 39th degree of latitude. Annual output of canned tomatoes in the United States amounts to about 690 million pounds; in 1937 production of tomato paste amounted to 154 million pounds, while that of purée, ketchup, sauce, juice, etc., amounted approximately to an additional 900 million pounds. Production of tomato juice, especially, has increased rapidly in recent years.

Although the United States is the world's largest producer of canned tomatoes and tomato products, considerable quantities of canned tomatoes and of tomato paste are imported. Imports of canned tomatoes, practically all of which come from Italy, were increasing in the 1920's, and in 1927-32 averaged nearly 100 million pounds annually. Since then they have declined to 55 million pounds in 1939.⁵⁵ After 1930 imports amounted to from 7 to 15 percent of domestic consumption, and exports to between 0.2 and 0.8 percent of domestic production.

Practically all United States imports of tomato paste, which commands a foreign price nearly twice as high per pound as do imported canned tomatoes, have also been obtained from Italy. Since 1930 they have ranged from about 9 to 13 million pounds annually, and in 1937 amounted to 5.5 percent of domestic consumption.

Tariff treatment, competitive conditions, and present trade position.—United States tariff rates on canned tomatoes since 1913 have been:

Tariff act:	Rate of duty
1913.....	25 percent ad valorem.
1922.....	15 percent ad valorem.
1930.....	50 percent ad valorem.

Canned tomatoes imported into the United States are consumed largely by people of Italian origin. Of the United States production the imported product most closely resembles the so-called solid pack of California and Utah. There are only slight differences in chemical constituents, solid matter and flavor, between these "packs" and Italian imports and the preference for the imported product among some consumers in the United States is largely a matter of custom. In recent years imports from Italy have tended to decline, mainly because of the lessened demand by people of Italian origin; since that demand is not likely to increase, it is not improbable that the present declining tendency will continue in the years to come.

United States tariff rates on tomato paste since 1913 have been:

Tariff act:	Rate of duty
1913.....	25 percent ad valorem.
1922.....	40 percent ad valorem.
1930.....	50 percent ad valorem.

⁵⁴ Italian exports of preserved tomatoes (canned and paste), to leading markets, 1920-33, are given in table 100, appendix IV, of this report, p. 196.

⁵⁵ See table 110 in appendix IV of this report, p. 197, for data on United States imports of canned tomatoes and tomato paste from all countries and from Italy, 1924-39.

After 1930 there was a gradual decline in imports of tomato paste as in those of canned tomatoes, the rate of decline in the two products having been about the same.⁶⁶

Raw silk.

Italian production and exports.—The world's three principal silk producing countries are Japan, China, and Italy. In 1937 Japan produced over 41,000 metric tons of raw silk, and Italy 3,000 tons. In the same year China exported 4,900 tons.⁶⁷ Italian silk, which is of distinctive and high quality and is consumed mainly in the weaving of high-grade silk specialty fabrics, is produced almost wholly from yellow cocoons, while Japanese silk is reeled largely from white cocoons. Besides producing raw silk from Italian cocoons, Italy also imports and reels the bulk of the cocoon production of the Balkans and the Near East. Italy is the chief reeling center of Europe and western Asia and the chief "throwing" or twisting center of Europe, throwing not only a large part of its own raw silk but also silk imported from the Far East.

Italian production of reeled raw silk declined from a peak of 6,300 tons in 1930 to 2,739 tons in 1938. (See table 59.) This decline was the result of a drastic fall in the world demand for and price of silk during the depression, of the consequent reduction of Italian exports, and of the increasing competition of oriental silk and of rayon. Because of the extremely depressed condition of Italian sericulture and the danger of total abandonment of silkworm raising by Italian producers, the Italian Government instituted in 1933 the payment of subsidies on cocoon production and on exports of raw silk reeled from Italian cocoons.

TABLE 59.—*Italian production and exports of raw silk, 1929-38*¹

Year	Production ²	Exports (to all countries)					
		Reeled	Thrown (doubled or twisted)	Total	Reeled	Thrown (doubled or twisted)	Total
	Quantity in metric tons	Quantity in metric tons			Value in millions of lire		
1929	6,118	3,873	2,107	5,980	795.7	484.2	1,279.9
1930	6,310	4,609	1,849	6,458	655.7	338.1	993.8
1931	5,393	4,040	1,692	5,732	383.3	213.6	596.9
1932	2,965	2,114	1,052	3,166	152.2	99.3	251.5
1933	3,284	2,752	728	3,480	153.8	55.0	208.8
1934	3,124	871	1,022	1,893	37.1	60.2	97.3
1935	2,982	972	1,127	2,099	46.4	68.5	114.9
1936	2,812	1,281	1,295	2,576	62.2	82.4	144.6
1937	2,861	929	1,109	2,038	73.0	117.2	190.2
1938	* 2,739	1,431	1,131	2,562	87.7	115.5	203.2

¹ Includes reeled and thrown (doubled or twisted) silk.

² Quantity produced by Italian establishments from domestic and imported cocoons.

³ Preliminary.

Source: *Annuario Statistico Italiano*, 1939. Banca d'Italia, *L'Economia Italiana*; and 1937 and 1938 exports from *Commercio di Importazione e di Esportazione*, 1938.

⁶⁶ In the spring of 1929 the United States Tariff Commission undertook an investigation into the costs of production in the United States and Italy of canned tomatoes and tomato paste. As a result of its investigation the Commission recommended an increase in the duty on canned tomatoes from 15 to 22½ percent ad valorem and a reduction in the duty on tomato paste from 40 to 20 percent ad valorem.

See United States Tariff Commission, *Canned Tomatoes and Tomato Paste: Report of the United States Tariff Commission to the President of the United States*, Washington, 1929.

⁶⁷ See table 111 on *Production or exports of raw silk, by principal countries, 1920-38*, in appendix IV, of this report, p. 198.

The bulk of the raw silk produced in Italy is usually disposed of abroad. (See table 59.) Only a small part of domestic production is consumed within the country or exported in the form of manufactured products. Italian exports of raw silk (including thrown silk, that is, silk doubled and twisted) were reduced from a peak of 6,458 metric tons in 1930 to 1,893 tons in 1934 and amounted to 2,528 tons in 1938. Because of the serious decline in prices, the reduction expressed in terms of value was even more drastic. From 1,280 million lire in 1929 the value of Italian exports of raw silk dropped to a low of 97 million in 1934 and amounted to 200 million in 1938. (See table 59.)

Prior to 1930 Switzerland, France, and Germany were Italy's principal customers for silk, with purchases of about 30, 30, and 20 percent of the total, respectively. In recent years, however, the United States has advanced from fourth place to first as a buyer of Italian silk. The percentage of total Italian exports taken by the United States increased from an average of about 10 percent of Italy's exports before 1930 to 46 percent of the total in 1938; but the quantities purchased in 1936-38 were considerably below those taken in 1930-33. In 1938 Germany occupied second place, with purchases of 29.3 percent; Switzerland, the United Kingdom, and France followed, with 8, 2.8, and 2.4 percent of the total, respectively.⁵⁸

United States imports.—The United States produces no raw silk and is entirely dependent on imports for the filling of domestic needs. Prior to the World War, United States imports of silk, then a luxury fiber, were relatively small, averaging in 1910-14 only about 24 million pounds. When wartime prosperity and the vogue for silk hosiery caused a wider consumption of silk products, imports in 1916-18 averaged 34 million pounds. After a recession in 1920 imports increased until a peak of 87 million pounds was reached in 1929. After that year, imports declined almost uninterruptedly, reaching a low of 51.6 million pounds in 1939, the smallest quantity of raw silk imported since 1924. Raw silk, in value the largest single item in the import trade of the United States from 1927 to 1931, dropped to second place in 1932 and to fifth place in 1938 when it was exceeded by coffee, sugar, crude rubber, and paper.

The leading sources of supply are Japan, imports from which gradually increased from 75 percent of the total in 1919 to over 90 percent in recent years; China, imports from which declined from about 20 percent of the total in the early twenties to an average of less than 5 percent in recent years; and Italy, imports from which varied between less than 1 and over 6 percent of the total. In recent years imports from Italy fluctuated from 2.2 million pounds in 1936 and 1938 to 1.1 million in 1937 or from 2 to 4 percent of total imports.⁵⁹

⁵⁸ For Italian exports of raw silk to leading markets, 1922-38, see table 112, in appendix IV of this report, p. 199.

⁵⁹ For data on United States imports of raw silk from leading suppliers, 1920-39, see table 113 in appendix IV of this report, p. 200.

Among the several factors which have contributed to the expansion of rayon consumption at the expense of silk were: (1) a deterioration in the quality of silk, caused by the lowering of grading standards and the abuse of weighting in woven fabrics, coincident with quality improvement in rayon; (2) a shift in the consumption of rayon largely from knitted goods to woven fabrics, as a result of the production of rayon warp and thrown yarns; (3) the wider experience of weavers and knitters in handling rayon and technological improvements in the finishing and dyeing of rayon products; (4) the favorable influence of style which has changed from smooth-surfaced lustrous fabrics to dull-surfaced goods of rough weaves, for which rayon is particularly suitable; (5) the adaptability of rayon for the creation of novelty fabrics and the achievement of effects not obtainable with silk.

Tariff treatment, competitive conditions, and present trade position.—For many decades raw silk has entered the United States free of duty. In recent years imports into the United States have declined substantially mainly because of the competition of rayon, domestic production of which has been materially expanded.⁶⁰ During 1939, speculation in Japan and the increased consumption of raw silk in that country caused the international price of silk to rise higher than it had been in a decade. The average unit value of imports in 1939 was \$2.34 per pound as compared with \$1.61 for 1938, and an average of \$1.94 for the last 10 years. The high price of silk was doubtless a major cause of the reduction of United States imports in 1939 to a figure 7 percent smaller than that for 1938.

⁶⁰ In the last two decades substantial progress has been made in the quantity and quality of the output of rayon yarns. In 1936, five times more rayon yarn was consumed in the United States than raw silk and in 1937 almost eight times as much. Today the United States is one of the world's largest producers of rayon, almost 30 percent of the total world output being produced in the United States.

PART IV
CONCLUSION

CONCLUSION

CHAPTER VI. THE RESULTS OF RECENT ITALIAN COMMERCIAL POLICY

A striking characteristic of Italy's foreign trade during the last several decades has been the large and continuing excess of the country's imports over its exports. Before the World War, this excess was easily made up by the income derived from such invisible credit items of the balance of international payments as tourist expenditures and emigrant remittances. During the World War the greater gap in the commercial balance had to be filled almost entirely through foreign borrowing. After the conflict the renewed flow of income obtained through the invisible items again made possible, though not as easily as during the pre-war period, the balancing of the country's international accounts.¹

When, after 1931, Italy's visible and invisible income from abroad were both substantially reduced by the world depression, and when, after 1933, the widening gap between commodity exports and imports could no longer be bridged in the traditional manner, a significant change occurred in the country's hitherto comparatively liberal commercial policy. To relieve the increasing strain upon the balance of international payments, which was finding expression in frequent losses of gold and an increasing threat to the stability of Italian currency, severe restrictions were placed upon foreign exchange dealings and the elaborate system of import and exchange control described in this report was gradually established.

In the fall of 1935, when the Ethiopian campaign began and League of Nations' sanctions were imposed upon Italy, the existing machinery for trade and exchange control was used as an economic defense weapon. After the abandonment of sanctions, under the continuing heavy military and colonial expenditures, Italy further intensified the policy of economic autarchy, the Italian Government's goal being to achieve, as Premier Mussolini put it, within the shortest possible time a maximum of economic independence and of military preparedness. Thus, the economic reasons for the establishment of the prevailing system of trade and exchange control which were in the fore at the beginning, were later supplemented by essentially military and political motives. The result was the further development of existing controls and their even more complete adoption as an integral part of Fascist policy.

Weakness in the balance of international payments caused by shrinkage of Italy's invisible income, by important outward movements of capital, and by desire for economic self-sufficiency and military preparedness, therefore, were the main factors which led to the development of the Italian system of trade and exchange control. The chief practical goals of that system have been alleviation of the

¹ For a more detailed discussion of these developments, see ch. IV of this report, pp. 70 and 74 ff.

strain upon the country's balance of international payments and conservation of gold and foreign exchange reserves through the limitation of imports to amounts for which payment could be procured without undue difficulty, and through elimination, or at least drastic reduction of the importation of articles which, in the judgment of Italian trade control authorities, could be dispensed with or replaced by domestic products.

Information regarding the course of Italy's international accounts is so scattered and fragmentary as to make it extremely difficult if not impossible to say whether, or to what extent, the objectives of the Italian system of trade and exchange control have been attained. Yet, such evidence as is available suggests certain conclusions. It will be well to recall briefly some of the basic data upon which any evaluation of the Italian system of trade and exchange control must rest. In table 60 a summary is given of Italy's trade with non-Italian countries during the last decade.

TABLE 60.—*Foreign trade between Italy and non-Italian countries, 1929-39*

(Value in millions of lire)

Year	Imports	Exports	Excess of imports	Exports in percent of imports
1929.....	21, 196	14, 573	6, 623	68. 7
1930.....	17, 266	11, 838	5, 428	68. 6
1931.....	11, 566	9, 961	1, 605	86. 1
1932.....	8, 205	6, 560	1, 639	80. 0
1933.....	7, 354	5, 752	1, 602	78. 2
1934.....	7, 582	4, 965	2, 617	65. 5
1935.....	7, 673	4, 488	3, 185	58. 5
1936.....	5, 883	3, 824	2, 059	65. 0
1937.....	13, 593	7, 804	5, 729	57. 8
1938.....	11, 064	8, 049	3, 015	72. 7
1939 (7 months).....	5, 914	4, 734	1, 180	80. 0

Source: *Commercio di Importazione e di Esportazione* and *Bollettino Mensile di Statistica*.

TABLE 61.—*Italy's net income from shipping services, tourist trade, and emigrant remittances, 1929-32*

(In millions of lire)

Year	Freight and shipping services	Tourist trade	Emigrant remittances	Total
1929.....				
1930.....	1, 135	2, 102	2, 120	5, 357
1931.....	995	1, 930	1, 820	4, 745
1932.....	700	1, 185	1, 570	3, 455
	500	830	910	2, 240

Source: Figures derived from data on the balance of international payments given by Prof. Gino Borgatta in his *Trattato Elementare di Statistica*, Milan, 1933. After 1932 no comparable data are available.

Table 60 indicates a very large import balance, both absolute and relative, in 1929 and 1930. As is shown by the course of Italy's invisible income and Central Bank reserves (tables 61 and 62) income from such invisibles as tourist expenditures, emigrant remittances, and shipping receipts was insufficient to pay for the large excess of

imports; the balance, about 2 billion lire for the 2 years, was covered in large part through a reduction in the gold and foreign exchange reserves of the Central Bank. In 1931, 1932, and 1933 imports declined drastically in value, partly as a result of marked declines in prices of foreign foodstuffs and raw materials. This made possible a decided reduction in the commercial deficit and the maintenance of equilibrium in the country's international accounts, even though during these years the country's exports and its invisible income were also severely reduced.

TABLE 62.—*Italian Central Bank reserves, 1928-39*

[In millions of lire]

Year (Dec. 31)	Gold		Foreign exchange		Total	
	Current lire ¹	1927 lire ¹	Current lire ¹	1927 lire ¹	Current lire ¹	1927 lire ¹
1928.....	5,052		6,019		11,071	
1929.....	5,190		5,151		10,341	
1930.....	5,297		4,327		9,624	
1931.....	5,626		2,170		7,796	
1932.....	5,839		1,305		7,144	
1933.....	7,092		305		7,397	
1934.....	5,811		72		5,883	
1935.....	3,027		367		3,394	
1936.....	3,959	2,338	63	37	4,022	2,375
1937.....	3,996	2,360	32	19	4,028	2,379
1938.....	3,674	2,170	152	90	3,826	2,269
1939.....	2,738	1,617	394	233	3,132	1,850

¹ Figures in "current" lire are from official sources, viz, lire as defined by the law on the stabilization of the currency in 1927, for the years from 1928 to 1935; and lire as defined by the devaluation law of October 1936 (which reduced the gold content of Italian currency by 40.94 percent) from 1936 to 1939. Reserve totals for 1937, 1938, and 1939 expressed in terms of "1927" (predevaluation) lire are shown separately for purposes of comparison.

Sources: *Annuario Statistico Italiano* and *Bollettino Mensile di Statistica*. For 1939: U. S. Department of Commerce, *Commerce Reports*, April 13, 1940, p. 335.

After 1933 the rapid increase in the import balance in commodity trade, in conjunction with pronounced outflows of capital and a continued low income from shipping, emigrant remittances, and tourist trade, caused an increasing strain upon the balance of international payments, and was among the factors leading to the adoption, in 1934 and 1935, of the trade and exchange controls described in this report (see columns 3 and 4, table 60). Increased military expenditures, including, at least from the beginning of 1935, specific preparations for the conquest of Ethiopia, however, also were a factor in the situation.

In the absence of reliable data on the invisible items of Italy's balance of international payments after 1932, the figures in table 63, which compare Italy's annual trade deficit for the years 1934 to 1938 with the variations in the reserves of the Italian Central Bank, provide a basis for evaluating the effects of Italian trade and exchange control upon the country's international financial position. The table shows that on the whole during the years under review the excess of imports continued to be large. There were substantial losses of gold and foreign exchange in 1934 and 1935 despite the existence of import and exchange controls. Thereafter the severe decline in the reserves of the Central Bank was halted but the situation still continued difficult.

TABLE 63.—Italy's commercial balance with non-Italian countries and variations in Italian Central Bank reserves, 1934-38
[In millions of lire]

Year	Excess of imports ¹	Variation in Central Bank reserves	
		Current lire ¹	1927 lire ¹
1934.....	Current lire 2,617	-1,514	-1,514
1935.....	3,185	-2,489	-2,489
1936.....	2,059	+628	-1,019
1937.....	5,729	+6	+4
1938.....	3,015	-202	-119

¹ In the trade with non-Italian countries.

² See footnote 1 in table 62, p. 157 of this report.

Source: Compiled from data in *Annuario Statistico Italiano* and *Commercio di Importazione e di Esportazione*.

Although 1937 was a comparatively prosperous year, a poor wheat crop in 1936 made necessary very large imports of grain, and the Italian commercial balance showed a deficit of 5,739 million lire, the largest on record since 1929.² Even though expenditures of foreign tourists in Italy were large, they probably did not exceed 2,000 million lire.³ If the income from emigrant remittances, shipping, insurance, etc. (estimated at 1,500 million lire)⁴ is added, a deficit of over 2,200 million still remains. Since Central Bank reserves were not reduced and no evidence exists of large foreign borrowing, it is probable that the imports were paid for through the sale by the Italian Treasury of part of the foreign securities which Italian citizens had been compelled to sell to it in 1935, and by sales of the gold offered the Treasury by the Italian people during the sanctions.⁵ However, reliable estimates on the total amounts involved in these transactions have never been made public.

TABLE 64.—Italian trade with non-Italian countries and proportion of such trade with clearing countries, 1936-39
[Value in millions of lire]

Year	Imports from non-Italian countries				Exports to non-Italian countries				Ratio of exports to imports		
	Total	From clearing countries	From non-clearing countries	Percent of total from clearing countries	Total	To clearing countries	To non-clearing countries	Percent of total to clearing countries	Total trade with non-Italian countries	Clearing countries	Non-clearing countries
1936.....	5,883	2,627	3,256	44.7	3,824	2,147	1,677	56.1	Percent	Percent	Percent
1937.....	13,593	6,697	6,896	49.3	7,864	4,704	3,160	59.8	65.0	81.7	51.5
1938.....	11,064	6,805	4,259	61.5	8,049	5,141	2,908	63.9	57.8	70.2	45.8
1939 (Jan.-June).....	5,129	3,126	2,003	60.9	4,118	2,565	1,553	62.3	72.7	75.5	68.3
									80.3	82.1	77.5

Source: Compiled from data given in *Commercio di Importazione e di Esportazione* and *Statistica del Commercio speciale di Importazione e di Esportazione*.

A factor which seems to have contributed to the cushioning of the effects of the large trade deficit of 1937 was the shift which occurred in that year in the position of Italy's clearing accounts. As explained in detail elsewhere, to facilitate payment for its imports without

² For an explanation of this unusually large deficit, see the discussion in chapter IV of this report, p. 80.

³ *The Economist* (London), Sept. 18, 1937, p. 559.

⁴ *Ibid.*

⁵ *Mémoire sur le Contrôle des Changes en Italie*, p. 31-32; also: Welk, *Fascist Economic Policy*, p. 216.

losses of exchange and gold, and to obtain payment for its exports from countries which have adopted similar methods of exchange control, Italy has concluded clearing agreements with 23 foreign countries.⁶ At the present time, as indicated by table 64, payment for over 60 percent of Italy's trade with non-Italian countries is made through "clearings," viz, through the compensation of imports (both visible and invisible) with exports without the actual use of foreign exchange.⁷

It is of interest to follow, in table 65, the course of the total unpaid monthly balances in Italian clearing accounts up to the beginning of the present European conflict, when statistical information was no longer released.

TABLE 65.—Monthly net balances in Italian clearing accounts,¹ December 1936—August 1939

(In millions of lire)

Date	Number of clearing countries	Balances due to Italians	Balances due by Italians	Net balance (+) due to Italy (-) due by Italy
<i>1936</i>				
Dec. 31.....	19	309.2	34.8	+274.4
<i>1937</i>				
Jan. 29.....	20	371.2	41.4	+329.8
Feb. 28.....	22	343.0	56.6	+286.4
Mar. 26.....	21	267.6	35.1	+232.5
Apr. 30.....	22	229.7	74.2	+155.5
May 28.....	22	161.6	82.0	+79.6
June 25.....	22	206.8	92.8	+114.0
July 30.....	22	201.5	171.6	+29.9
Aug. 27.....	22	192.9	176.0	+16.9
Sept. 24.....	23	205.8	105.0	+10.8
Oct. 29.....	23	113.7	290.2	-176.5
Nov. 26.....	23	97.9	348.4	-250.5
Dec. 31.....	23	83.2	412.8	-329.6
<i>1938</i>				
Jan. 28.....	23	86.5	464.0	-377.5
Feb. 25.....	23	95.5	490.2	-394.7
Mar. 26.....	23	92.2	527.9	-435.7
Apr. 29.....	23	81.3	620.7	-539.4
May 27.....	23	78.3	617.5	-539.2
June 24.....	23	76.9	621.6	-544.7
July 29.....	23	78.8	560.6	-481.8
Aug. 26.....	23	87.8	596.5	-508.7
Sept. 30.....	23	90.0	522.7	-432.7
Oct. 27.....	23	90.4	497.2	-406.8
Nov. 25.....	23	110.1	403.1	-293.0
Dec. 30.....	23	120.4	381.1	-260.7
<i>1939</i>				
Jan. 27.....	23	238.5	363.8	-125.3
Feb. 24.....	23	270.8	385.2	-114.4
Mar. 31.....	23	395.0	340.6	+54.4
Apr. 28.....	23	416.5	377.2	+39.3
May 26.....	22	461.6	390.9	+70.7
June 30.....	22	501.0	444.3	+56.7
July 28.....	23	605.9	487.7	+118.2
Aug. 18.....	23	600.0	495.6	+104.4

¹ In the clearing account with any one country the balance is either due to or due by Italians. These figures represent the sum of the balances due to and the sum of those due by Italians.

² The 19 countries were: Belgium, Bulgaria, Czechoslovakia, Denmark, Estonia, Finland, France, Germany, Great Britain, Greece, Iceland, Lithuania, Norway, Poland, Spain, Sweden, Switzerland, Turkey, Yugoslavia.

³ 20 countries—Hungary added.

⁴ 22 countries—Netherlands and Portugal added.

⁵ 21 countries—Spain omitted.

⁶ 22 countries—Rumania added.

⁷ 23 countries—Latvia added.

⁸ 22 countries—France omitted.

⁹ 22 countries—Czechoslovakia omitted; Moravia and Bohemia added.

¹⁰ 23 countries—Slovakia added.

Source: Compiled from data given in *Bollettino Mensile di Statistica*.

⁶ See ch. III of this report, p. 64 ff.

⁷ For a detailed discussion of the origin and nature of Italian clearing agreements, see ch. III of this report, p. 59 ff.

According to table 65, Italy's clearing accounts showed a total net credit balance from December 1936 to September 1937, an increasingly large debit balance to the middle of 1938, diminishing debit balances during the remainder of that year and the first 2 months of 1939, and a growing credit balance from March 1939 to the outbreak of war in September. The large credit balances at the beginning of 1937 appear to have been due to the accumulation of balances for the paying off of the foreign commercial credits blocked by Italy during the sanctions and by the rapid revival of exports after the devaluation of Italian currency in October 1936. The reversal of the situation in the latter part of 1937 seems to have been due in part to the retirement of old claims and in part to the large commercial deficit which occurred in that year. Since a credit balance of 274 million lire at the end of 1936 was replaced by a debit balance of 329 million lire at the end of 1937, part of the deficit in the commercial balance was offset by this deterioration of 603 million lire in Italy's clearing position.

TABLE 66.—*Monthly balances in Italy's clearing accounts with Germany, Great Britain, France, Switzerland, and Yugoslavia, December 1936–August 1939*

[In millions of lire]

Date	Germany		Great Britain		France		Switzerland		Yugoslavia	
	Balance due to Italians	Balance due by Italians	Balance due to Italians	Balance due by Italians	Balance due to Italians	Balance due by Italians	Balance due to Italians	Balance due by Italians	Balance due to Italians	Balance due by Italians
1936										
Dec. 31..	152.8		30.9		31.3			29.1	20.4	
1937										
Jan. 29..	142.4		110.8		35.1					
Feb. 26..	102.1		105.9		37.5			19.2	25.8	
Mar. 26..	94.5		38.8		42.2			19.5	29.7	
Apr. 30..	61.3		34.5		20.2			2.0	25.9	
May 28..	21.2		30.3		2.0		6.6		25.6	
June 25..	19.6		45.5				(¹)		21.1	
July 30..	26.7		40.8			5.1	10.2		20.2	
Aug. 27..	52.7		22.1			67.2			6.1	
Sept. 24..	60.6		16.6			83.4		19.1		
Oct. 29..		7.6	19.0			69.9		18.0		7.9
Nov. 26..		33.5	19.3			111.9		20.2		19.1
Dec. 31..		21.2	16.8			119.0		45.7		37.9
						113.4		60.8		42.7
								82.9		59.3
1938										
Jan. 28..		69.5	17.3							
Feb. 25..		57.6	22.2			110.5		81.4		60.9
Mar. 25..		59.3	18.1			120.6		98.8		63.2
Apr. 29..		103.9	5.7			117.5		111.3		64.2
May 27..		87.2				115.0		124.7		59.7
June 24..		69.0		100.3		(²)		146.0		57.5
July 29..		7.5		82.2				154.9		54.1
Aug. 26..		47.0		87.2				156.4		46.6
Sept. 30..				98.3				147.0		41.9
Oct. 27..	5.1			101.7				153.8		35.3
Nov. 25..	25.8	3.4		100.1				145.5		31.0
Dec. 30..	47.4			92.2				139.1		21.4
				101.5				147.3		14.6
1939										
Jan. 27..	150.0			91.4						
Feb. 24..	188.0			86.3				153.2		(¹)
Mar. 31..	270.6			82.1				159.6	8.0	
Apr. 28..	298.1			79.7				101.4	15.3	
May 26..	343.0			73.9				183.4	17.6	
June 30..	393.8			68.2				190.1	13.4	
July 28..	477.6			67.0				205.8	15.6	
Aug. 18..	459.4			72.0				207.0	35.9	
								209.3	49.4	

¹ Less than 500,000 lire.

² Clearing agreement terminated.

Source: Compiled from data given in *Bollettino Mensile di Statistica*.

In the first part of 1938, the accumulation of debits to foreign exporters continued until Italy's total outstanding debit balance reached a peak of 544.7 million lire at the end of June. In the second half of 1938 and in 1939 the clearing position showed definite improvement, presumably aided by the material reduction in the import balance of commodity trade during that period. The debit balance of 544.7 million lire in June 1938 was, in fact, converted into a credit balance of 104.4 million by August 1939. The individual clearing account which contributed more than any other to bring about this change was that with Germany. As the record of the monthly clearing balances between Italy and Germany indicates (see table 66), the German clearing balance, which was against Italy during the larger part of 1938, became favorable to Italy during the last few months of that year. The balance in Italy's favor was rapidly increased during 1939, reaching a peak of 477.6 million lire in July 1939.

TABLE 67.—Italian trade with clearing and nonclearing countries, (non-Italian countries only), 1936-39

[In millions of lire]

Clearing countries	Italian imports				Italian exports				Excess of imports (-) Excess of exports (+)			
	1936	1937	1938	1939 Jan.- June	1936	1937	1938	1939 Jan.- June	1936	1937	1938	1939 Jan.- June
Belgium-Luxemburg.....	111	192	175	122	47	137	135	69	-64	-55	-40	-53
Bulgaria.....	29	76	104	16	3	40	65	45	-26	-27	-39	+29
Czechoslovakia.....	50	276	254	(1)	59	138	136	(1)	+9	-137	-118	(1)
Denmark.....	7	54	42	22	13	61	61	24	+6	+7	+19	+2
Estonia.....	3	7	4	3	3	6	4	2	0	-1	0	-1
Finland.....	27	62	95	35	7	32	35	15	-20	-30	-60	-20
France.....	128	491	254	(1)	100	442	328	(1)	+62	-49	+74	(1)
Germany.....	1,617	2,589	3,010	1,336	1,086	1,503	2,002	1,004	-531	-1,056	-1,014	-332
United Kingdom.....	53	561	728	308	156	641	587	321	+103	+80	-141	+13
Greece.....	7	67	95	40	12	84	94	62	+5	+17	-1	+22
Hungary.....	(1)	410	190	208	(1)	202	167	94	(1)	-208	-23	-114
Iceland.....	12	15	23	10	(1)	14	14	8	-5	-1	-9	-2
Latvia.....	(1)	5	4	5	(1)	4	11	2	(1)	-1	+7	-3
Lithuania.....	1	2	4	7	1	5	7	3	0	+3	+3	-4
Netherlands.....	(1)	119	136	77	(1)	132	149	88	(1)	+13	+13	+11
Norway.....	25	98	122	49	16	52	94	27	-9	-46	-28	-22
Poland-Danzig.....	77	297	320	178	78	103	115	64	+1	-194	-205	-114
Portugal.....	(1)	49	54	38	(1)	32	44	30	(1)	-17	-10	-8
Rumania.....	(1)	395	253	159	(1)	129	140	144	(1)	-266	-113	-45
Spain.....	44	(1)	(1)	(1)	19	(1)	(1)	(1)	-26	(1)	(1)	(1)
Sweden.....	81	167	211	111	34	108	137	82	-47	-59	-74	-29
Switzerland.....	233	412	376	181	346	508	495	252	+113	+96	+119	+71
Turkey.....	53	100	100	86	27	129	99	92	-26	+29	-91	+6
Yugoslavia.....	69	254	155	105	44	193	222	137	-25	-61	+67	+32
Total trade with clearing countries.....	2,627	6,697	6,805	3,126	2,147	4,704	5,141	2,565	-490	-1,993	-1,664	-561
Total trade with non-clearing countries.....	3,256	6,896	4,259	2,003	1,677	3,160	2,908	1,553	-1,578	-3,736	-1,351	-450
Total trade with non-Italian countries.....	5,883	13,593	11,064	5,129	3,824	7,864	8,049	4,118	-2,058	-5,729	-3,015	-1,011

1 Not a clearing country in that year.

Sources: *Commercio di Importazione e di Esportazione; Statistica del Commercio Speciale di Importazione e di Esportazione*

Before the present war began in September 1939, Italy obtained more than one-quarter of its total imports from Germany, which, in turn, was by far the most important buyer of Italian goods. (See table 67.) In 1938 there was a heavy trade balance in favor of Germany, and it was only by receipts from German tourists, remittances

of Italian workers in Germany, and by shipment of German coal in Italian vessels that the balance of payments between the two countries was kept as close as it was to equilibrium. During 1939 a substantial surplus accumulated in favor of Italy. Italian imports declined while the Reich expanded its purchases, leaving Italy with demands against Germany totaling 456 million lire at the beginning of August 1939. This unbalanced position of the Italo-German clearing account, however, was remedied in the fall of 1939 through use of Italy's credit balance for payment in marks of the proceeds of the sale of their property in Italy by German-speaking inhabitants of the Italian Tyrol who elected to migrate to Germany.

TABLE 68.—Changes in Italian trade with clearing and nonclearing countries, 1937 and 1938, and January–June 1939

Year	Imports			Exports		
	Total from non-Italian countries	From clearing countries	From non-clearing countries	Total to non-Italian countries	To clearing countries	To non-clearing countries
	Percentage of increase (+) or decrease (–) as compared with previous year					
1937.....	+131	+155	+112	+106	+119	+88
1938.....	–19	+2	–38	+2	+9	–8
1939 (January–June) ¹	–14	–11	–20	+6	+6	+6

¹ January–June 1939 compared with January–June 1938.

Source: Computed from trade statistics given in *Commercio di Importazione e di Esportazione*, and *Bollettino Mensile di Statistica*.

On the whole the Italian experience with clearing agreements seems to point to the fact that although such agreements contemplate a balancing of the payments arising out of the trade and other transactions covered by the agreement, the tendency for such a balance to be established, if it exists, may not be apparent from the statistics of commodity trade, either because of the inaccuracies or inadequacies of those statistics, or because the agreement does not cover all of the trade between the two countries, or because it covers other payments besides those arising out of current merchandise trade. Moreover, the trade figures for any given period refer to shipments of goods in merchandise depend not upon the immediate movements of goods, but rather upon the maturity of the claims arising therefrom.

Another difficulty in judging the operation of a clearing agreement through the trade figures is that balances may, for a period, accumulate in the clearing account because payments eligible to be made out of it are insufficient to absorb all the payments made into it. It is particularly in the accumulation and liquidation of such clearing account balances that the influence of clearing arrangements upon trade policy, and vice versa, is to be observed. A country party to a clearing agreement, for example, may make large purchases of goods in the clearing partner country and thus become a debtor on clearing account. The creditor country may then be under severe pressure to purchase goods from the debtor country in order to liquidate its accounts. Such an increase in purchases, however, may be rendered difficult by existing trade control measures of the creditor country,

or by domestic policies of the debtor country tending to limit the goods available for export through clearing, such as, for example, policies leading to the diversion of a large part of the debtor country's industrial capacity to armament or military preparedness. Thus, a country which has allowed itself to become a large creditor on clearing account may be forced to take goods for which it has little if any real need, or continue to be the unwilling creditor of a country whose political or trade policies have rendered the credit a questionable risk.

In conclusion, although there was a reduction in the commercial deficit in 1938 and 1939, and a rapidly growing share of Italy's total trade was carried on under the clearing system (see tables 67 and 68) for which no settlement in foreign exchange was required, it is a matter of opinion to what extent these changes contributed to improve Italy's international financial position before the outbreak of the present war.

A definitive evaluation of the results of the country's economic self-sufficiency program, which was inspired primarily by political and military motives, seems also hardly possible at this time. From a careful study of available information it appears that, although production has been increased in many branches of domestic industry, and although the importation of several important commodities has been severely curtailed, the goal of self-sufficiency has not thus far been reached, or even approached in many instances, despite the intensive effort made. On the other hand, the costs of new plant development, the use of low-grade domestic ores and fuels, and the reported uneconomic character of most of the recently developed substitutes (cellulose production from straw, artificial wool from skimmed milk, etc.) are understood to be significant. As the trade figures given in the preceding pages indicate, the commercial deficit in Italy's trade with non-Italian countries has on the whole continued to be large. The only really significant change is a decline in imported foodstuffs (notably wheat) and of manufactures, and a corresponding increase in the proportion of the importation of raw materials and semimanufactured articles, a trend which has of late been particularly noticeable in the trade with the United States.⁸

Do the results of the foregoing analysis justify the view that the Italian system of trade and exchange control has failed to achieve its objectives? The question can hardly be answered in the affirmative if it be remembered that, whatever the results achieved since 1935, they were obtained under the immediate supervision and with the full knowledge and consent of the Italian control organs. Italian trade control authorities themselves decided to permit the continuance of large commercial deficits, and in 1937 preferred foreign purchases of wheat and of raw materials to the conservation of gold or foreign exchange and the maintenance of favorable clearing balances. It is a matter of opinion whether without the application of the existing controls the weakening in the Italian international financial position would have been more or less pronounced than was the case under existing circumstances.

In the total absence of official statistics since the beginning of the present war (September 1939), it is impossible to say just how Italian foreign trade was faring before Italy's own entry into the conflict in

⁸ See ch. V of this report, p. 117 ff.

June 1940, and what results Italian trade and exchange control was achieving under war conditions. Soon after the war began a more optimistic tone became manifest in business sentiment in Italy. Although after the first months of the conflict expectations of a war boom through orders from neutral as well as belligerent countries failed to be realized, nevertheless a sustained industrial and economic revival continued. The problem of obtaining the necessary raw materials however, persisted, although information from Italy pointed to the gradual establishment of conditions which might have led to a very substantial improvement in the Italian economic situation in the event of Italy's continued neutrality.

Reliable information was to the effect that before Italy's entrance into the war the former extreme tightness of foreign exchange had been relaxed and that releases of payments for imports had been expedited. On the whole, although the system of trade and exchange control described in this report continued in effect without any substantial change, some shift in policy in the direction of a more positive and less defensive action had become noticeable. The feeling seems to have been growing that, rather than persist in a policy of protecting existing gold and exchange reserves, it might have been well to liberalize somewhat the grants of exchange to importers, and make possible the acquisition of raw materials and their conversion into exportable products, the demand for most of which on Italy's foreign markets had greatly increased after September 1939. Yet, on the whole, even if Italy had continued to be neutral in the war, there appeared to be little reason to expect an early and significant departure from the methods of trade and exchange control described in this report.

APPENDIXES AND BIBLIOGRAPHY

APPENDIX I

TEXT OF TEMPORARY COMMERCIAL AGREEMENT IN FORCE BETWEEN THE UNITED STATES OF AMERICA AND ITALY, AND ITALIAN QUOTAS FOR IMPORTS FROM THE UNITED STATES FOR 1939 AND 1940

THE AMBASSADOR OF THE UNITED STATES OF AMERICA TO THE MINISTER OF
FOREIGN AFFAIRS OF ITALY

Rome, December 16, 1937.

EXCELLENCY:

Inasmuch as the Treaty of Commerce and Navigation between the United States and Italy, signed at Florence, February 26, 1871, which terminated on December 15, 1937, in consequence of the joint notice of denunciation of December 15, 1936, provided for the most-favored-nation treatment in customs matters and negotiations for a new treaty to replace it have not been completed, it seems desirable that steps be taken now to determine the treatment which will be accorded by each country to the commerce of the other during the interval between the date on which the treaty of 1871 terminated and the date on which the proposed new treaty will come into force.

In the course of the negotiations of the proposed treaty, the governments of the two countries have tentatively agreed upon the provisions of article VIII thereof which deals with customs duties, import prohibitions and restrictions, import licenses, exchange control, and monopolies affecting imports and is annexed hereto.

It is agreed that on its part the Government of Italy will in fact apply the provisions of article VIII of the proposed new treaty on and after December 15, 1937, and that the Government of the United States on its part will continue to accord to articles the growth, produce or manufacture of Italy the benefits of the minimum rates of the American tariff as established in its trade agreements with other countries (Cuba excepted), until 30 days after notice by either party of its intention to discontinue such treatment.

It is understood that the stipulations of this temporary arrangement do not apply to:

(a) Preferential advantages which Italy accords to Austria, Albania, Bulgaria, Hungary, and Yugoslavia between December 15, 1937, and December 31, 1937.

(b) Preferential tariff advantages which Italy accords to Austria after December 31, 1937, under the terms of the treaty between Italy and Austria signed at Rome on November 30, 1937.

I avail myself of this opportunity to renew to your Excellency the expression of my highest consideration.

WILLIAM PHILLIPS.

ANNEX

[Article VIII of the proposed Treaty of Friendship, Commerce, and Navigation between the United States of America and Italy]

With respect to (1) the amount and collection of customs duties or charges of any kind, including any accessory or additional duties or charges, coefficients or increases imposed on or in connection with importation, exportation, temporary importation, temporary exportation, or warehousing or transit; (2) the method of levying or collecting such duties, charges, coefficients or increases; (3) all rules and formalities in connection with importation or exportation; and (4) all laws or regulations affecting the sale, taxation, or use of imported goods within the country; any advantage, favor, privilege or immunity which has been or may hereafter be granted by either High Contracting Party to any article originating in or destined for any third country, shall be accorded immediately and unconditionally to the like article originating in or destined for the territory of the other High Contracting Party.

Neither of the High Contracting Parties shall establish or maintain any import or export prohibition or restriction on any article originating in or destined for the territory of the other High Contracting Party, which is not applied to the like article originating in or destined for any third country. Any abolition of an import or export prohibition or restriction which may be granted by either High Contracting Party in favor of an article originating in or destined for a third country shall be applied immediately and unconditionally to the like article originating in or destined for the territory of the other High Contracting Party.

If either High Contracting Party establishes or maintains any form of quantitative restriction or control of the importation, sale, or exportation of any article in which the other High Contracting Party has a considerable interest, including the regulation of importations, sales or exportations thereof by licenses or permits issued to individuals or organizations, the High Contracting Party taking such action: (1) shall establish the total quantity of any such article permitted to be imported, sold, or exported during a specified period, (2) shall immediately communicate to the other High Contracting Party the provisions adopted together with the complete details with respect to the administration thereof, and (3) in the case of imports, shall allot to the other High Contracting Party for such specified period a proportion of such total quantity equivalent to the proportion of the total importation of such article which the other High Contracting Party supplied during a previous representative period, and (4) in the case of exports, shall allot to the other High Contracting Party for such specified period, a proportion of such total quantity equivalent to the proportion of the total exportation of such article which was supplied to the other High Contracting Party during a previous representative period, unless it be mutually agreed to dispense with such import or export allotment.

If either High Contracting Party establishes or maintains, directly or indirectly, any form of control of the means of international payment, it shall, in the administration of such control:

(a) Impose no prohibition, restriction, or delay, on the transfer of payment for imports of articles the growth, produce, or manufacture of the other High Contracting Party, or on the transfer of payments necessary for and incidental to the importation of such articles;

(b) With respect to rates of exchange, and taxes or surcharges on exchange transactions, in connection with payments for or payments necessary and incidental to the importation of articles the growth, produce, or manufacture of the other High Contracting Party, accord unconditionally treatment no less favorable than that accorded in connection with the importation of any article the growth, produce, or manufacture of any third country; and

(c) With respect to all rules and formalities relating to exchange transactions in connection with payments for or payments necessary and incidental to the importation of articles the growth, produce, or manufacture of the other High Contracting Party, accord unconditionally treatment no less favorable than is accorded in connection with the importation of the like article the growth, produce, or manufacture of any third country.

With respect to noncommercial transactions each High Contracting Party shall apply every form of control of foreign exchange in a nondiscriminatory manner as between the nationals of the other High Contracting Party and the nationals of any third country.

In the event that either High Contracting Party establishes or maintains a monopoly for the importation, production, or sale of a particular product or grants exclusive privileges, formally or in effect, to one or more agencies to import, produce or sell a particular product, the High Contracting Party establishing or maintaining such monopoly, or granting such monopoly privileges, shall, in respect of the foreign purchases of such monopoly or agency, accord the commerce of the other High Contracting Party fair and equitable treatment. In making its foreign purchases of any article such monopoly or agency shall be influenced solely by competitive considerations such as price, quality, marketability, and terms of sale. Either High Contracting Party shall supply such information with respect to the foreign purchases of every such monopoly or agency as the other Party may at any time request.

The High Contracting Parties will consult with each other in respect of any matter presented by either Party relating to the application of the provisions of this article.

Memorandum of Interpretation of Article VIII

Paragraph three.—The total amount of any permitted import, of which a share is to be assigned by either country to the other, shall include all imports of the regulated article, including such imports as may be made through public or private clearing, compensation, or payment arrangements.

If the authorities of either country permit imports additional to the amount of any quota which has been established by establishing a supplementary quota, in that event an equitable share of such supplementary quota is to be assigned unconditionally to the other country.

It is also to be understood that the "representative" base period should be one in which the trade of the other country was not being impaired by discriminations and was not seriously affected by conditions of an unusual and temporary character.

Paragraph four, subparagraph (a).—To impose the condition that payment for the importation of any article must be presented in compensation would be to impose a "restriction" on the transfer of payment.

Paragraph four, subparagraph (b).—In determining most-favored-nation treatment with respect to rates of exchange, it is suggested that a suitable criterion would be cross rates of exchange in some free market.

TABLE 69.—Italian quotas for imports from the United States, 1939 and 1940

Tariff No.	Commodity	Unit	Quota to United States	
			1939	1940
2.....	Mules.....	Number	13	13
19 b.....	Meat not prepared, frozen.....	Quintal	7,362	9,100
34 a 2.....	Fish prepared, etc., codfish.....	do	5,847	6,500
42 a.....	Honey.....	do	902	928
64.....	Wheat.....	Ton	83,772	84,000
70 a.....	Wheat flour.....	Quintal	104	105
96.....	Dried prunes.....	do	3,735	1,270
97.....	Dried fruits.....	do	456	50
115 a 1.....	Raw tobacco in leaves.....	do	9,195	4,000
115 b 1.....	Manufactured tobacco—cigarettes.....	Kilo	40,000	90,000
130.....	Fat backs.....	Quintal	.....	2,000
168 c.....	Linon and hemp abrasive cloth.....	do	208	208
181 a 1.....	Raw cotton.....	do	615,000	615,000
181 b.....	Refined cotton, etc. (absorbent).....	do	8,813	9,300
182 a.....	Raw cotton waste.....	do	5,026	20,437
197 a.....	Waxed cotton fabrics, imprinted.....	do	22	5
197 b.....	Waxed cotton fabrics, printed.....	do	113	27
197 c.....	Waxed cotton fabrics, other.....	do	130	30
198 b.....	Cotton abrasive cloth.....	do	122	87
213 a.....	Raw animal hair.....	do	552	380
278.....	Iron and steel scrap.....	do	2,500,000	2,700,000
279.....	Cast iron scrap.....	do		
298.....	Special hot rolled sheets, etc.....	do	1,500	1,410
299.....	Iron and steel flat sheets, cold rolled, etc.....	do	25,153	22,769
300.....	Manufactured iron and steel sheets.....	do	16,960	18,610
323 a.....	Chains and parts of iron and steel.....	do	372	372
349.....	Copper and its alloys.....	do	224,500	280,169
365.....	Lamps, fixtures, and other lighting apparatus, and spare parts of copper and its alloys.....	do	.....	61
376.....	Nickel and its alloys.....	do	7,940	16,620
383 a b.....	Tin and its alloys in scrap, ingots, rods.....	do	350	615
396.....	Motive machinery.....	do	417	417
403.....	Machine tools.....	do	22,000	20,000
407.....	Agricultural machinery.....	do	1,330	1,330
412 b.....	Machinery for graphic industry.....	do	504	504
413.....	Machinery for casting and setting type.....	do	115	115
414 a b.....	Spinning machinery.....	do	496	444
419.....	Machinery for extracting and working minerals.....	do	265	263
426 a.....	Sewing machines.....	do	46	46
426 bis.....	Spare parts of sewing machines, embroidering and similar.....	do	15	15
428.....	Typewriters.....	Kilo	15,000	15,000
429.....	Cash registers.....	Quintal	124	120
431.....	Mechanical or hand pumps.....	do	1,005	1,133
433.....	Vacuum cleaners and ventilators.....	do	572	567
457.....	Machinery and apparatus for heating, cooling, distilling, etc.....	do	1,312	1,312
451 a.....	Automatic scales.....	do	472	327
453 a b.....	Electric generators and electric motors.....	do	613	563
457.....	Electric apparatus and parts, not specified.....	do	1,232	1,008
460 b.....	Cast-iron, iron and steel machinery, not specified.....	do	721	695
466.....	Machine parts not specified.....	do	2,000	1,947
468.....	Files and rasps.....	do	600	438
469 c.....	Saw blades.....	do	154	155
470.....	Milling cutters, reamers, twist drills, etc.....	do	49	55

TABLE 69.—Italian quotas for imports from the United States, 1939 and 1940—Con.

Tariff No.	Commodity	Unit	Quota to United States	
			1939	1940
476.....	Tools and implements for handcraft workers.....	Quintal.....	280	284
482.....	Photographic cameras.....	do.....	35	20
491.....	Electric measuring machines, ammeters.....	do.....	49	54
497.....	Telegraph apparatus, etc.....	do.....	26	27
497 ter b.....	Radio valves.....	Number.....	58,000	54,848
497 ter c.....	Loud speakers and amplifiers.....	Kilo.....	1,750	433
497 ter d.....	Spare parts for radiotelegraphic apparatus.....	do.....	1,137	708
498.....	Calculating machines.....	Quintal.....	645	612
520 b.....	Automotive vehicles—tractors.....	Number.....	245	205
523.....	Spare parts for automotive vehicles, not specified.....	Quintal.....	142	139
ex 536.....	Parts for airplanes.....	do.....	16	16
551.....	Abrasive manufactures, etc.....	do.....	600	600
552.....	Carbons and graphites for electrotechnics.....	do.....	2,622	2,622
563.....	Solid bitumens.....	do.....	10,000	7,227
564.....	Coal, etc.....	do.....	25,830	27,585
564 bis.....	Coke.....	Ton.....	50,000	50,000
565.....	Stones, earths, and nonmetallic minerals, etc. (phosphates).....	do.....	41	34
598.....	Manufactures of asbestos fabrics.....	Quintal.....	50,212	30,894
604 a 1.....	Lumber, common, rough, trimmed, squared, sawn, in boards, beams, slats.....	Ton.....	7,203	10,500
604 a 5 beta.....	Lumber, fine, etc.....	do.....	1,508	1,685
604 b.....	Raw asbestos.....	do.....	1,873	289
593.....	Tools and implements of wood.....	do.....	3,500,000	4,368,394
623 a b.....	Crude mineral oils.....	do.....	236,190	341,688
643 a.....	Lubricating oils.....	do.....	80,236	30,860
643 b.....	Kerosene.....	do.....	29,295	29,295
643 b 1.....	Gasoline.....	do.....	272,000	200,000
644.....	Residues of mineral distillation.....	do.....	3,494	3,574
645.....	Turpentine spirit.....	do.....	3,830	6,500
649.....	Benzol, toluol, xylo.....	do.....	187,488	187,488
650.....	Solid paraffin.....	do.....	1,470	1,785
652 a.....	Natural colophane.....	do.....	20,000	20,000
655 a.....	Resins, colophane.....	do.....	50	37
655 b 2.....	Others, not specified.....	do.....	1,169	1,207
622.....	Perfumery.....	do.....	1,808	945
664.....	Sulphorcinates of ammonia, sodium, and potash.....	do.....	358	366
666 a.....	Greases for trucks or machines.....	do.....	834	447
679 f.....	Iron oxide.....	do.....	140	140
723.....	Acetone.....	do.....	60	60
730.....	Bromide of methyl, ethyl, etc.....	do.....	1,390	1,390
748.....	Aniline derivatives.....	do.....	43	24
769.....	Organic chemical products, not specified.....	do.....	220	165
782.....	Medicinal specialties.....	do.....	691	488
795 b 1.....	Synthetic organic colors, others.....	do.....	200	140
798.....	Paints and varnishes, liquid and in paste.....	do.....	30,000	30,370
800 a 3.....	Printing ink, other.....	do.....	310	19
802 b.....	Lampblack.....	do.....	500	900
804.....	Specialties for arts and domestic use.....	do.....	151	60
805.....	Raw skins, etc., not suitable for fur.....	Kilo.....	1,100	611
806.....	Raw skins for furs, fresh, dried.....	Quintal.....	1,200	1,215
808 b.....	Tanned skins with fur, others.....	do.....	25	25
809.....	Tanned skins without fur.....	do.....	111	9
811 b.....	Hides in strips.....	do.....	85	187
811 b 1.....	Leather in strips for hatbands.....	do.....	345	63
828 b 1.....	Elastic rubber tubes.....	do.....	702	34
830 a.....	Rubber thread elastic.....	do.....	126	10,104
835.....	Rubber transmission belting.....	do.....	614	636
834.....	Rubber tires and tubes.....	do.....	277	210
843 b.....	Rubber manufactures not specified.....	Pair.....	9,139	9,063
846 b.....	Pulp for the manufacture of chemical paper.....	Kilo.....	18,415	3,555
847 f.....	Emery paper.....	Quintal.....	9,067	3,971
848 a.....	Vulcanized cardboard.....	Kilo.....	11,104	8,405
888.....	Leather shoes.....	do.....	7,300	7,300
911 a.....	Small wares (haberdashery), not specified.....	do.....	Monopoly	Monopoly
938 b.....	Salted casings.....	Quintal.....	20,853	23,000
947 a 1.....	Photographic films not exposed, sensitized.....	do.....		
948 a.....	Cinematograph films, not exposed.....	do.....		
948 b.....	Cinematograph films, exposed.....	do.....		
951.....	Rags.....	do.....		

APPENDIX II

ITALIAN IMPORTS AND EXPORTS OF PRINCIPAL COMMODITIES IN 1938

TABLE 70.—*Italian imports of principal commodities, 1938*

[Value in millions of lire]

Commodity	Value		Percent of total imports
Coal and coke.....		1,758	15.6
Coal (bituminous and anthracite).....	1,710		
Coke.....	44		
Cotton, raw.....		828	7.4
Machinery, apparatus, and parts.....		769	6.7
Machine tools.....	217		
Nonautomatic.....	190		
Automatic.....	18		
Detached parts of machinery and apparatus.....	110		
Electric generators, motors, static transformers, accumulators, etc.....	93		
Machines and apparatus for heating, cooling, distilling, concentrating, etc.....	52		
Mineral oil, crude, and residues from the distillation of.....		657	5.8
Crude.....	429		
Residues.....	228		
Wool:			
In the grease, and washed, wool waste and flocks.....		420	3.7
In the grease.....	346		
Waste.....	41		
Washed.....	33		
Wood pulp.....		393	3.5
Cellulose.....	391		
Copper and its alloys, in ingots, and scrap.....		327	2.9
Fish (except shellfish, caviar, etc.).....		244	2.2
Dried, salted or smoked.....	188		
Codfish.....	97		
Stockfish.....	44		
Marinated in oil or otherwise prepared.....	39		
Tunny.....	35		
Lumber, common, rough, squared, or sawed.....		236	2.1
Iron and steel scrap.....		233	2.1
Wheat.....		228	2.0
Oilseeds.....		204	1.8
Flaxseed.....	63		
Peanut.....	62		
Sunflower.....	25		
Iron or steel in bars or rods.....		201	1.8
Rubber, crude, and reclaimed, including waste and scrap.....		201	1.8
Crude rubber, not latex.....	175		
Olive oil, edible.....		194	1.7
Hides and skins, raw, except furskins.....		176	1.6
Cattle hides, and calfskins.....	124		
Stones, earths, and other nonmetallic minerals.....		160	1.4
Phosphate rock, natural.....	107		
Coffee.....		149	1.3
Iron and steel manufactures.....		148	1.3
Pipes and tubes, including joists, etc.....	26		
Needles, all kinds.....	11		
Mineral oils (except crude and residues from the distillation of).....		138	1.2
Gasoline.....	68		
Lubricating oils.....	49		
Metallic ores.....		120	1.1
Iron ore.....	60		
Manganese and ferromanganese ore.....	27		
Chemical fertilizers.....		105	.9
Sodium nitrate, crude.....	36		
Fertilizers containing potassium.....	27		
Iron and steel, in sheets.....		95	.9
Meat, fresh and frozen (except poultry, game, etc.).....		85	.8
Beef, frozen.....	79		
Hides, and skins, tanned, including parchment hides and skins, and boot uppers, vamps, etc.....		82	.7
Tin and its alloys, in ingots, rods, sheets, and wire.....		79	.7
Jute, raw.....		77	.7
Ships, tugs, dredges.....		72	.6
Mercantile ships.....	72		
Organic chemical products.....		71	.6
Calcium citrate.....	12		
Acids (acetic, benzoic, citric, etc.).....	9		
All other commodities.....		2,833	25.1
Total imports.....		11,273	100.0

Source: *Commercio di Importazione e di Esportazione* (1938).

TABLE 71.—*Italian exports of principal commodities, 1938*

[Value in millions of lire]

Commodity	Value	Percent of total exports
Cotton cloth.....	675	6.4
Citrus fruits.....	540	5.2
Lemons.....	296	
Oranges and mandarins.....	239	
Dried fruits and nuts.....	511	4.9
Almonds.....	347	
Hazelnuts.....	80	
Grapes and other fresh fruit, except citrus.....	370	3.5
Peaches.....	102	
Apples.....	65	
Table grapes.....	46	
Artificial fibers.....	364	3.5
Crude, single, in flat threads or yarn.....	227	
Crude, thrown or twisted.....	123	
Machinery, apparatus, and parts.....	340	3.2
Detached parts of machinery and apparatus.....	78	
Electric generators, motors, static transformers, accumulators, etc.....	70	
Engines, all kinds, including portable.....	22	
Woolen cloth.....	304	2.9
Wines and vermouth.....	283	2.7
Wines in casks, demijohns, or tank wagons.....	167	
Wines in bottles (daschl).....	63	
Vermouth.....	54	
Automobiles.....	264	2.5
Hemp, flax, and other vegetable fibers, except cotton, raw.....	235	2.2
Hemp, raw.....	188	
Hemp tow.....	46	
Cotton yarns, except sewing thread.....	234	2.2
Cheese.....	229	2.2
Hard cheese.....	175	
Pecorino.....	80	
Parmigiano, lodigiano, reggiano.....	51	
Soft cheese.....	54	
Gorgonzola, stracchino, and fontina.....	45	
Cloth mixed with artificial fibers.....	209	2.0
Containing not less than 12 percent but not more than 50 percent of artificial fibers.....	206	
Silk, raw, reeled.....	203	1.9
Rice.....	203	1.9
Olive oil, edible.....	184	1.8
Flour and semolina.....	181	1.7
Wheat flour.....	172	
Semolina.....	7	
Vegetables, fresh.....	178	1.7
Tomatoes.....	52	
Cauliflower.....	51	
Onions.....	16	
Iron and steel manufactures.....	173	1.7
Pipes and tubes, including joints.....	34	
Bolts, nuts, nails, tacks, studs, rivets, screws, washers, etc.....	24	
Furniture of iron or steel.....	16	
Household utensils of sheet iron or steel.....	10	
Tomatoes, preserved.....	172	1.6
Airplanes, seaplanes, and parts.....	168	1.6
Cotton manufactures.....	159	1.5
Sewn articles of cotton (sacks, bed and table linen, towels, underclothing, etc.).....	66	
Stockings and socks and other knit goods.....	21	
Velvets.....	12	
Gloves.....	9	
Manufactures of rubber, gutta-percha, and ebonite.....	142	1.4
Pneumatic tires and inner tubes, also containing fabric.....	118	
Waste of artificial fibers.....	123	1.2
Manufactures of wool, horsehair, and other animal hair.....	120	1.1
Felts for hats.....	59	
Sewn articles (shawls, blankets, hemmed or with fringe, coats, underclothing, etc.).....	25	
Mixed fabrics of wool and vegetable textile materials containing not less than 15 percent but not more than 50 percent of wool.....	21	
Detached parts of automobiles (including motors), machined.....	117	1.1
Cloth of artificial fibers.....	112	1.1
Sulphur.....	109	1.0
"Other" fabrics and manufactures of artificial fibers.....	109	1.0
Tulles and crepes wholly or in part of artificial fibers.....	33	
Sewn articles (shawls, underclothing, etc.).....	28	
Knit goods, including gloves, socks, stockings, etc.....	21	
Velvets.....	14	

TABLE 71.—*Italian exports of principal commodities, 1938—Continued*

[Value in millions of lire]

Commodity	Value		Percent of total exports
Inorganic chemical products.....		105	1.0
Oxides.....	44		
Aluminum.....	40		
Sulphates.....	24		
Copper.....	16		
Hat shapes, hats, caps, and bonnets.....		99	.9
Men's felt hats.....	59		
Ships, tugs, dredges.....		90	.9
Mercantile ships.....	82		
Potatoes.....		90	.9
Lime, cement, and gypsum.....		82	.8
Cement.....	76		
Arms and ammunition.....		80	.8
Wool yarns.....		79	.8
Marble and alabaster, wrought.....		78	.7
In slabs less than 16 cm. thick.....	32		
Hides and skins, raw, except furskins.....		70	.7
Cattle hides and calfskins.....	59		
Essential oils and essences and terpenes of essential oils.....		65	.6
Lemon, nonterpeneless.....	30		
Bergamot, nonterpeneless.....	23		
Organic chemical products (semimanufactured).....		65	.6
Acids.....	37		
Citric.....	19		
Tartaric.....	17		
Mercury.....		65	.6
Manufactures of flax, hemp, jute, and other vegetable fibers, except cotton.....		65	.6
Sewn articles (sacks, bed and table linen, corsets, etc.).....	30		
Cordage, rope, and twine, even tarred, except of coco-fiber, esparto, etc.....	18		
All other commodities.....		2,453	23.4
Total exports.....		10,497	100.0

Source: *Commercio di Importazione e di Esportazione* (1938).

APPENDIX III

THE TRADE BETWEEN ITALY AND ITS DEPENDENCIES

TABLE 72.—*Foreign trade of Libia with principal countries, 1937 and 1938*

[In thousands of lire: 1 lira=5.26 cents]

Imports from—	Value		Exports to—	Value	
	1937	1938		1937	1938
Italy.....	522,402	786,456	Italy.....	107,382	97,116
Germany (including Austria).....	11,180	19,264	Greece.....	2,239	3,185
Yugoslavia.....	9,331	10,750	Italian East Africa.....	5,062	2,133
United States.....	11,867	10,293	Aegean Islands.....	1,967	1,302
Czechoslovakia.....	169	8,125	Germany (including Austria).....	655	1,011
Netherlands Indies.....	3,787	4,928	Egypt.....	34	378
Brazil.....	3,829	4,913	United Kingdom.....	964	302
Rumania.....	8,717	4,404	Tunisia.....	1,256	236
Japan.....	13,373	4,202	Malta.....	29	141
France.....	3,286	2,640	France.....	62	105
All other countries.....	35,583	26,083	All other countries.....	2,002	3,053
Total.....	623,524	882,058	Total.....	121,652	108,962

Source: *Annuario Statistico Italiano*, 1939.

TABLE 73.—*Italian imports of principal commodities from Italian North Africa,¹ 1937 and 1938*

[In thousands of lire: 1 lira=5.26 cents]

Commodity	1937		1938	
	Value	Percent of total	Value	Percent of total
Wheat.....	.5,484	6.0	10,900	19.7
Hides and skins, raw except furskins.....	11,482	12.0	10,685	19.3
Fish (except shellfish, caviar, etc.).....	5,211	5.7	7,549	13.6
Airplanes, seaplanes, and parts.....	3,550	3.9	4,953	8.9
Vegetable oils and fats, for industrial use.....	1,346	1.5	3,022	5.4
Sponges, common, in a raw state.....	2,194	2.4	2,833	5.1
Wool, in the grease and washed, wool waste, and flocks.....	47,680	52.5	2,744	4.9
Dried fruits and nuts.....	986	1.1	1,636	3.0
Hemp, flax and other vegetable fiber, except cotton, raw.....	98	.1	1,388	2.5
Tobacco, raw.....	—	—	1,330	2.4
Rags of all sorts.....	1,474	1.6	1,066	1.9
Animal hair, raw (other than horsehair).....	2,263	2.5	623	1.1
All other commodities.....	9,163	10.1	6,737	12.2
Total.....	90,906	100.0	55,472	100.0

¹ Africa Settentrionale.

Source: *Commercio di Importazione e di Esportazione*, 1937 and 1938.

TABLE 74.—*Italian exports of principal commodities to Italian North Africa,¹ 1937 and 1938*

[In thousands of lire: 1 lira=5.26 cents]

Commodity	1937		1938	
	Value	Percent of total	Value	Percent of total
Automobiles.....	29,788	7.5	48,902	9.3
Flour and semolina (includes pulse and chestnut meal).....	56,667	14.3	45,024	8.6
Lime, cement, and gypsum.....	20,370	5.2	33,287	6.3
Machinery, apparatus, and parts.....	17,196	4.3	32,252	6.1
Iron and steel manufactures.....	13,861	3.5	22,790	4.3
Iron and steel in bars or rods.....	6,538	1.7	19,144	3.6
Cotton cloth.....	18,066	4.6	13,905	2.7
Airplanes, seaplanes, and parts.....	5,601	1.4	12,663	2.4
Wines and vermouth.....	8,029	2.0	12,596	2.4
Detached parts of motor vehicles (including motors), machined.....	7,444	1.9	12,308	2.3
Rice.....	10,496	2.7	11,987	2.3
Furniture, utensils, and other manufactures of wood (except flooring).....	3,735	.9	9,732	1.9
Mineral oils (except crude and residues from the distillation of).....	5,034	1.3	9,559	1.8
Sugar.....	17,861	4.5	9,068	1.7
Bricks, floor tiles, refractory materials, and manufactures of cement, and plaster wares.....	5,142	1.3	7,893	1.5
Terra cotta, stoneware, majolica ware, pottery, porcelain, and paving and wall tiles.....	4,897	1.2	7,739	1.5
Wheat paste.....	4,762	1.2	6,967	1.3
Cloth in part of artificial fibers.....	1,748	.4	6,141	1.2
Cheese.....	4,828	1.2	6,133	1.2
Manufactures of rubber, gutta-percha, and ebonite.....	6,864	1.7	5,775	1.1
Cotton manufactures.....	5,049	1.3	5,778	1.1
Mineral oil, crude, and residues from the distillation of.....	1,210	.3	5,600	1.1
Boots and shoes, sandals, and slippers of skin or leather.....	4,661	1.2	5,237	1.0
Tomatoes preserved.....	4,126	1.1	5,188	1.0
All other commodities.....	132,009	33.3	170,496	32.3
Total.....	395,982	100.0	526,164	100.0

¹ Africa Settentrionale.

 Source: *Commercio di Importazione e di Esportazione*, 1937 and 1938.

 TABLE 75.—*Foreign trade of Italian East Africa by principal commodities, 1938*

[In thousands of lire; 1 lira=5.26 cents]

Imports	Value	Exports	Value
Cotton ¹	331,338	Vehicles.....	3,967
Cereals, pulse, tubers, and alimentary derivatives.....	319,322	Hides, skins, and furs.....	31,973
Vehicles.....	233,870	Vegetables and fruits.....	28,458
Mineral, resinous, and tar oils; gums and resins.....	170,729	Colonial products, and substitutes therefor, sugar and sugar products ²	22,564
Beverages.....	164,058	Cotton ³	12,155
Rubber and gutta-percha.....	143,350	Gold, and gold and silver coins.....	11,161
Cast iron, wrought iron, steel, copper, ferroalloys, etc., and miscellaneous manufactures of base metals, not included in other categories.....	127,270	Materials for carving and inlaying.....	9,120
Machines and apparatus.....	105,849	Salt and tobacco.....	6,853
Colonial products and substitutes therefor, sugar and sugar products ²	88,430	Mineral, resinous, and tar oils, gums and resins.....	3,522
Clothing, linen, and other sewn articles not included in other categories.....	85,469	Cast iron, wrought iron, steel, copper, ferroalloys, etc., and miscellaneous manufactures of base metals, not included in other categories.....	3,270
Vegetables and fruits.....	69,030	Precious stones, silver, platinum, and manufactures of precious metals.....	2,651
Oils and fats, animal and vegetable, also wax.....	57,303	Fishery products.....	2,156
Wood and cork.....	56,868	Machines and apparatus.....	2,117
Milk and dairy products.....	49,435	Oils and fats, animal and vegetable, also wax.....	1,747
Bricks, tiles, and cement materials.....	46,550	Essential oils, perfumery, soap, and candles.....	1,658
All other commodities.....	427,286	All other commodities.....	8,496
Total.....	2,477,057	Total.....	191,877

¹ Mostly cotton manufactures.

² Includes also coffee, tea, cocon, and spices.

³ Mostly raw cotton.

 Source: *Annuario Statistico Italiano*, 1939.

TABLE 76.—Foreign trade of Italian East Africa with principal countries, 1938

[In thousands of lire; 1 lira=5.26 cents]

Imports from—	Value	Exports to—	Value
Italy.....	2,082,038	Italy.....	114,845
Iran.....	53,994	Aden.....	14,205
United States.....	52,902	United Kingdom.....	12,086
Czechoslovakia.....	44,671	French Somaliland.....	10,321
Germany.....	23,901	Sudan.....	8,275
Aden.....	19,724	Yemen.....	8,061
Egypt.....	16,968	Japan.....	4,326
French Somaliland.....	14,643	France.....	3,789
France.....	14,175	United States.....	3,387
Arabia.....	14,035	Zanzibar.....	3,048
Sudan.....	10,938	Kenya.....	2,919
Yugoslavia.....	10,520	Arabia.....	1,691
Rumania.....	9,419	Germany.....	1,671
Japan.....	8,870	British Somaliland.....	809
British India.....	8,481	Libia.....	77
All other countries.....	111,778	All other countries.....	2,397
Total.....	2,477,057	Total.....	191,877

Source: *Annuario Statistico Italiano*, 1939, p. 353.TABLE 77.—Italian imports of principal commodities from Italian East Africa,¹ 1937 and 1938

[Value in thousands of lire; 1 lira=5.26 cents]

Commodity	1937		1938	
	Value	Percent of total	Value	Percent of total
Pineapples and bananas.....	43,887	17.8	62,328	45.4
Hides and skins, raw, except furskins.....	163,952	66.6	33,158	24.2
Cotton, raw.....	6,186	2.5	13,241	9.7
Coffee.....	15,143	6.1	9,639	7.0
Corozo nuts and seeds of the dum palm.....	1,447	.6	3,136	2.3
Oil seeds.....	2,496	1.0	2,717	2.0
Mother-of-pearl, raw.....	1,473	.6	2,065	1.5
Rubber, crude and reclaimed including waste and scrap.....	1,000	.5	1,387	1.0
Gums, resins, and balsams, natural.....	938	.4	1,294	.9
Copper and its alloys in ingots and scrap.....	335	.1	1,112	.8
Furskins, raw.....	3,648	1.5	1,000	.7
All other commodities.....	5,651	2.3	6,101	4.5
Total.....	246,246	100.0	137,178	100.0

¹ Includes Eritrea, Ethiopia, and Somalia.Source: *Commercio di Importazione e di Esportazione*, 1937 and 1938.

TABLE 78.—Italian exports of principal commodities to Italian East Africa,¹ 1937 and 1938

[Value in thousands of lire; 1 lira=5.26 cents]

Commodity	1937		1938	
	Value	Percent of total	Value	Percent of total
Machinery, apparatus, and parts.....	112,934	5.4	135,066	7.3
Cotton cloth.....	150,972	7.2	129,048	7.0
Flour and semolina (including pulse and chestnut meal).....	98,905	4.7	121,942	6.6
Cloth in part of artificial fiber.....	23,949	1.1	121,091	6.6
Manufactures of rubber, gutta-percha and ebonite.....	93,360	4.4	95,700	5.2
Iron and steel manufactures.....	72,330	3.4	90,238	4.9
Wine and vermouth.....	79,560	3.8	85,381	4.6
Detached parts of motor vehicles (including motors), machined.....	102,938	4.9	74,605	4.1
Cotton yarns (except of sewing thread).....	30,839	1.5	58,228	3.2
Automobiles.....	429,490	20.3	53,905	2.9
Wheat paste.....	33,588	1.6	38,974	2.1
Cotton manufactures.....	48,774	2.3	35,878	2.0
Tobacco manufactures.....	39,531	1.9	34,022	1.8
Lime, cement, and gypsum.....	39,755	1.9	34,058	1.9
Olive oil, edible.....	31,622	1.5	30,553	1.7
Cloth of artificial fiber.....	15,700	.7	23,910	1.3
Spirits, potable, and other spirituous beverages.....	17,306	.8	22,073	1.2
Boots and shoes, sandals, and slippers of skin or leather.....	27,691	1.3	21,080	1.1
Furniture, utensils, and other manufactures of wood (except flooring).....	25,321	1.2	20,095	1.1
Artificial fibers.....	483	(²)	20,006	1.1
"Other" fabrics and manufactures of artificial fibers.....	13,896	.7	19,004	1.0
Manufactures of wool, horsehair, and other animal hair.....	20,880	1.0	17,827	1.0
Cheese.....	17,500	.8	18,465	1.0
Iron and steel in bars or rods.....	12,844	.6	17,601	1.0
Beer.....	37,856	1.8	16,380	.9
Utensils, tools, and implements for arts, trades, and agri- culture.....	23,295	1.1	16,067	.9
All other commodities.....	509,484	24.1	486,421	26.5
Total.....	2,110,833	100.0	1,837,618	100.0

¹ Includes Eritrea, Ethiopia, and Somalia.

² Less than 1/10 of 1 percent.

Source: *Commercio di Importazione e di Esportazione*, 1937 and 1938.

TABLE 79.—Foreign trade of the Aegean Islands with Italy and with all countries, by principal commodities, 1938

[In thousands of lire; 1 lira=5.26 cents]

Imports			Exports ¹		
Commodity	From Italy	From all countries	Commodity	To Italy	To all countries
Cereals, grains, paste.....	19,214	28,450	Animals and animal products.....	1,197	6,983
Metals and their products.....	18,817	19,618	Beverages, spirits, oils.....	3,530	3,788
Beverages, spirits, oils.....	4,744	18,903	Cereals, grains, paste.....	2,380	2,619
Animals and animal products.....	6,352	11,940	Colonial products, drugs, tobacco.....	1,596	1,963
Stones, earths, china, glass.....	7,447	7,649	Wool.....	1,067	1,112
Hemp, linen, cotton.....	7,527	7,631	Wood and straw.....	409	483
Vehicles.....	5,431	5,568	Hides, skins, and manufactures thereof.....	286	396
Colonial products, drugs, tobacco.....	2,319	5,190	Metals and their products.....	230	240
Wood and straw.....	2,344	3,596	Jute, esparto, manila, etc.....	198	198
Wool.....	2,991	3,486	Chemical products, medicinals, etc.....	150	150
All other commodities.....	44,938	45,420	All other commodities.....	3,657	3,919
Total:			Total:		
1938.....	122,124	157,421	1938.....	14,809	21,851
1937.....	88,439	122,374	1937.....	11,605	19,705
1936.....	78,216	111,030	1936.....	10,113	13,093

¹ Does not include transit trade.

Source: *Annuario Statistico Italiano*, 1939.

TABLE 80.—*Italian imports of principal commodities from the Aegean Islands, 1937 and 1938*

[Value in thousands of lire; 1 lira=5.26 cents]

Commodity	1937		1938	
	Value	Percent of total	Value	Percent of total
Olive oil, edible.....	3,863	30.2	4,076	25.0
Dried fruits and nuts.....	4,007	31.3	3,880	23.8
Wines and vermouth.....	1,718	13.4	1,661	10.2
Manufactures of wool, horsehair, and other animal hair.....	854	6.7	1,630	10.0
Tobacco manufactures.....	767	6.0	1,310	8.0
Hides and skins, raw except furskins.....	245	1.9	804	5.6
Sponges, common, in the raw state.....	544	4.2	773	4.8
Vegetable oil and fats, for industrial use.....			296	1.8
Wheat.....	9	.1	152	.9
Iron and steel scrap.....	86	.7	73	.5
Copper and its alloys in ingots and scrap.....	150	1.2	63	.4
All other commodities.....	550	4.3	1,459	9.0
Total.....	12,793	100.0	16,277	100.0

Source: *Commercio di Importazione e di Esportazione, 1937 and 1938.*TABLE 81.—*Italian exports of principal commodities to the Aegean Islands, 1937 and 1938*

[Value in thousands of lire: 1 lira=5.26 cents]

Commodity	1937		1938	
	Value	Percent of total	Value	Percent of total
Flour and semolina (includes pulse and chestnut meal).....	15,695	21.6	12,475	14.8
Automobiles.....	1,508	2.0	5,774	6.8
Machinery, apparatus, and parts.....	2,494	3.4	5,124	6.1
Iron and steel manufactures.....	4,566	6.2	4,195	5.0
Arms and ammunition.....	137	.2	3,805	4.5
Cotton cloth.....	3,506	4.8	2,422	2.9
Lime, cement, and gypsum.....	3,462	4.7	2,400	2.8
Rice.....	1,809	2.3	1,979	2.3
Wheat paste.....	1,038	1.4	1,927	2.3
Cheese.....	1,098	1.5	2,057	2.4
Cotton manufactures.....	1,517	2.1	1,866	2.2
Iron and steel in bars or rods.....	2,620	3.6	1,662	2.0
Cloth of artificial fibers.....	1,468	2.0	1,560	1.8
Cattle.....	53	.1	1,549	1.8
Furniture, utensils, and other manufactures of wood (except flooring).....	1,331	1.8	1,455	1.7
Woolen cloth.....	1,916	2.6	1,415	1.7
All other commodities.....	29,264	39.7	32,825	38.9
Total.....	73,682	100.0	84,490	100.0

Source: *Commercio di Importazione e di Esportazione, 1937 and 1938.*

TABLE 82.—Foreign trade of Albania by economic classes, 1934, and 1936-38

[Value in thousands of Albanian francs: 1 Albanian franc=32.68 cents]

Economic class	1934		1936		1937		1938 ¹	
	Value	Percent of total	Value	Percent of total	Value	Percent of total	Value	Percent of total
Imports								
Foodstuffs and live animals...	1,644	13.3	3,832	22.8	3,876	19.1	5,186	22.8
Raw materials for industry...	428	3.5	249	1.5	301	1.5	482	2.1
Semimanufactured materials...	2,319	18.8	2,586	15.4	2,862	14.1	3,152	13.9
Finished products.....	7,942	64.4	9,662	57.6	11,822	58.2	13,739	60.6
Gold and silver.....	-----	-----	449	2.7	1,455	7.1	109	.6
Total.....	12,333	100.0	16,778	100.0	20,316	100.0	22,668	100.0
Exports								
Foodstuffs and live animals...	2,410	56.2	2,997	40.3	3,255	32.0	3,257	35.7
Raw materials for industry...	1,420	33.2	3,770	50.7	6,241	61.3	5,146	56.4
Semimanufactured materials...	464	10.6	532	7.1	657	6.5	726	7.9
Finished products.....	-----	-----	4	.1	1	.0	-----	-----
Gold and silver.....	-----	-----	132	1.8	21	.2	-----	-----
Total.....	4,284	100.0	7,435	100.0	10,175	100.0	9,129	100.0

¹ Data provisional.

Source: *Annuario Statistico Italiano*, 1939.

TABLE 83.—Foreign trade of Albania by principal commodities, 1934, and 1936-38

[Value in thousands of Albanian francs: 1 Albanian franc=32.68 cents]

Commodity	1934		1936		1937		1938 ¹	
	Value	Percent of total	Value	Percent of total	Value	Percent of total	Value	Percent of total
Imports								
Cotton and cotton cloth.....	3,369	27.3	3,471	20.7	4,046	19.9	4,832	21.3
Cereals and agricultural products...	397	3.2	2,742	16.3	2,575	12.7	3,351	14.8
Oils (for fuel), industrial greases and candles.....	1,326	10.8	1,799	10.7	2,141	10.5	2,302	10.2
Iron, steel, and related products.....	692	5.6	898	5.4	1,167	5.7	1,255	5.5
Wool and wool cloth.....	655	5.3	852	5.1	1,033	5.1	1,232	5.4
Colonial products, sugar and sugar products ²	992	8.0	898	5.4	1,062	5.2	1,107	4.9
Colors and chemical products.....	490	4.0	704	4.2	885	4.4	871	3.8
Vehicles.....	321	2.6	346	2.1	474	2.3	838	3.7
Timber (building wood) and other wood.....	466	3.8	519	3.1	567	2.8	831	3.7
Machines, motors, and their accessories.....	176	1.4	509	3.0	579	2.9	738	3.3
All other commodities.....	3,449	28.0	4,040	24.0	5,787	28.5	5,311	23.4
Total.....	12,333	100.0	16,778	100.0	20,316	100.0	22,668	100.0
Exports								
Foodstuffs and products of animals and fish.....	1,389	32.4	2,059	27.7	1,853	18.2	1,748	19.2
Hides and skins, crude and other raw animal materials not manufactured.....	686	16.0	1,047	14.1	1,587	15.6	1,456	16.0
Cereals, agricultural products, fruits and vegetables.....	638	14.9	839	11.3	860	8.5	1,393	15.3
Live animals.....	580	13.5	507	6.8	892	8.8	804	8.8
Timber and other wood.....	196	4.6	228	3.1	951	9.4	695	7.6
Colors and chemical products.....	392	9.2	390	5.3	521	5.1	534	5.9
Wool and wool cloth.....	312	7.3	887	11.9	1,833	18.0	322	3.5
Tobacco.....	63	1.5	200	2.7	190	1.9	216	2.4
Inflammable materials and explosives.....	21	.5	103	1.4	130	1.3	204	2.2
Seeds and berries.....	1	(³)	44	.6	4	(³)	21	.2
All other commodities.....	6	.1	1,131	15.1	1,354	13.2	1,736	18.9
Total.....	4,284	100.0	7,435	100.0	10,175	100.0	9,129	100.0

¹ Data provisional.

² Includes also coffee, tea, cocoa, and spices.

³ Less than 1/10 of 1 percent.

Source: *Annuario Statistico Italiano*, 1939.

TABLE 84.—Foreign trade of Albania with principal countries, 1934 and 1936-38

[Value in thousands of Albanian francs; 1 Albanian franc=32.68 cents]

Country	1934		1936		1937		1938	
	Value	Percent of total	Value	Percent of total	Value	Percent of total	Value	Percent of total
Imports								
Italy.....	4,203	34.1	4,177	24.9	4,881	24.0	8,327	36.7
Yugoslavia.....	827	6.7	1,258	7.5	2,272	11.2	2,520	11.1
Rumania.....			621	3.7	2,173	10.7	2,285	10.1
United States.....	705	5.7	805	4.8	933	4.6	1,355	6.0
Germany.....	641	5.2	1,025	6.1	957	4.7	1,255	5.5
Czechoslovakia.....	679	5.5	1,138	6.8	1,365	6.7	899	4.0
Japan.....	1,443	11.7	1,504	9.0	1,488	7.3	799	3.5
United Kingdom.....	1,134	9.2	1,408	8.4	1,000	4.9	786	3.5
Greece.....	634	5.1	728	4.3	639	3.2	735	3.2
All other countries.....	2,067	16.8	4,114	24.5	4,608	22.7	3,707	16.4
Total.....	12,333	100.0	16,778	100.0	20,316	100.0	22,668	100.0
Exports								
Italy.....	2,718	63.5	4,054	66.6	7,998	78.6	6,133	67.2
Greece.....	876	20.5	794	10.7	928	9.1	1,424	15.6
United States.....	413	9.6	1,102	14.8	851	8.5	435	4.8
Czechoslovakia.....	14	.3	106	1.4	96	.9	249	2.7
United Kingdom.....	34	.8	68	.8	69	.7	169	1.9
Yugoslavia.....	211	4.9	144	2.0	72	.7	66	.7
All other countries.....	18	.4	277	3.7	151	1.5	653	7.1
Total.....	4,284	100.0	7,435	100.0	10,175	100.0	9,129	100.0

Source: *Annuario Statistico Italiano*, 1939.

TABLE 85.—Italian imports from and exports to Albania, by principal commodities, 1937 and 1938

[In thousands of lire; 1 lira=5.26 cents]

Imports	Value		Exports	Value	
	1937	1938		1937	1938
Mineral oil, crude, and residues from the distillation of.....	11,753	16,117	Cotton cloth.....	5,952	14,706
Hides and skins, raw (except furskins).....	13,332	13,197	Iron and steel manufactures.....	10,673	10,048
Bitumens, solid.....	6,025	8,441	Cotton yarns (except sewing thread).....	3,487	4,755
Poultry eggs.....	4,248	4,001	Cotton manufactures.....	2,220	3,300
Olives, fresh.....	2,293	3,715	Woolen cloth.....	1,273	3,116
Wool, in the grease and washed, and wool waste and flocks.....	13,554	3,092	Machinery, apparatus, and parts.....	1,785	2,802
Lumber, common, rough, squared or sawed.....	1,332	1,676	Paper.....	234	1,373
Rushes, canes, and osiers, rough.....	1,549	1,575	Airplanes, seaplanes, and parts.....	91	1,258
Equines.....	1,147	1,473	Sugar.....		1,149
Furskins, raw.....	0	1,256	Wheat.....	829	1,125
Beans dried.....	1,241	1,111	Manufactures of flax, hemp, jute, and other vegetable fibers, except cotton.....	349	952
All other commodities.....	5,840	5,183	Mineral oil, crude, and residues from the distillation of.....	193	872
Total.....	62,323	60,837	All other commodities.....	12,247	19,222
			Total.....	39,339	65,278

Source: *Commercio di Importazione e di Esportazione*, 1938.

APPENDIX IV

TRADE STATISTICS FOR EIGHT LEADING COMMODITIES IN UNITED STATES-ITALIAN COMMERCE

TABLE 86.—Raw cotton, except linters: World production and United States domestic production and exports, 5-year averages 1920-24 and 1925-29 and annually 1929-39

(Quantity in millions of pounds)

Crop year beginning August 1	Total world production	United States pro- duction	Ratio of United States pro- duction to world total	United States ex- ports	Ratio of exports to domestic production
5-year average:					
1920-24.....	10,180	5,492	53.9	3,138	57.1
1925-29.....	13,579	7,634	56.2	4,288	56.2
1929-30.....	13,430	7,412	55.2	3,518	47.5
1930-31.....	13,115	6,966	53.1	3,566	51.2
1931-32.....	13,910	8,548	61.5	4,596	53.8
1932-33.....	12,180	6,501	53.4	4,448	68.4
1933-34.....	13,445	6,524	48.5	3,982	61.0
1934-35.....	11,920	4,818	40.4	2,519	52.3
1935-36.....	13,375	5,319	39.8	3,134	58.9
1936-37.....	15,735	6,199	39.4	2,844	45.9
1937-38.....	19,325	9,473	49.0	2,988	31.5
1938-39.....	14,500	5,972	41.2	1,756	29.4
1939-40 ¹	14,400	5,908	41.0	3,266	55.3

¹ Preliminary.

Source: World production figures from U. S. Department of Agriculture, Bureau of Agricultural Economics, *Statistics on Cotton and Related Data*, December 1939, pp. 9-10, and later revisions. Data converted to pounds from gross bales.

Domestic production from U. S. Bureau of Census, *Cotton Production and Distribution* (annual), table 4; converted to pounds from gross bales.

Exports from official statistics of the U. S. Department of Commerce.

TABLE 87.—Raw cotton, except linters: United States domestic exports to leading markets, 5-year averages 1920-24 and 1925-29 and annually 1929-39

Period	Italy	United King- dom	Ger- many	Japan	France	Canada	Belgium	Poland and Danzig	All other-
Quantity in millions of pounds									
5-year average:									
1920-24.....	286.7	980.6	607.3	378.0	368.8	91.2	92.5	7.9	322.3
1925-29.....	387.2	1,016.8	1,048.9	618.6	468.1	120.3	111.4	.1	631.4
1929.....	405.2	794.9	869.3	567.4	430.3	120.9	101.3	.3	595.1
1930.....	280.8	625.2	868.4	470.4	489.9	99.4	75.0	.7	512.2
1931.....	277.2	469.2	717.6	613.8	233.0	86.7	82.2	9.6	813.8
1932.....	371.8	779.6	923.4	1,178.4	435.7	95.4	82.7	59.8	787.9
1933.....	425.8	779.6	873.4	949.8	454.8	110.8	81.6	122.7	613.0
1934.....	260.5	467.0	391.1	906.4	227.3	130.5	48.2	111.3	486.4
1935.....	238.0	619.1	312.4	793.0	314.6	127.3	87.1	144.8	448.5
1936.....	178.8	635.8	361.4	704.8	379.1	138.4	73.0	112.1	242.6
1937.....	278.4	798.3	427.1	462.3	388.8	149.0	97.9	103.6	329.3
1938.....	200.3	427.7	171.6	534.4	241.2	126.9	69.7	105.4	411.3
1939 ¹	195.6	585.2	91.7	427.0	199.3	150.2	84.4	49.1	622.0
Percent of total quantity									
5-year average:									
1920-24.....	9.1	31.3	19.4	12.0	11.8	2.9	2.9	0.3	10.2
1925-29.....	8.8	23.1	23.8	14.1	10.6	2.7	2.5	(²)	14.4
1929.....	10.4	20.5	22.4	14.6	11.1	3.1	2.6	(²)	15.3
1930.....	8.2	18.3	25.4	13.7	14.3	2.9	2.2	.3	15.0
1931.....	7.7	13.0	19.9	25.3	6.5	2.4	2.3	1.3	22.6
1932.....	7.9	16.5	19.6	25.0	9.2	2.0	1.8	1.3	16.7
1933.....	9.7	17.7	19.8	21.5	10.3	2.5	1.8	2.8	13.9
1934.....	8.6	15.4	12.9	29.9	7.5	4.3	1.6	3.7	15.1
1935.....	7.7	20.1	10.1	25.7	10.2	4.1	2.8	4.7	14.6
1936.....	6.3	22.5	12.8	24.9	13.4	4.9	2.6	4.0	8.6
1937.....	9.2	26.3	14.1	15.2	12.8	4.9	3.2	3.4	10.9
1938.....	8.8	18.7	7.5	23.4	10.5	5.5	3.0	4.6	18.0
1939 ¹	8.1	24.3	3.8	17.8	8.3	6.3	3.5	2.0	25.9

¹ Preliminary.

² Less than 1/10 of 1 percent.

Source: Compiled from official statistics of the U. S. Department of Commerce.

TABLE 88.—*Raw cotton: Italian imports of all commodities and of raw cotton from the United States, 1923-39*

Year	Total, all commodities from United States		Raw cotton from United States		
	Millions of lire	Millions of dollars	Millions of lire	Millions of dollars	Percent of total imports
1923.....	4,608.0	212.0	1,471.0	67.7	31.9
1924.....	4,648.2	202.7	1,748.9	76.3	37.6
1925.....	6,195.5	246.6	2,236.7	89.0	36.1
1926.....	5,607.7	218.1	2,209.0	85.9	39.4
1927.....	3,958.1	204.2	1,328.0	68.5	33.6
1928.....	4,012.3	211.0	1,594.6	83.9	39.7
1929.....	3,561.0	186.2	1,543.8	80.7	43.4
1930.....	2,538.0	133.0	1,011.0	53.0	39.8 ^a
1931.....	1,327.0	69.1	492.5	25.7	37.1
1932.....	1,108.1	56.8	566.7	29.1	51.1
1933.....	1,114.7	74.8	629.4	42.2	56.5
1934.....	957.1	81.9	448.9	38.4	46.9
1935.....	879.1	72.5	340.7	28.1	38.8
1936.....	895.1	65.3	310.9	22.7	34.7
1937.....	1,539.1	81.0	608.2	32.0	39.5
1938.....	1,338.4	70.4	477.6	25.1	35.7
1939 (January-June) ¹	527.5	27.7	137.3	7.2	26.0

¹ Preliminary.

Source: Compiled from official Italian trade statistics. For rates of exchange used in conversion of lire into dollars, see table 18 on p. 82.

TABLE 89.—*Raw cotton: Total Italian imports, imports from the United States ¹ and from other principal suppliers, 1923-39*

(Value in millions of lire)

Year	Total imports	Imports from United States	Percent of total from leading suppliers				
			United States	Egypt	British India ²	Brazil	All other ³
1923.....	2,244	1,471	65.6	14.3	19.0	(⁴)	1.1
1924.....	2,810	1,749	62.3	12.5	23.8	(⁴)	1.4
1925.....	3,343	2,237	66.9	13.2	17.9	(⁴)	2.0
1926.....	3,005	2,209	73.5	10.2	14.1	(⁴)	2.2
1927.....	1,762	1,328	75.4	12.6	10.3	(⁴)	1.7
1928.....	2,186	1,595	72.9	12.7	12.8	(⁴)	1.6
1929.....	2,201	1,544	70.1	13.7	13.8	(⁴)	2.4
1930.....	1,444	1,011	70.0	12.3	15.3	(⁴)	2.4
1931.....	772	493	63.8	15.8	15.9	(⁴)	4.5
1932.....	738	507	76.8	12.9	7.2	(⁴)	3.1
1933.....	840	629	74.9	12.5	11.2	(⁴)	1.4
1934.....	722	449	62.2	19.2	15.1	(⁴)	2.3
1935.....	578	341	59.0	21.0	15.6	(⁴)	3.1
1936.....	450	311	69.1	16.4	5.4	(⁴)	6.1
1937.....	1,056	608	57.6	21.3	7.9	(⁴)	9.5
1938.....	828	478	57.7	19.7	6.1	(⁴)	13.5
1939 (6 months) ¹	289	137	47.6	20.1	5.4	(⁴)	20.1

¹ For a similar table, by quantity, see ch. V of this report, p. 131.² Listed as British India and Ceylon up to 1935. Cotton is not produced in Ceylon.³ Data include imports from Italian dependencies; they accounted for 1.6 percent of total imports in 1938.⁴ Less than 1/10 of 1 percent.⁵ Preliminary.Sources: *Annuario Statistico Italiano*, and *Statistica del Commercio Speciale di Importazione e di Esportazione*.

TABLE 90.—Crude petroleum: World production and United States domestic production and exports, 5-year averages, 1920-24 and 1925-29 and annually 1929-39

[Quantity in millions of 42-gallon barrels]

Period	Total world production	United States production	Ratio of United States production to world total	United States exports	Ratio of exports to domestic production
5-year average:			Percent		Percent
1920-24.....	868.8	583.8	67.2	12.3	2.1
1925-29.....	1,247.8	868.9	69.6	17.9	2.1
1929.....	1,485.9	1,007.3	67.8	26.4	2.6
1930.....	1,411.9	898.0	63.6	23.7	2.6
1931.....	1,373.7	851.1	62.0	25.5	3.0
1932.....	1,309.7	785.2	60.0	27.4	3.5
1933.....	1,441.0	905.7	62.8	36.6	4.0
1934.....	1,521.5	908.1	59.7	41.1	4.5
1935.....	1,654.5	996.6	60.2	51.4	5.2
1936.....	1,791.5	1,099.7	61.4	50.3	4.6
1937.....	2,039.0	1,279.2	62.7	67.1	5.2
1938.....	1,987.7	1,214.4	61.1	77.3	6.4
1939 ¹	2,076.8	1,264.3	60.9	72.1	5.7

¹ Preliminary.

Source: Production figures compiled from official statistics of the U. S. Bureau of Mines; export figures from the U. S. Department of Commerce.

TABLE 91.—Crude petroleum: United States domestic exports to leading markets, 5-year averages, 1920-24 and 1925-29 and annually 1929-39

Period	Italy	Canada	France	Japan	Germany	Argentina	Cuba	All other
Quantity in thousands of 42-gallon barrels								
5-year average:								
1920-24.....	30	8,330	60	287	363	504	670	2,080
1925-29.....	57	14,556	14	1,669	180	72	611	786
1929.....		22,412	4	2,476	33	101	701	667
1930.....	1	18,967	(¹)	2,029	755	68	512	475
1931.....		19,209	620	3,606	131	(¹)	769	1,200
1932.....	76	18,133	3,404	4,877	(¹)	143	233	525
1933.....	43	19,501	9,143	5,533	676		313	1,375
1934.....	446	21,962	10,204	6,693	380	769		673
1935.....	1,607	24,412	10,348	10,483	1,531	1,112	92	1,845
1936.....	1,863	25,683	7,463	10,381	1,176	1,284	654	1,809
1937.....	4,544	29,080	10,066	15,995	1,430	1,420	905	4,687
1938.....	6,751	24,845	10,743	21,272	1,287	1,504	905	3,947
1939 ¹	4,985	28,121	14,955	16,086	416	2,125	1,141	4,235
Percent of total quantity								
5-year average:								
1920-24.....	0.2	67.7	0.5	2.3	2.9	4.1	5.4	16.9
1925-29.....	.3	81.1	.1	9.3	1.0	.4	3.4	4.4
1929.....		84.9		9.4	.1	.4	2.7	2.5
1930.....	(²)	80.0	(²)	12.3	3.2	.3	2.2	2.0
1931.....		75.3	2.4	14.1	.5	(²)	3.0	4.7
1932.....	.3	66.3	12.4	17.8	(²)	.5	.8	1.9
1933.....	.1	53.3	25.0	15.1	1.8		.9	3.8
1934.....	1.1	53.4	24.8	16.3	.9	1.9		1.6
1935.....	3.1	47.5	20.1	20.4	3.0	2.2	.2	3.5
1936.....	3.7	51.1	14.8	20.6	2.3	2.6	1.3	3.6
1937.....	6.8	41.9	15.0	23.8	2.1	2.1	1.3	7.0
1938.....	8.7	32.2	21.7	27.5	1.7	1.9	1.2	5.1
1939 ¹	6.9	39.0	20.8	22.3	.6	2.9	1.6	5.9

¹ Less than 500.

² Preliminary.

³ Less than 1/10 of 1 percent.

Source: Compiled from official statistics of the U. S. Department of Commerce.

TABLE 92.—Crude mineral oils: Total Italian imports and imports from principal suppliers, 2- and 5-year averages, 1923-24 and 1925-29 and annually 1929-38

[Quantity in thousands of quintals; 1 quintal=220.46 pounds—about 30 gallons]

Period	Total imports	Imports from leading suppliers							
		United States		Iraq	Colombia	Albania	Rumania	U. S. S. R. ¹	All other
		Quantity	Percent of total						
2- and 5-year average:									
1923-24.....	232.4	33.3	14.3				5.0	194.1	
1925-29.....	451.4	120.5	26.7		68.1	(²)	239.7	23.1	
1929.....	598.0	138.8	23.2		141.1	(²)	317.6	.5	
1930.....	964.4	160.4	16.6		276.6		527.1	.3	
1931.....	1,015.2	460.6	45.4				40.9	(³)	
1932.....	1,271.7	330.2	26.0		290.6	(²)	650.7	.2	
1933.....	1,352.2	(²)	(²)		631.8	(²)	421.6	298.7	
1934.....	1,429.5	240.6	16.8		636.9	.1	479.0	72.8	
1935.....	2,199.9	227.7	10.4	368.4	644.1	.1	849.6	(⁴)	
1936.....	3,008.4	698.8	23.2	1,109.4	549.6	407.3	123.5	119.8	
1937.....	9,358.7	5,093.4	54.4	2,128.2	805.6	567.6	297.1	466.8	
1938.....	14,765.2	8,650.9	58.6	2,363.3	1,175.1	653.1	686.6	1,236.2	

¹ Classified as Russia, 1923-29, as U. S. S. R. in Europe, 1930-32, and as U. S. S. R., 1933-37.

² Less than 50 quintals.

³ Less than 1/10 of 1 percent.

⁴ Not shown separately.

Source: Compiled from official Italian trade statistics.

TABLE 93.—Iron and steel scrap: United States consumption and domestic exports,¹ 5-year averages 1920-24 and 1925-29 and annually, 1929-39

[Quantity in thousands of long tons]

Period	Total consumption of plant and market grades	Total exports	
		Quantity	Percent of United States consumption
5-year average:			
1920-24.....	23,060	97	0.4
1925-29.....	33,040	300	.9
1929.....	37,600	557	1.5
1930.....	26,600	359	1.3
1931.....	18,300	136	.7
1932.....	10,000	228	2.3
1933.....	17,400	773	4.4
1934.....	18,800	1,835	9.8
1935.....	26,415	2,045	7.7
1936.....	36,368	1,877	5.2
1937.....	38,006	4,048	10.7
1938.....	21,345	2,974	13.9
1939 ²	35,006	3,559	10.1

¹ Prior to 1935 exports of tin plate scrap, including circles, etc., and waste-waste tin plate were not reported separately but were included with iron and steel scrap; the amounts included, however, were small.

² Preliminary.

Source: Consumption figures from *Institute of Scrap Iron and Steel Yearbook, 1939*, p. 14; export figures from *Foreign Commerce and Navigation of the United States*.

TABLE 94.—Iron and steel scrap: ¹ United States domestic exports to leading markets, 5-year averages 1920-24 and 1925-29 and annually 1929-39

Period	Total	Italy	Japan	United Kingdom	Canada	Poland and Danzig	Germany	All other
5-year average:								
1920-24.....	97	4	11	20	47	(²)	(²)	15
1925-29.....	300	48	93	2	96	31	10	20
1929.....	557	92	208	3	112	75	20	47
1930.....	359	32	168	4	104	5	7	39
1931.....	136	2	48	2	68	3	(³)	13
1932.....	228	7	164	1	45	4	(³)	7
1933.....	773	114	547	6	40	30	14	22
1934.....	1,835	226	1,169	134	54	124	11	117
1935.....	2,045	383	1,065	277	95	37	4	184
1936.....	1,877	285	1,010	365	63	31	7	116
1937.....	4,048	381	1,873	846	184	276	88	400
1938.....	2,974	435	1,366	387	92	151	231	312
1939 ⁴	3,559	426	2,024	508	175	155	17	254
	Percent of total quantity							
5-year average:								
1920-24.....		4.1	11.3	20.6	48.5	(²)	(²)	15.5
1925-29.....		16.0	31.0	.7	32.0	10.3	3.3	6.7
1929.....		16.6	37.4	.5	20.1	13.5	3.6	8.3
1930.....		9.0	46.8	1.1	29.0	1.4	1.9	10.8
1931.....		1.6	35.3	1.5	50.0	2.2	(³)	9.4
1932.....		2.9	72.1	.3	19.9	1.9	.1	2.8
1933.....		14.8	70.8	.8	5.1	3.9	1.8	2.8
1934.....		12.3	63.7	7.3	3.0	6.7	.6	6.4
1935.....		18.7	52.1	13.6	4.6	1.8	.2	9.0
1936.....		15.2	53.8	19.4	3.3	1.7	.4	6.2
1937.....		9.4	46.3	20.9	4.6	6.8	2.2	9.8
1938.....		14.6	45.9	13.0	3.1	5.1	7.8	10.5
1939 ⁴		12.0	56.9	14.3	4.9	4.3	.5	7.1

¹ Prior to 1935 exports of tin plate scrap, including circles, etc., and waste-waste tin plate were not reported separately but were included with iron and steel scrap; the amounts, however, were small.

² Not separately classified.

³ Less than 500.

⁴ Preliminary.

⁵ Less than 1/10 of 1 percent.

Source: Compiled from official statistics of the U. S. Department of Commerce.

TABLE 95.—Iron and steel scrap: Total Italian imports and imports from principal suppliers, 3- and 5-year averages 1922-24 and 1925-29 and annually 1929-38

(Quantity in thousands of quintals; 1 quintal=220.46 pounds)

Period	Total imports	Imports from leading suppliers							All other
		United States		France	Switzerland	Belgium-Luxemburg	Netherlands	Germany	
		Quantity	Percent of total						
3- and 5-year average:									
1922-24.....	3,998.2	71.9	1.8	2,390.9	220.5	14.6	21.9	114.7	1,163.7
1925-29.....	7,928.5	436.6	5.5	4,173.2	442.9	429.7	124.0	686.6	1,635.5
1929.....	9,287.9	854.5	9.2	4,503.5	540.7	997.7	18.4	423.3	1,949.8
1930.....	7,774.4	331.3	4.3	3,295.9	600.5	1,153.8	4.3	1,020.2	1,362.4
1931.....	5,541.8	2.0	(¹)	2,758.3	655.7	630.0	69.7	497.5	928.6
1932.....	4,244.9	.3	(¹)	2,131.0	603.2	374.8	48.2	293.8	793.6
1933.....	5,928.1	849.3	14.3	2,213.0	664.1	768.3	68.5	347.8	1,017.1
1934.....	6,773.6	1,857.2	27.4	2,601.0	637.3	692.4	6.4	91.0	888.3
1935.....	9,148.8	3,112.4	34.0	3,653.9	589.2	872.8	2.7	49.5	868.3
1936.....	3,647.1	2,464.4	67.6	648.3	296.4	70.6	4.8	5.4	157.2
1937.....	5,374.2	3,442.4	64.1	280.2	759.5	83.4	201.1	20.2	587.4
1938.....	6,213.3	4,153.7	66.9	980.3	537.0	166.7	92.6	14.5	268.5

¹ Less than 1/10 of 1 percent.

Source: Compiled from official Italian trade statistics.

TABLE 96.—Unmanufactured copper:¹ World production and United States domestic production, imports, and exports, 5-year averages 1920-24 and 1925-29 and annually 1929-39

[Quantity in millions of pounds]

Period	Total world production	United States production	Ratio of United States production to world total	United States general imports	United States domestic exports
5-year average:					
1920-24.....	2,246.0	1,183.5	52.7	564.5	711.2
1925-29.....	3,568.0	1,816.4	50.9	782.4	942.5
1929.....	4,236.4	2,052.7	48.5	974.3	865.7
1930.....	3,469.5	1,421.4	41.0	817.1	628.2
1931.....	2,976.0	1,049.3	35.3	585.9	472.9
1932.....	1,998.2	511.0	25.6	392.0	289.2
1933.....	2,292.5	467.3	20.4	287.4	323.0
1934.....	2,802.7	480.2	17.1	426.7	582.7
1935.....	3,234.1	760.2	23.5	514.4	555.9
1936.....	3,697.0	1,229.9	33.3	380.7	474.0
1937.....	4,997.4	1,669.7	33.4	559.7	640.1
1938.....	² 4,374.1	1,113.3	25.5	504.3	786.7
1939 ¹	4,765.3	1,470.0	30.8	672.8	780.7

¹ Figures for production are based on blister copper plus new copper going to direct production of sulphate, with exclusion of copper derived from junk. Import figures include ores, concentrates, matte, and unrefined copper (copper content); refined copper in ingots, bars, and other crude forms; old and scrap copper; and composition metal. Export figures include ores, concentrates, and unrefined copper (copper content); refined copper in ingots, bars, and other crude forms; old and scrap copper; and composition metal.

² Preliminary.

Source: Yearbook of the American Bureau of Metal Statistics.

TABLE 97.—Refined copper in ingots, bars, or other forms: United States domestic exports to leading markets, 5-year averages 1920-24 and 1925-29 and annually 1929-39

Period	Total	Italy	Japan	France	Sweden	United Kingdom	Germany	Belgium	All other
Quantity in millions of pounds									
5-year average:									
1920-24.....	707.8	50.0	44.2	146.3	23.8	116.4	171.1	45.7	110.3
1925-29.....	903.7	99.4	22.1	155.9	27.4	181.6	198.0	77.1	142.2
1929.....	822.5	84.4	8.0	175.3	32.5	175.4	178.9	45.8	122.2
1930.....	594.1	78.7	3.2	141.2	30.7	142.8	93.8	26.4	77.3
1931.....	405.4	42.9	.2	109.5	28.9	94.2	58.3	24.4	47.0
1932.....	221.9	23.3	.4	62.4	15.6	60.0	30.4	12.5	17.3
1933.....	249.2	30.0	28.2	72.8	12.2	26.6	34.8	14.5	30.1
1934.....	524.7	43.0	113.8	116.3	28.4	82.4	72.8	18.5	49.5
1935.....	521.5	90.5	106.3	64.3	25.2	109.1	49.8	25.7	50.6
1936.....	440.8	47.7	79.9	81.7	31.0	61.1	65.3	29.4	44.7
1937.....	590.1	41.6	145.7	78.4	34.7	105.6	75.1	29.3	79.7
1938.....	741.1	43.7	217.9	64.2	37.3	81.2	¹ 149.7	18.4	148.7
1939 ¹	745.6	56.0	249.3	162.0	50.0	44.5	² 42.6	11.6	139.6
Percent of total quantity									
5-year average:									
1920-24.....		7.1	6.2	20.7	3.4	16.4	24.2	6.4	15.6
1925-29.....		11.0	2.5	17.3	3.0	20.1	21.9	8.5	15.7
1929.....		10.3	1.0	21.3	4.0	21.3	21.7	5.6	14.8
1930.....		13.2	.5	23.8	5.2	24.0	15.8	4.4	13.1
1931.....		10.6	(³)	27.0	7.1	23.2	14.4	0.0	11.7
1932.....		10.5	.2	28.1	7.0	27.0	13.7	5.6	7.9
1933.....		12.1	11.3	29.2	4.9	10.7	14.0	5.8	12.0
1934.....		8.2	21.7	22.2	5.4	15.7	13.9	3.5	9.4
1935.....		17.4	20.4	12.3	4.8	20.9	9.6	4.9	9.7
1936.....		10.8	18.1	18.5	7.0	13.9	14.8	6.7	10.2
1937.....		7.1	24.7	13.3	5.9	17.9	12.7	5.0	13.4
1938.....		5.9	29.4	8.7	5.0	8.3	¹ 20.2	2.5	20.0
1939 ¹		7.5	33.4	20.4	6.7	6.0	² 5.7	1.6	18.7

¹ Preliminary.

² Includes Austria.

³ Less than 1/10 of 1 percent.

Source: Compiled from official statistics of the U. S. Department of Commerce.

TABLE 98.—*Refined copper: Italian domestic production and imports¹ from principal suppliers, 3- and 5-year averages 1922-24 and 1925-29 and annually 1929-38*

[Quantity in thousands of quintals; 1 quintal=220.46 pounds]

Period	Production	Total imports	Imports from leading suppliers						
			United States		Chile	Portuguese South Africa ²	British South Africa	Belgium-Luxemburg	All other
			Quantity	Percent of total					
3- and 5-year average:									
1922-24.....	0.6	482.0	296.8	61.6	94.6	3.1	(³)	5.2	82.3
1925-29.....	5.8	666.9	413.6	62.0	161.4	3.0	16.4	4.8	67.7
1929.....	5.4	562.2	371.4	68.0	118.4	5.5	19.9	6.1	40.9
1930.....	2.6	520.3	312.4	60.0	85.0	5.4	17.5	20.1	79.9
1931.....	7.1	524.6	214.3	40.9	198.0	23.6	6.6	25.2	56.9
1932.....	4.3	515.2	216.6	42.0	144.0	62.9	6.6	23.5	61.6
1933.....	1.2	602.2	181.8	30.2	222.6	119.8	3.3	22.8	51.9
1934.....	3.0	630.0	198.7	31.5	193.3	142.3	(³)	34.8	60.9
1935.....	3.6	898.2	353.8	39.4	45.4	134.4	48.4	100.2	216.0
1936.....	4.7	832.0	317.5	38.2	245.4	138.9	24.3	2.1	103.8
1937.....	14.7	761.1	135.0	17.7	258.9	176.5	64.3	37.1	89.3
1938.....	29.6	773.3	164.0	21.2	308.2	168.0	33.9	33.0	66.2

¹ Includes refined copper and its alloys, also scrap copper through 1929.

² Classified as Portuguese Africa, 1922-34.

³ Not separately shown.

Source: Compiled from official Italian trade statistics.

TABLE 99.—*Cheese: Exports from principal countries, 1920-36*

[Quantity in millions of pounds]

Year ¹	Italy	New Zealand	Netherlands	Canada ²	Switzerland	France	Denmark ³	Total	Percent from Italy
1920.....	2.8	136.9	99.7	133.6	3.2	15.1	21.3	412.6	0.7
1921.....	16.7	153.3	115.3	133.9	10.6	17.1	27.7	474.6	3.5
1922.....	32.1	130.1	143.8	114.5	46.1	22.0	19.7	508.3	6.3
1923.....	50.4	161.4	136.6	116.8	39.0	33.2	12.0	549.4	9.2
1924.....	74.1	178.6	170.4	127.0	43.8	34.4	19.5	647.8	11.4
1925.....	86.2	154.2	175.7	148.3	51.7	35.7	18.8	670.6	12.9
1926.....	72.9	163.7	185.7	136.7	62.0	31.5	15.3	667.8	10.9
1927.....	70.1	167.2	214.6	105.2	75.1	30.5	11.6	674.3	10.4
1928.....	80.5	175.5	203.0	112.6	62.7	41.8	13.4	689.5	11.7
1929.....	72.5	199.3	211.2	92.3	69.7	40.6	14.5	700.1	10.3
1930.....	81.0	203.1	206.7	79.6	66.1	38.9	12.6	688.0	11.8
1931.....	88.9	183.3	190.5	85.4	54.3	34.3	9.4	646.1	13.8
1932.....	60.4	200.5	170.1	85.7	43.7	29.2	14.5	610.1	10.9
1933.....	52.8	220.1	140.9	75.0	45.3	25.0	22.2	581.3	9.1
1934.....	55.3	222.3	134.9	60.2	39.1	26.0	13.9	551.7	10.0
1935.....	61.2	193.5	134.6	58.5	40.2	24.6	14.7	527.3	11.6
1936 ⁴	42.8	185.7	125.3	80.7	46.6	23.3	21.0	525.4	8.1

¹ Calendar year unless otherwise stated.

² Year beginning Apr. 1.

³ Special exports.

⁴ Preliminary.

Source: U. S. Department of Agriculture. *World Production and International Trade in Butter and Cheese*, Washington, May 1939 (multilithed), p. 21.

TABLE 100.—Hard cheese:¹ Italian exports to the United States and other principal markets, 1920-38

Year	Total exports	United States ²	France	Italian possessions	Germany ³	All other
Quantity in quintals; 1 quintal=220.46 pounds						
1920.....	9,617	3,006	1,411	480	-----	4,720
1921.....	58,997	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)
1922.....	93,836	73,511	6,388	(⁴)	(⁴)	13,937
1923.....	149,472	118,579	10,799	985	301	18,808
1924.....	215,271	129,703	26,688	1,648	15,895	41,337
1925.....	251,466	143,452	31,110	1,717	27,439	47,748
1926.....	216,342	147,164	22,433	1,978	4,113	40,654
1927.....	202,672	131,043	19,489	2,234	12,293	37,613
1928.....	245,714	162,120	24,393	2,567	15,447	41,187
1929.....	204,173	131,301	25,053	2,165	6,825	38,839
1930.....	229,899	139,131	34,797	2,349	13,388	40,234
1931.....	253,164	131,619	58,290	2,375	22,665	35,215
1932.....	188,662	126,786	22,640	2,294	6,887	30,085
1933.....	146,992	97,080	20,339	2,392	1,376	25,805
1934.....	167,842	110,971	25,055	3,293	1,171	27,352
1935.....	196,064	136,713	25,221	10,963	1,634	21,533
1936.....	152,819	99,416	11,919	10,555	17,637	13,292
1937.....	176,462	105,576	24,349	20,771	9,913	15,853
1938.....	174,188	103,278	22,113	21,323	11,107	16,367
Percent of total quantity						
1920.....		31.2	14.7	5.0	-----	49.1
1921.....		(⁴)	(⁴)	(⁴)	(⁴)	(⁴)
1922.....		78.3	6.8	(⁴)	(⁴)	14.9
1923.....		79.3	7.2	.7	0.2	12.6
1924.....		60.2	12.4	.8	7.4	19.2
1925.....		57.0	12.4	.7	10.9	19.0
1926.....		68.0	10.4	.9	1.9	18.8
1927.....		64.6	9.6	1.1	6.1	18.6
1928.....		66.0	9.9	1.0	6.3	16.8
1929.....		64.3	12.3	1.1	3.3	19.0
1930.....		60.5	15.2	1.0	5.8	17.5
1931.....		53.2	23.0	.9	9.0	13.9
1932.....		67.2	12.0	1.2	3.6	16.0
1933.....		66.1	13.8	1.6	.9	17.6
1934.....		66.1	14.9	2.0	.7	16.3
1935.....		69.7	12.9	5.6	.8	11.0
1936.....		65.1	7.8	6.9	11.5	8.7
1937.....		59.8	13.8	11.8	5.6	9.0
1938.....		59.3	12.7	12.2	6.4	9.4

¹ For a description of the principal types of Italian hard cheese, see note, ch. V of this report, p. 142.

² Includes Alaska and the Virgin Islands in 1920-34. Does not include noncontiguous territories (Alaska, Hawaii, Puerto Rico, etc.) in 1935-38.

³ Includes Austria in 1938.

⁴ Not separately shown.

Source: Compiled from official Italian trade statistics.

TABLE 101.—*Soft cheese:*¹ *Italian exports to the United States and other principal markets, 1920-38*

Year	Total exports	United States ²	United Kingdom ³	France	Switzerland	Italian possessions	Germany ⁴	All other
Quantity in quintals; 1 quintal=220.46 pounds								
1920.....	3,038	515	442	565	1,143	12		361
1921.....	16,589	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)
1922.....	51,574	3,217	33,069	9,984	3,719	(⁵)	(⁵)	1,585
1923.....	79,485	4,815	47,474	17,788	5,705	76	120	3,508
1924.....	121,060	3,948	67,633	27,427	9,499	91	5,172	7,290
1925.....	139,661	5,264	78,274	31,360	8,401	102	9,262	6,998
1926.....	114,545	6,709	68,176	22,358	5,918	105	6,392	4,837
1927.....	115,109	5,542	62,601	29,487	5,482	220	5,731	6,086
1928.....	119,279	6,949	65,910	28,172	6,264	135	5,520	6,323
1929.....	124,475	9,880	57,750	36,110	8,393	137	5,784	6,421
1930.....	137,394	8,848	61,332	47,586	8,092	215	6,123	5,198
1931.....	150,297	12,562	56,211	63,892	10,493	205	2,901	4,033
1932.....	112,515	9,052	50,842	38,763	8,398	209	1,883	3,368
1933.....	92,411	7,596	43,343	28,869	6,827	1,226	1,140	3,410
1934.....	82,933	7,190	42,472	18,877	9,606	398	1,601	2,889
1935.....	81,633	10,375	37,657	22,165	6,682	1,057	984	2,713
1936.....	41,507	12,453	5,150	7,978	8,624	2,014	2,117	3,171
1937.....	62,514	9,054	26,658	10,369	10,040	2,326	879	3,188
1938.....	71,182	12,111	32,435	11,543	8,189	2,707	2,192	1,975
Percent of total quantity								
1920.....		17.0	14.5	18.6	37.6	0.4		11.9
1921.....		(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)
1922.....		6.2	64.1	19.4	7.2	(⁵)	(⁵)	3.1
1923.....		6.1	59.7	22.4	7.2	.1	0.1	4.4
1924.....		3.3	55.9	22.6	7.8	.1	4.3	6.0
1925.....		3.8	56.0	22.5	6.0	.1	6.6	5.0
1926.....		5.8	59.5	19.5	5.2	.1	5.6	4.3
1927.....		4.8	54.3	25.6	4.8	.2	5.0	5.3
1928.....		5.8	55.3	23.6	5.3	.1	4.6	5.3
1929.....		7.9	46.4	29.0	6.7	.1	4.7	5.2
1930.....		6.4	44.6	34.6	5.9	.2	4.5	3.8
1931.....		8.4	37.4	42.5	7.0	.1	1.9	2.7
1932.....		8.0	45.2	34.4	7.5	.2	1.7	3.0
1933.....		8.2	46.9	31.3	7.4	1.3	1.2	3.7
1934.....		8.7	51.2	22.7	11.6	.6	1.8	3.5
1935.....		12.7	46.1	27.2	8.2	1.3	1.2	3.3
1936.....		30.0	12.4	19.2	20.8	4.9	5.1	7.6
1937.....		14.5	42.6	16.6	16.1	3.7	1.4	5.1
1938.....		17.0	45.6	16.2	11.5	3.8	3.1	2.8

¹ For a description of the principal types of Italian soft cheese, see note, ch. V of this report, p. 142.

² Includes Alaska and the Virgin Islands in 1920-34. Does not include noncontiguous territories (Alaska, Hawaii, Puerto Rico, etc.) in 1935-38.

³ Classified as Great Britain and Ireland in 1920-23; thereafter as Great Britain.

⁴ Includes Austria in 1938.

⁵ Not separately shown.

Source: Compiled from official Italian trade statistics.

TABLE 102.—*Hard and soft cheese: Italian exports to the United States,¹ 1920-38*
 [Quantity in quintals; 1 quintal=220.46 pounds. Value in thousands of lire]

Year	Hard cheese		Soft cheese		Total		Percent of total value of Italian exports to United States
	Quantity	Value	Quantity	Value	Quantity	Value	
1920.....	3,006	4,505	515	566	3,521	5,071	0.5
1921.....	(²)	(²)	(²)	(²)	(²)	(²)	(²)
1922.....	73,511	(²)	3,217	(²)	76,728	118,166	11.6
1923.....	118,579	200,145	4,815	5,462	123,394	205,607	13.5
1924.....	129,703	190,529	3,948	4,368	133,651	194,897	15.7
1925.....	143,452	209,820	5,264	5,798	148,716	215,618	11.4
1926.....	147,164	231,816	6,709	7,996	153,873	239,812	12.4
1927.....	131,043	210,737	5,542	6,072	136,585	216,809	13.2
1928.....	162,120	237,421	6,949	6,781	169,069	244,202	16.1
1929.....	131,301	176,905	9,880	8,366	141,181	185,271	10.8
1930.....	139,131	167,142	8,848	7,101	147,979	174,243	13.1
1931.....	134,619	130,755	12,562	7,802	147,181	138,557	13.2
1932.....	126,786	124,905	9,052	5,036	135,838	129,941	20.4
1933.....	97,080	82,865	7,596	4,202	104,670	87,067	16.4
1934.....	110,971	74,471	7,190	3,082	118,161	77,553	20.0
1935.....	136,713	97,564	10,375	4,553	147,088	102,117	24.2
1936.....	99,416	75,520	12,453	6,649	111,869	82,169	14.9
1937.....	105,576	105,953	9,054	6,514	114,630	112,467	14.4
1938.....	103,278	104,352	12,111	8,248	115,389	112,600	14.4

¹ Includes Alaska and the Virgin Islands in 1920-34. Does not include noncontiguous territories (Alaska, Hawaii, Puerto Rico, etc.) in 1935-38.

² Not separately shown.

Source: Compiled from official Italian trade statistics.

TABLE 103.—Cheese: United States imports¹ from principal sources, by quantity, 1920-39

Year	Total	Italy	Switzerland	Canada	Netherlands	France	All other
Quantity in thousands of pounds							
1920.....	15,993	985	802	813	863	1,583	10,947
1921.....	26,863	9,100	2,359	2,498	1,183	2,081	9,642
1922.....	46,568	16,628	12,011	6,351	2,254	3,259	6,065
1923.....	64,414	28,034	10,982	3,105	2,498	5,121	8,674
1924.....	59,165	31,266	13,632	984	2,899	4,444	5,950
1925.....	62,390	33,829	15,993	210	2,937	5,567	3,854
1926.....	78,403	35,026	16,736	11,835	3,471	5,424	5,911
1927.....	79,781	31,938	19,066	13,268	3,696	4,678	7,135
1928.....	81,394	38,008	18,564	7,488	3,712	6,663	6,959
1929.....	76,338	32,779	18,613	8,257	3,196	5,963	7,530
1930.....	68,301	33,258	17,947	3,143	2,541	4,983	6,429
1931.....	60,802	32,788	14,389	338	2,466	4,513	6,288
1932.....	53,635	29,736	11,690	282	2,371	4,317	5,239
1933.....	49,495	25,328	9,796	1,928	2,027	3,168	7,248
1934.....	47,530	20,932	6,694	1,034	1,578	3,597	7,695
1935.....	48,925	28,573	5,870	770	2,307	2,861	8,544
1936.....	59,829	26,578	6,130	11,185	4,397	2,718	8,821
1937.....	60,655	26,432	6,928	4,939	5,663	3,035	13,658
1938.....	54,418	24,791	9,024	1,921	4,266	2,891	11,525
1939 ²	59,061	23,827	11,780	6,424	3,094	3,396	10,540
Percent of total quantity							
1920.....		6.2	5.0	5.1	5.4	9.9	68.4
1921.....		33.9	8.8	9.3	4.4	7.7	35.9
1922.....		35.7	25.8	13.6	4.9	7.0	13.0
1923.....		43.5	26.4	4.8	3.9	7.9	13.5
1924.....		52.8	23.0	1.7	4.9	7.5	10.1
1925.....		54.2	25.6	.4	4.7	8.9	6.2
1926.....		44.7	21.4	15.1	4.4	6.9	7.5
1927.....		40.0	23.9	16.6	4.6	5.9	9.0
1928.....		46.7	22.8	9.2	4.6	8.2	8.5
1929.....		42.9	24.4	10.8	4.2	7.8	9.9
1930.....		48.7	26.3	4.6	3.7	7.3	9.4
1931.....		53.9	23.7	.6	4.1	7.4	10.3
1932.....		55.4	21.8	.5	4.4	8.1	9.8
1933.....		51.2	19.8	3.9	4.1	6.4	14.6
1934.....		56.6	14.1	2.2	3.3	7.6	16.2
1935.....		58.4	12.0	1.6	4.7	5.9	17.4
1936.....		44.4	10.3	18.7	7.4	4.5	14.7
1937.....		43.6	11.4	8.2	9.3	5.0	22.5
1938.....		45.6	16.6	3.5	7.8	5.3	21.2
1939 ²		40.3	19.9	10.9	5.2	5.8	17.9

¹ General imports 1920-28 and 1930; imports for consumption 1929 and 1931-39.

² Preliminary.

Source: Compiled from official statistics of the U. S. Department of Commerce.

TABLE 104.—Cheese: United States imports¹ from principal sources, by value, 1920-39

Year	Total	Italy	Switzerland	Canada	Netherlands	France	All other
Value in thousands of dollars							
1920.....	5,657	235	275	230	286	590	4,041
1921.....	8,677	3,289	1,048	379	337	923	2,701
1922.....	14,608	6,395	4,085	1,058	478	1,119	1,473
1923.....	20,887	10,427	5,687	535	524	1,588	2,126
1924.....	17,297	8,906	4,809	189	582	1,400	1,411
1925.....	17,346	8,576	5,571	72	640	1,548	939
1926.....	21,081	10,348	5,218	2,037	682	1,349	1,467
1927.....	24,497	12,176	5,938	2,556	622	1,414	1,791
1928.....	24,694	12,833	5,963	1,801	666	1,758	1,673
1929.....	22,372	10,311	5,978	1,813	557	1,926	1,787
1930.....	18,247	8,771	5,562	522	399	1,616	1,377
1931.....	14,671	7,332	4,262	60	336	1,372	1,309
1932.....	12,059	7,015	2,764	41	264	1,146	829
1933.....	10,844	5,790	2,442	224	252	1,003	1,133
1934.....	10,659	5,973	1,872	140	222	1,236	1,216
1935.....	11,200	6,805	1,680	105	276	908	1,426
1936.....	12,714	6,217	1,878	1,543	500	976	1,603
1937.....	12,805	5,933	2,057	771	696	991	2,357
1938.....	11,540	5,658	2,329	325	526	709	1,993
1939 ²	12,842	5,790	3,124	924	419	808	1,777
Percent of total value							
1920.....		4.2	4.9	4.1	5.0	10.4	71.4
1921.....		37.9	12.1	4.4	3.9	10.6	31.1
1922.....		43.8	28.0	7.2	3.3	7.6	10.1
1923.....		49.9	27.2	2.6	2.5	7.6	10.2
1924.....		51.5	27.8	1.1	3.4	8.1	8.1
1925.....		49.5	32.1	.4	3.7	8.9	5.4
1926.....		49.1	24.7	9.7	3.1	6.4	7.0
1927.....		49.7	24.3	10.4	2.5	5.8	7.3
1928.....		52.0	24.1	7.3	2.7	7.1	6.8
1929.....		46.1	26.7	8.1	2.6	8.6	8.0
1930.....		48.1	30.5	2.9	2.2	8.8	7.5
1931.....		50.0	29.0	.4	2.3	9.4	8.9
1932.....		58.2	22.9	.3	2.2	9.5	6.9
1933.....		53.4	22.5	2.1	2.3	9.3	10.4
1934.....		56.0	17.6	1.3	2.1	11.6	11.4
1935.....		60.8	15.0	.9	2.5	8.1	12.7
1936.....		48.9	14.8	12.1	3.9	7.7	12.6
1937.....		46.3	16.1	6.0	5.4	7.8	18.4
1938.....		49.0	20.2	2.8	4.6	6.1	17.3
1939 ²		45.1	24.3	7.2	3.3	6.3	13.8

¹ General imports 1920-28 and 1930; imports for consumption 1929 and 1931-39.

² Preliminary.

Source: Compiled from official statistics of the U. S. Department of Commerce.

TABLE 105.—*Olive oil: Production by principal producers, and by the United States, 1921-22 to 1938-39*

[Quantity in thousands of quintals; 1 quintal=220.46 pounds]

Year	Italy ¹	Spain	Greece	Portu- gal	French posses- sions in Africa	United States	All other	Total	Percent produced in Italy
1921-22.....	1,534	2,761	447	231	² 713	5	389	6,080	25.2
1922-23.....	2,644	2,891	822	290	501	3	369	7,520	35.2
1923-24.....	1,840	2,989	533	435	² 621	3	679	² 7,100	25.9
1924-25.....	2,159	3,352	1,035	395	545	7	607	8,000	27.0
1925-26.....	1,386	3,276	638	383	658	2	277	6,620	20.9
1926-27.....	1,695	2,301	614	158	564	6	432	² 5,770	29.4
1927-28.....	1,490	6,656	724	887	502	4	327	² 10,590	14.1
1928-29.....	2,232	1,914	1,001	258	749	7	569	6,730	33.2
1929-30.....	2,895	6,601	785	758	971	5	605	12,630	22.9
1930-31.....	1,250	1,149	973	180	529	10	439	4,530	27.6
1931-32.....	2,258	3,511	1,037	644	683	7	450	8,590	26.3
1932-33.....	2,101	3,488	1,343	388	783	² 7	570	² 8,680	24.2
1933-34.....	1,638	3,102	1,054	736	756	² 7	517	² 7,810	21.0
1934-35.....	2,169	3,130	1,226	216	812	² 7	570	² 8,130	26.7
1935-36.....	2,184	4,398	882	516	820	² 7	643	² 9,450	23.1
1936-37.....	1,573	² 3,900	726	272	321	² 7	551	² 7,350	21.4
1937-38.....	2,723	² 3,800	1,875	973	² 750	² 8	1,041	² 11,170	24.4
1938-39 ¹	1,805	3,200	938	360	439	9	799	7,550	23.9

¹ Not including oil extracted from residues.

² Estimate.

Source: *Statistical Year-Book of the League of Nations*. Geneva.

TABLE 106.—*Edible olive oil: Italian exports to the United States and other principal markets, 1920-38*

Year	Total exports	United States ¹	Italian possessions	Argentina	United Kingdom ²	Uruguay	Brazil	France	All other
Quantity in quintals; 1 quintal=220.46 pounds									
1920.....	12,423	1,318	785	2,980	383	964	1,114	4	4,875
1921.....	31,988	(³)	(³)	(³)	(³)	(³)	(³)	(³)	(³)
1922.....	60,418	32,179	(³)	7,481	3,387	1,001	1,247	6,813	8,310
1923.....	279,467	117,301	3,942	69,125	6,088	7,066	15,442	34,200	26,303
1924.....	258,250	111,571	4,103	74,877	6,238	4,114	13,846	13,591	29,910
1925.....	225,446	99,020	3,492	55,042	5,661	4,215	18,844	18,514	20,658
1926.....	97,054	49,975	1,448	28,859	1,107	1,182	4,037	662	9,724
1927.....	91,891	45,017	4,070	26,148	1,836	407	3,360	1,317	9,736
1928.....	17,058	10,804	1,501	305	123	77	435	741	3,072
1929.....	139,275	73,727	3,782	29,430	1,215	314	6,311	11,026	13,471
1930 ⁴	540,221	194,083	3,627	244,716	9,312	1,592	32,500	10,895	43,496
1931.....	437,018	152,119	3,082	182,099	12,269	939	26,548	6,006	53,956
1932.....	337,861	98,847	2,450	159,927	5,844	2,995	23,204	2,061	42,533
1933.....	239,225	52,492	1,790	106,719	6,124	13,097	13,961	1,984	43,058
1934.....	157,714	41,202	1,172	58,154	5,063	928	15,603	1,148	34,444
1935.....	167,967	59,841	8,720	39,747	6,387	4,563	9,994	2,537	36,178
1936.....	105,749	37,727	43,414	7,382	265	149	1,767	1,078	13,967
1937.....	175,548	56,639	48,023	25,762	5,061	9,236	2,802	458	27,562
1938.....	292,909	121,169	52,264	52,178	1,831	11,738	7,737	910	45,082
Percent of total quantity									
1920.....		10.6	6.3	24.0	3.1	7.8	9.0	(⁵)	39.2
1921.....									
1922.....		53.2	(³)	12.4	5.0	1.7	2.1	11.3	13.7
1923.....		42.0	1.4	24.7	2.2	2.5	5.5	12.3	9.4
1924.....		43.2	1.6	29.0	2.4	1.6	5.4	5.2	11.6
1925.....		43.9	1.5	24.4	2.5	1.9	8.4	8.2	9.2
1926.....		51.5	1.5	29.7	1.2	1.2	4.2	.7	10.0
1927.....		49.0	4.4	28.5	2.0	.4	3.7	1.4	10.6
1928.....		63.3	8.8	1.8	.7	.5	2.6	4.3	18.0
1929.....		53.0	2.7	21.1	.9	.2	4.5	7.9	9.7
1930.....		35.9	.7	45.3	1.7	.3	6.0	2.0	8.1
1931.....		34.8	.7	41.7	2.8	.2	6.1	1.4	12.3
1932.....		29.3	.7	47.3	1.7	.9	6.9	.6	12.6
1933.....		21.9	.8	44.6	2.6	5.5	5.8	.8	18.0
1934.....		26.1	.8	36.9	3.2	.6	9.9	.7	21.8
1935.....		35.6	5.2	23.7	3.8	2.7	6.0	1.5	21.5
1936.....		35.7	41.1	7.0	.2	.1	1.7	1.0	13.2
1937.....		32.3	27.3	14.7	2.9	5.3	1.6	.2	15.7
1938.....		41.4	17.9	17.8	.6	4.0	2.6	.3	15.4

¹ Includes Alaska and the Virgin Islands in 1920-34. Does not include noncontiguous territories (Alaska, Hawaii, Puerto Rico, etc.) in 1935-38.

² Classified as Great Britain and Ireland in 1920-23; thereafter as Great Britain.

³ Not separately shown.

⁴ Official export figures for 1929 and some earlier years apparently do not include "temporary imports." Such imports appear, however, to have been included in the data for 1930 and later years.

⁵ Less than 1/10 of 1 percent.

Source: Compiled from official Italian trade statistics.

TABLE 107.—*Edible olive oil: United States imports¹ from Italy and other principal sources, 1920-39*

[Quantity in thousands of pounds]

Year	Total United States imports	Italy		Spain		All other	
		Quantity	Percent of total	Quantity	Percent of total	Quantity	Percent of total
1920 ¹	30,589	8,430	27.6	18,154	59.3	4,005	13.1
1921 ²	49,701	23,316	46.9	9,232	18.0	17,153	34.5
1922.....	61,186	33,380	54.6	15,398	25.2	12,408	20.2
1923.....	77,186	49,722	64.4	18,703	24.2	8,761	11.4
1924.....	76,184	53,236	69.9	14,039	18.4	8,909	11.7
1925.....	90,420	61,984	68.6	15,547	17.2	12,889	14.2
1926.....	78,486	55,402	70.6	16,966	21.6	6,118	7.8
1927.....	75,022	47,110	62.8	18,895	25.2	9,017	12.0
1928.....	82,942	53,936	65.0	22,693	27.4	6,313	7.6
1929.....	96,798	71,842	74.2	16,512	17.1	8,444	8.7
1930.....	92,961	63,172	68.0	24,546	26.4	5,243	5.6
1931.....	71,484	43,714	61.2	23,503	32.9	4,267	5.9
1932.....	72,614	45,014	62.0	24,550	33.8	3,050	4.2
1933.....	66,410	43,264	65.1	19,647	29.6	3,499	5.3
1934.....	55,999	29,691	53.0	23,399	41.8	2,909	5.2
1935.....	70,779	35,821	50.6	31,038	43.9	3,920	5.5
1936.....	60,963	22,374	36.7	32,380	53.1	6,209	10.2
1937.....	48,321	26,718	55.3	10,603	21.9	11,000	22.8
1938.....	71,077	40,490	57.0	5,209	7.3	25,378	35.7
1939 ⁴	62,860	32,251	51.3	8,644	13.8	21,965	34.9

¹ General imports 1920-30; imports for consumption thereafter.

² Converted from gallons to pounds (1 gallon=7½ pounds).

³ Includes the following:

	1937		1938		1939	
	Quantity	Percent of total	Quantity	Percent of total	Quantity	Percent of total
France.....	6,121	12.7	8,670	12.2	3,710	5.9
Greco.....	1,964	4.1	6,717	9.4	14,270	22.7
Tunisia.....	2,606	5.4	9,080	12.8	2,720	4.3
Total.....	10,691	22.2	24,467	34.4	20,706	32.9

⁴ Preliminary.

Source: Compiled from official statistics of the U. S. Department of Commerce.

TABLE 108.—*Canned tomatoes: Production in Italy, the United States, and Canada, 1920-39*

[In thousands of pounds]

Year	Italy ¹	United States ²	Canada ³	Year	Italy ¹	United States ²	Canada ³
1920.....	(⁴)	553,043	(⁴)	1930.....	100,288	826,928	138,990
1921.....	(⁴)	195,425	(⁴)	1931.....	101,412	465,723	89,925
1922.....	(⁴)	561,308	50,405	1932.....	121,253	580,460	61,922
1923.....	(⁴)	713,785	28,055	1933.....	98,904	583,156	68,935
1924.....	(⁴)	609,043	50,479	1934.....	125,460	637,726	88,992
1925.....	(⁴)	961,801	82,894	1935.....	113,590	769,062	64,041
1926.....	(⁴)	459,981	65,306	1936.....	115,719	689,949	85,951
1927.....	104,132	639,111	64,070	1937.....	149,251	691,824	144,341
1928.....	143,683	415,398	76,463	1938.....	165,345	654,365	95,466
1929.....	234,005	688,162	81,016	1939 ⁵	(⁴)	689,814	81,952

¹ Converted from quintals; 1 quintal=220.46 pounds.

² Converted from cases; 1 case=28.5 pounds.

³ Figures for 1922-31, inclusive, converted from cases; 1 case=41 pounds.

⁴ Not available.

⁵ Preliminary.

Sources: Italy: *Annuario Statistico Italiano*. United States: National Canners Association. Canada: Dominion Bureau of Statistics, *Census of Industry*.

TABLE 109.—Preserved tomatoes: ¹ Italian production, and exports to the United States and other principal markets, 1920-38

Year	Italian production	Total Italian exports	United States ²	United Kingdom ³	Belgium and Luxemburg	Germany ⁴	Argentina	France	Italian possessions	All other
Quantity in quintals, 1 quintal = 220.46 pounds										
1920	(⁵)	334,774	56,873	94,187	34,379	321	53,598	25,804	3,364	66,248
1921	(⁵)	289,557	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)
1922	(⁵)	378,978	138,963	104,677	21,777	(⁵)	41,324	26,508	(⁵)	45,729
1923	(⁵)	418,206	145,927	94,012	27,588	1,012	50,891	40,127	3,537	55,112
1924	(⁵)	644,884	231,166	159,677	39,208	6,640	70,307	51,867	5,920	80,099
1925	(⁵)	972,469	483,891	209,303	35,004	6,987	102,337	51,064	6,294	77,599
1926	(⁵)	1,006,565	479,354	267,498	31,034	9,808	54,637	57,333	8,253	98,648
1927	1,394,500	987,029	512,546	203,007	30,483	11,678	70,777	34,558	9,942	94,038
1928	1,360,090	936,024	431,380	217,909	21,216	17,838	102,918	34,490	8,103	102,170
1929	2,349,885	1,378,911	767,387	282,354	37,243	23,836	87,720	56,937	10,796	122,638
1930	1,080,902	745,566	259,179	188,731	31,457	15,002	99,413	43,357	8,125	100,302
1931	760,550	803,781	367,443	244,989	26,211	15,871	34,765	27,390	9,948	77,164
1932	920,000	744,645	353,385	212,877	26,920	20,017	27,411	18,750	11,632	73,653
1933	783,700	693,995	336,040	184,029	37,343	18,571	14,923	19,059	12,244	71,786
1934	1,063,985	726,478	369,138	194,569	26,641	27,588		12,118	16,277	77,944
1935	1,297,246	755,397	384,919	197,402	41,565	23,952	39	9,054	25,526	72,940
1936	1,371,900	494,584	259,769	89,927	14,245	32,512	43	3,064	30,967	55,067
1937	1,547,500	870,329	247,582	382,630	36,632	46,025	994	8,315	54,939	93,212
1938	1,380,000	829,497	313,065	314,507	19,535	45,544	(⁵)	(⁵)	49,353	87,493
Percent of total quantity exported										
1920			17.0	28.1	10.3	0.1	16.0	7.7	1.0	19.8
1921			36.6	27.6	5.7					
1922			34.9	22.5	6.6		10.9	7.0		12.2
1923			35.9	24.8	6.1	1.0	12.2	9.6	.8	13.2
1924							10.9	8.0	.9	12.4
1925			49.8	21.5	3.6	.7	10.5	5.3	.6	8.0
1926			47.6	26.6	3.1	1.0	5.4	5.7	.8	9.8
1927			53.0	21.0	3.2	1.2	7.3	3.6	1.0	9.7
1928			46.1	23.3	2.3	1.9	11.0	3.7	.8	10.9
1929			54.9	20.5	2.7	1.7	6.4	4.1	.8	8.9
1930			34.8	25.3	4.2	2.0	13.3	5.8	1.1	13.5
1931			45.7	30.5	3.3	2.0	4.3	3.4	1.2	9.6
1932			47.4	28.6	3.6	2.7	3.7	2.5	1.6	9.9
1933			48.4	26.5	5.4	2.7	2.2	2.7	1.8	10.3
1934			50.8	26.8	4.0	3.8	(⁵)	1.7	2.2	10.7
1935			51.0	26.1	5.5	3.2	(⁵)	1.2	3.4	9.6
1936			52.5	18.2	2.9	6.6	(⁵)	.6	8.1	11.1
1937			26.4	44.0	4.2	5.3	.1	1.0	6.3	10.7
1938			37.7	37.9	2.4	5.5			6.0	10.5

¹ Includes canned tomatoes and tomato paste.² Includes Alaska and the Virgin Islands in 1920-34. Does not include noncontiguous territories (Alaska, Hawaii, Puerto Rico, etc.) in 1935-38.³ Classified as Great Britain and Ireland in 1920-23, thereafter as Great Britain.⁴ Includes Austria in 1938.⁵ Not separately shown.⁶ Less than 1/10 of 1 percent

Source: Compiled from official Italian trade statistics.

TABLE 110.—Canned tomatoes and tomato paste: United States imports¹ from all countries and from Italy, 1924-39

Year	Total from all countries		From Italy			
	Canned tomatoes	Tomato paste	Canned tomatoes		Tomato paste	
			Amount	Percent of total	Amount	Percent of total
Quantity in thousands of pounds						
1924	52,838	9,704	52,572	99.5	9,686	99.8
1925	87,999	20,604	84,039	95.5	20,578	99.9
1926	82,293	18,078	82,125	99.8	18,058	99.9
1927	96,211	14,354	94,917	98.7	14,337	99.9
1928	92,563	9,817	91,741	99.1	9,817	99.9
1929	174,671	13,857	162,546	93.1	13,847	99.9
1930	61,846	12,498	60,665	98.1	12,470	99.9
1931	82,024	12,568	81,872	99.8	12,543	99.8
1932	90,514	11,939	81,429	90.0	11,929	99.8
1933	74,360	11,317	74,181	99.8	11,291	99.8
1934	82,399	12,265	81,902	99.4	11,788	96.1
1935	76,793	10,775	72,754	94.7	9,848	91.4
1936	60,019	8,967	59,614	99.3	8,962	99.9
1937	53,807	8,942	53,775	99.9	8,939	99.9
1938	62,520	9,314	62,518	99.9	9,312	99.9
1939 ²	55,400	7,146	55,391	99.9	7,146	99.9
Value in thousands of dollars						
1924	2,561	920	2,549	99.5	918	99.8
1925	4,173	1,845	4,039	96.8	1,842	99.9
1926	4,082	1,634	4,073	99.8	1,633	99.9
1927	5,304	1,489	5,265	99.3	1,487	99.9
1928	5,192	1,054	5,155	99.3	1,054	99.9
1929	9,000	1,612	8,317	92.4	1,611	99.9
1930	2,738	1,079	2,681	97.9	1,078	99.9
1931	2,843	945	2,839	99.8	944	99.9
1932	2,909	850	2,668	91.7	850	99.9
1933	2,720	779	2,713	99.7	778	99.8
1934	3,069	911	3,052	99.4	897	98.4
1935	3,086	996	2,951	95.6	958	96.1
1936	2,283	788	2,267	99.3	788	99.9
1937	2,204	651	2,202	99.9	651	99.9
1938	2,434	624	2,434	99.9	624	99.9
1939 ²	2,222	567	2,222	99.9	567	99.9

¹ General imports 1924-30; imports for consumption thereafter.

² Preliminary.

Source: Compiled from official statistics of the U. S. Department of Commerce.

TABLE 111.—Raw silk: Production or export by principal countries and total estimated world supply for commercial use, 5-year averages 1920-24 and 1925-29 and annually 1929-38

[Quantity in metric tons; 1 metric ton=2204.6 pounds]

Period	Italy	Japan	China ¹	Korea	U. S. S. R.	All other ²	Total ³	Percent produced in Italy
5-year average:								
1920-24	4,413	24,602	8,061	566	450	800	38,533	11.5
1925-29	5,232	36,900	9,504	917	834	2,062	55,449	9.4
1929	6,118	42,346	10,193	1,050	619	2,449	62,775	9.7
1930	6,310	42,619	7,795	1,323	762	1,817	60,626	10.4
1931	5,393	43,811	6,831	1,432	810	819	59,096	9.1
1932	2,965	41,590	4,165	1,264	837	874	51,695	5.7
1933	3,284	42,161	6,165	1,596	774	982	54,962	6.0
1934	3,124	45,243	4,437	2,068	901	1,117	56,890	5.5
1935	2,982	43,610	5,573	1,710	1,135	1,009	56,019	5.3
1936	2,812	42,327	4,440	1,253	1,588	1,006	53,426	5.3
1937	2,861	41,875	4,905	(⁴)	1,680	894	52,215	5.5
1938	2,739	43,152	3,950	(⁵)	(⁶)	534	50,375	5.4

¹ Exports. Includes Manchuria in 1926 and thereafter.

² Includes exports of British India and Iran and estimated production of about 10 minor silk-producing countries, chief of which are Greece, Turkey, and Bulgaria.

³ Much below actual world production as only export data are available for Asiatic countries other than Japan.

⁴ 1920-23 not available; 450 metric tons in 1924.

⁵ Not available.

NOTE.—Unless otherwise stated, the table shows the estimated raw silk equivalent of reable cocoons. Data relating to exports (China, British India, Iran) include raw silk and cocoons reduced to terms of raw silk by appropriate coefficients.

Source: Data for all countries except Italy compiled from Statistical Year-Books of the League of Nations; Italian data for 1920-28 from Italian Silk Association as published by the Istituto Nazionale per l'Esportazione; for 1929-38, from Banca d'Italia—*L'Economia Italiana*.

TABLE 112.—*Raw silk*¹ Italian exports to the United States and other principal markets 1922-38

Total	Total Italian exports	United States ²	United Kingdom ³	Switzerland	Germany ⁴	France	All other
Quantity in quintals; 1 quintal=220.46 pounds ¹							
1922.....	43,994	2,806	179	17,022	11,642	9,554	2,791
1923.....	51,853	11,028	1,010	14,285	6,420	14,620	4,472
1924.....	54,304	3,005	404	17,211	9,099	18,041	5,344
1925.....	63,731	7,763	832	17,520	10,522	20,742	6,352
1926.....	58,389	4,824	963	17,019	8,675	20,921	5,987
1927.....	52,054	1,954	855	17,800	12,298	13,971	5,116
1928.....	56,348	3,213	939	16,245	11,185	18,722	6,044
1929.....	59,665	7,080	1,271	17,444	13,704	14,370	5,796
1930.....	64,573	15,816	1,602	12,661	10,673	18,047	5,714
1931.....	57,319	19,248	2,673	9,487	6,969	11,608	7,334
1932.....	31,659	8,749	1,634	5,280	4,054	5,693	6,249
1933.....	34,802	12,634	1,315	3,487	3,275	7,046	7,045
1934.....	18,924	505	1,154	2,933	5,957	2,909	5,466
1935.....	20,955	3,001	936	2,696	7,007	2,006	5,349
1936.....	25,758	10,365	179	2,011	8,067	646	3,890
1937.....	20,378	5,733	570	2,077	8,051	757	3,190
1938.....	25,624	11,827	711	2,053	7,500	629	2,904
Percent of total quantity							
1922.....		6.4	0.4	38.7	26.5	21.7	6.3
1923.....		21.3	1.9	27.6	12.4	28.2	8.6
1924.....		6.6	.8	31.7	16.8	34.3	9.8
1925.....		12.2	1.3	27.5	16.5	32.5	10.0
1926.....		8.3	1.6	29.1	14.9	35.8	10.3
1927.....		3.8	1.7	34.3	23.6	20.8	9.8
1928.....		5.7	1.7	28.8	19.9	33.2	10.7
1929.....		11.9	2.1	29.2	23.0	24.1	9.7
1930.....		24.5	2.6	19.6	16.5	27.9	8.9
1931.....		33.6	4.7	16.5	12.2	20.2	12.8
1932.....		27.6	5.2	16.7	12.8	18.0	19.7
1933.....		36.3	3.8	10.0	9.4	20.3	20.2
1934.....		2.6	6.1	15.5	31.5	15.4	28.9
1935.....		14.3	4.5	12.8	33.4	9.5	25.5
1936.....		40.2	.7	7.8	33.7	2.5	15.1
1937.....		28.1	2.8	10.2	39.5	3.7	15.7
1938.....		46.2	2.8	8.0	29.3	2.4	11.3

¹ Includes reeled and thrown (doubled or twisted) silk.

² Includes Alaska and the Virgin Islands in 1922-34. Does not include noncontiguous territories (Alaska, Hawaii, Puerto Rico, etc.) in 1935-38.

³ Classified as Great Britain and Ireland in 1922-23; thereafter as Great Britain.

⁴ Includes Austria in 1938.

Source: Compiled from official Italian trade statistics.

TABLE 113.—*Raw silk: United States imports¹ from principal sources, 1920-39*

[Quantity in thousands of pounds]

Year	Total	Italy		Japan		China	
		Quantity	Percent of total	Quantity	Percent of total	Quantity	Percent of total
1920.....	30,058	1,111	3.7	22,904	76.2	5,932	19.7
1921.....	45,355	3,085	6.8	31,704	69.9	9,587	21.1
1922.....	50,712	2,569	1.1	40,029	78.9	8,378	16.5
1923.....	49,482	2,450	5.0	33,354	67.4	12,262	24.8
1924.....	51,281	1,001	2.0	44,307	86.4	4,681	9.1
1925.....	63,764	1,929	3.0	49,635	77.9	10,341	16.2
1926.....	66,422	1,137	1.7	53,793	81.0	10,250	15.4
1927.....	74,005	543	.7	61,797	83.5	10,788	14.6
1928.....	75,489	792	1.1	64,112	84.9	9,472	12.5
1929.....	87,068	2,134	2.5	69,759	80.1	14,495	16.7
1930.....	73,733	3,711	5.0	59,918	81.3	9,874	13.4
1931.....	83,853	3,998	4.8	69,526	82.9	9,841	11.7
1932.....	74,053	2,087	2.8	69,137	93.4	2,530	3.4
1933.....	67,245	3,067	4.6	60,213	89.5	3,789	5.6
1934.....	56,379	113	.2	54,989	97.5	1,103	2.0
1935.....	67,675	411	.6	63,769	94.2	3,485	5.2
1936.....	60,363	2,164	3.6	55,685	92.2	2,467	4.1
1937.....	57,816	1,151	2.0	53,915	93.3	2,747	4.7
1938.....	55,194	2,276	4.1	51,323	93.0	1,573	2.9
1939 ²	51,600	1,141	2.2	44,580	86.4	5,885	11.4

¹ General imports 1920-30; imports for consumption thereafter.² Preliminary.

Source: Compiled from official statistics of the U. S. Department of Commerce.

APPENDIX V

TRADE STATISTICS AND DESCRIPTIVE NOTES, BY COMMODITIES, FOR UNITED STATES IMPORTS FROM ITALY AND ITALIAN IMPORTS FROM THE UNITED STATES

TABLE 114.—*Summary for the year 1939 of total United States imports for consumption and of United States imports from Italy of commodities included in table 116*

[Commodities of which imports from Italy were valued at \$200,000 or more in 1929 or \$100,000 or more in specified years, 1931 to 1939]

Imports for consumption	Total into United States	From Italy	Percent from Italy
	<i>In millions of dollars</i>	<i>In millions of dollars</i>	
All commodities.....	2,276.1	38.8	1.7
Dutiable.....	878.8	31.5	3.6
Free.....	1,397.3	7.3	.5
Commodities included in table 116 (114 classifications).....	530.5	33.6	6.3
Dutiable (90 classifications for 37 of which Italy was the principal supplier).....	174.6	27.6	15.8
Free (24 classifications for 5 of which Italy was the principal supplier).....	355.9	6.0	1.7
	Percent of total imports		
	Into United States	From Italy	
Commodities included in table 116.....	23.3	86.6	-----
Dutiable.....	19.9	87.5	-----
Free.....	25.5	83.0	-----

¹ The figure for total United States imports includes imports of raw coffee valued at 139.5 million dollars. Imports of raw coffee recorded as coming from Italy are not the product of Italy but represent mainly transshipments. Amounts involved are generally small with no imports at all recorded for 1939. If raw coffee is omitted from the total the percentage of duty-free imports from Italy is increased to 2.3 percent.

TABLE 115.—*Summary for the year 1938 of total Italian imports (excluding Italian dependencies) and of Italian imports from the United States of commodities included in table 117*

[Commodities of which imports from United States were valued at 3,000,000 lire or more in 1925 or 1929 or at 1,000,000 lire or more in specified years, 1931 to 1938]

Italian imports	Total into Italy	From United States	Percent from United States
	<i>In millions of lire</i>	<i>In millions of lire</i>	
All commodities.....	11,064.2	1,338.4	12.1
Commodities included in table 117.....	6,596.2	1,287.2	19.5
	Percent of total imports		
	Into Italy	From United States	
Commodities included in table 117.....	59.6	96.2	-----

TABLE 116.—United States imports for consumption of commodities of which in specified

Paragraph, act of 1930	Commodity	Year	Tariff treatment		Imports for consumption from—					
			Rate of duty	Ad valorem equivalent, percent	All countries		Italy			
					Quantity	Value (in 1,000 dollars)	Quantity	Value (in 1,000 dollars)		
24	Medical preparations containing alcohol: More than 20 percent and not more than 50 percent.	1929	40¢ lb. + 25%.....	101	930	487	866	447		
		1931	do.....	83	449	307	407	287		
		1934	do.....	202	618	139	5	3		
		1935	do.....	113	72	33	(1)	(1)		
		1937	do.....	104	61	31	5	8		
		1938	do.....	109	49	23	5	7		
		1939 ²	do.....	145	47	16	(1)	(1)		
		53	Olive oil, edible..... In packages weighing less than 40 pounds.	1929	7½¢ lb.....	43	57,907	9,998	53,515	9,223
				1931	9½¢ lb.; 8¢ lb. ¹	71	36,583	4,516	32,521	4,022
				1934	8¢ lb.....	60	24,604	3,263	21,898	2,856
1935	do.....			61	20,010	3,824	25,736	3,350		
1937	do.....			42	18,837	3,554	17,044	3,220		
1938	do.....			56	30,692	4,352	28,431	3,983		
1939 ²	do.....			60	25,116	3,367	23,081	3,075		
In packages of 40 pounds or over.	1929			6½¢ lb.....	39	34,144	5,755	15,880	2,787	
	1931			do.....	58	34,001	3,938	11,193	1,434	
	1934			do.....	55	31,395	3,725	7,793	1,052	
	1935	do.....	55	41,769	4,933	10,085	1,313			
	1937	do.....	35	29,484	6,430	9,075	1,935			
	1938	do.....	48	40,385	5,432	12,058	1,739			
	1939 ²	do.....	52	37,744	4,709	9,170	1,288			
58	Essential and distilled oils, not containing alcohol: Lemon and terpenecless lemon. ¹	1929	25 percent.....	25	364	1,147	349	1,097		
		1931	do.....	25	380	246	361	232		
		1934	do.....	25	193	130	192	134		
		1935	do.....	25	131	131	120	115		
		1937	do.....	25	89	239	88	234		
		1938	do.....	25	87	258	95	251		
		1939 ²	do.....	25	149	312	141	290		
		Orange and terpenecless orange (including mandarin). ¹	1929	do.....	25	186	775	102	487	
			1931	do.....	25	136	223	76	140	
			1934	do.....	25	140	155	24	66	
1935	do.....		25	161	171	21	60			
1937	do.....		25	205	287	18	80			
1938	do.....		25	194	185	11	43			
1939 ²	do.....		25	238	193	23	67			

¹ Less than 500.² Preliminary.³ Rate reduced by Presidential proclamation, effective July 24, 1931, under sec. 336 of the Tariff Act of 1930.

imports from Italy were valued at \$200,000 or more in 1929, or at \$100,000 or more years, 1931-39

Principal suppliers in 1938 and 1939 by value		Comments
Country	Value (in 1,000 dollars)	
1938		
China.....	13	Imports from Italy consist largely of special medicinal preparations, in recent years chiefly Ramazzotti bitters. Preparations imported from Italy are mainly tonics for use of persons of Italian origin and do not compete directly with any domestic pharmaceuticals, output of which is believed to be very large in comparison with imports. Imports, especially those from Italy, decreased sharply after 1931, probably because of the repeal of the prohibition amendment.
Italy.....	7	
France.....	1	
1939		
China.....	11	No data are available on Italian production. Italian imports of medicinals usually exceed exports by 20 percent or more in value. Italian exports go largely to European countries and to Italian colonies.
France.....	2	
Hong Kong.....	1	
1938		
Italy.....	3,983	Olives grown in the United States (in California only) are used primarily for canning. Those grown in Mediterranean countries are used principally for oil. Olive oil produced in the United States, all in California, supplies less than 5 percent of domestic consumption; the major part is consumed in the Pacific coast area. Italy ranks next to Spain as a producer, with an output of 300 to 500 million pounds annually. Italy is important both as an importer and as an exporter, exports chiefly consisting of the higher grades. Much of the imported oil is blended with Italian oil and reexported. In some years Italy is a net exporter and in others a net importer.
Spain.....	202	
France.....	89	
1939		
Italy.....	3,075	Probably only in California do domestic and imported olive oil compete directly. Consumption of imported oil is largely confined to the eastern States and to persons of Latin extraction. The United States is at present the leading market for Italian exports; other important markets are Argentina and the Italian colonies.
Spain.....	132	
Greece.....	66	
1938		
Italy.....	1,739	Lemon oil is extensively used in flavoring extracts, soft drinks, and confectionery. Domestic production is largely by 1 California producer. The oil being obtained from cull and surplus fruit, the output varies according to the crop and the market for fresh fruit. It is estimated that at least 50 percent of domestic demand can be supplied from cull fruit alone. In the 1937-38 season, production was estimated to have been in excess of 200,000 pounds.
France.....	1,121	
Tunisia.....	1,104	
1939		
Greece.....	1,570	Italy is the only producer of consequence besides the United States. For the season 1935-39, Italian production averaged about 650,000 pounds. About 90 percent of the Italian output is exported. In 1937 and 1938, Italian exports amounted to 596,000 and 638,000 pounds, respectively. The United Kingdom, France, and Germany are the most important markets. The United States took 16 percent in 1937 and 12 percent in 1938. In recent years, exports to the United States have decreased, probably on account of the increasing use of domestic oil.
Italy.....	1,288	
Spain.....	929	
1938		
Italy.....	251	The California product contains about 2.5 percent of citral; the Italian, from 2.5 to 5 percent. Formerly no oil containing less than 4 percent of citral could be used in lemon extracts, but since May 12, 1933, by ruling of the Food and Drug Administration, domestic oil may be so used. This ruling has encouraged domestic production.
France.....	4	
Netherlands.....	1	
1939		
Italy.....	290	Orange oil is obtained from both sweet and bitter oranges. Bitter orange oil is produced only in Italy, and is of minor importance. Sweet orange oil is used chiefly in flavoring foods, and bitter orange oil chiefly in perfumes. Terpeness oils are obtained by removing all or part of the terpenes. Domestic production is entirely from sweet oranges. Orange oil is a by-product of cull and surplus oranges, and the quantity produced therefore depends upon the size of the crop and the market conditions for fresh fruit and juice. Domestic output is reported to supply 50 percent or more of United States consumption.
United Kingdom.....	7	
France.....	7	
1938		
Other French Africa. ⁵	86	Italian production of sweet orange oil was about 42,000 pounds in 1935-36 and 35,000 pounds in 1936-37. Production of bitter orange oil was about 14,000 pounds in 1936-37. Since 1930 Italian production, of which about ¾ is exported, has decreased materially, largely because of increasing competition from French Guinea. The United Kingdom usually buys about 30 percent of Italian exports, Germany about 15 percent. In 1937 and 1938 exports amounted to 68,000 and 71,000 pounds, respectively, of which 13 and 9 percent, respectively, went to the United States. Italian sweet oil is more dependable as to quality than that from other sources, and has greater prestige.
Italy.....	43	
France.....	21	
1939		
Other French Africa. ⁵	85	Italian production of sweet orange oil was about 42,000 pounds in 1935-36 and 35,000 pounds in 1936-37. Production of bitter orange oil was about 14,000 pounds in 1936-37. Since 1930 Italian production, of which about ¾ is exported, has decreased materially, largely because of increasing competition from French Guinea. The United Kingdom usually buys about 30 percent of Italian exports, Germany about 15 percent. In 1937 and 1938 exports amounted to 68,000 and 71,000 pounds, respectively, of which 13 and 9 percent, respectively, went to the United States. Italian sweet oil is more dependable as to quality than that from other sources, and has greater prestige.
Italy.....	67	
France.....	20	

⁴ Separate classes effective Jan. 1, 1934.

⁵ Includes French possessions in Africa except Algeria, Tunisia, and Madagascar.

⁶ Orange and terpeness orange oil classified separately after Jan. 1, 1934.

TABLE 116.—United States imports for consumption of commodities of which in later specified

Paragraph, act of 1930	Commodity	Year	Tariff treatment		Imports for consumption from—			
			Rate of duty	Ad valorem equivalent, percent	All countries		Italy	
					Quantity	Value (in 1,000 dollars)	Quantity	Value (in 1,000 dollars)
80	Castile soap	1929	15 percent	15	1,000 pounds		1,000 pounds	
		1931	do	15	3,775	447	1,381	190
		1934	do	15	2,695	253	1,014	117
		1935	do	15	1,820	211	789	108
		1937	do	15	2,038	232	871	112
		1938	do	15	1,266	165	957	130
		1939 ¹	do	15	1,036	110	779	95
204	Magnesite ² Dead burned and grain and periclase, not suitable for manufacture into oxychloride cements.	1929	23/4¢ per lb	79	Short tons		Short tons	
		1931	do	66	50,379	731	19,508	286
		1934	do	72	10,461	182		
		1935	do	72	22,921	368		
		1937	do	66	24,674	430	4,083	70
		1938	do	81	50,020	795	178	3
		1939 ¹	do	77	24,990	372		
209	Talc, steatite, or soapstone, and French chalk: Ground, washed, powdered or pulverized (except toilet preparations).	1929	25 percent	26	1,000 pounds		1,000 pounds	
		1931	35 percent	35	50,388	509	10,378	240
		1934	do	35	46,000	372	15,303	200
		1935	do	35	40,268	391	11,986	207
		1937	35%; 25% ³	35	46,993	454	14,499	230
		1938	do ⁴	33	52,769	423	17,122	197
		1939 ¹	35%; 17 1/2% ³	33	43,136	352	15,423	185
211	Earthenware (nonvitrified) and stoneware and manufactures of, n. s. p. l.: Table and kitchen articles, Domestic or household ware: Decorated, colored, etc.	1929	50 percent	50	1,000 dozens		1,000 dozens	
		1931	10¢ doz. + 50% ³	60	4,645	4,987	149	260
		1934	do	60	2,291	2,183	72	150
		1935	do	65	3,519	2,314	64	137
		1937	do	67	4,340	2,571	73	127
		1938	do	66	4,392	2,675	85	128
		1939 ¹	10¢ doz. + 30% ³	63	2,195	1,675	88	158
			43	2,613	1,950	104	152	

¹ Preliminary.² Imported through Italian ports, from Austria and Czechoslovakia—not product of Italy.³ Includes Austria.

imports from Italy were valued at \$200,000 or more in 1929, or at \$100,000 or more years—Continued

Principal suppliers in 1938 and 1939 by value		Comments	
Country	Value (in 1,000 dollars)		
1938			
Italy.....	95	<p>No figures on domestic production are available. It is probable that in the United States very little castile soap is made wholly from olive oil. That imported from Italy and Spain, however, is made wholly from olive oil. The decline in total imports in recent years may be accounted for by the smaller imports from Spain during the Spanish Civil War.</p> <p>No statistics are available for Italian production, and it is probable that Italian exports represent only a small part of production. The United States is a leading market for the Italian product. Other important markets are the Italian colonies.</p> <p>Imports recorded as coming from Italy are not the product of Italy—they come chiefly from territory that formerly belonged to Austria and Czechoslovakia, but shipped from either Fiume or Trieste (both Italian ports). The entire production of Italy, which is very small (5,392 metric tons of the crude material, worth \$30,000 in 1937, being the maximum for the last 6 or 7 years), is consumed in Italy. For 40 years or more, Austria has been the leading supplier of dead-burned magnesite to all the industrial nations of the world. During the last 2 or 3 years, however, large deposits in Manchuria have been developed, and this material, shipped from Kwantung, is now the principal foreign supply for the United States. Newly developed magnesite mines in Korea also bid fair to become an important source.</p> <p>Talc, steatite, and soapstone are natural minerals containing magnesium silicate in varying proportions. Talc is the purest form, and imports are chiefly of talc. The widest use of talc is in the powdered form; talcum and other toilet powders are usually made from the better grades while other grades are used as fillers in a wide variety of products. In recent years the United States has accounted for over 30 percent of the world output of ground talc, of all grades combined. The annual domestic production (for sale) of talc including soapstone averaged 174,000 tons in 1935-38 and was 211,000 tons in 1939. Only a very small proportion (3 percent in 1938) of the domestic output is used in toilet powders. Exports of ground talc are small, and mainly of the cheaper cosmetic grades.</p> <p>Italy ordinarily produces about 10 percent of the world output of ground talc. In 1937 and 1938 the output amounted to 45,000 and 53,000 long tons, respectively. Italian exports go chiefly to the United States, the United Kingdom, France, and Germany. In 1937 and 1938, exports to the United States amounted to 6,953 and 8,433 long tons, respectively; total exports were 15,921 and 18,243 long tons, respectively. Ground talc exported from Italy to the United States is of much higher grade than the bulk of United States production and is used mainly in cosmetics. Italy supplies about 1/3 of the imports by quantity, but 1/2 by value.</p> <p>This earthenware consists mainly of artistic and decorative pieces, such as vases, lamp bases, and bric-a-brac. Imports from Italy represent only a small part of American consumption. The Italian product is similar in composition and design to the Italian tableware already described, a fact which may account in part for the relatively small demand in the American market. Imports from Italy are valued at three times as much per dozen pieces as imports from all other countries, and the average duty on them is less than 58 percent ad valorem.</p> <p>The annual value of domestic production of art pottery ranged from about \$1,600,000 in 1931 to \$4,000,000 in 1938.</p> <p>Italian production and exports are not separately reported. It is known, however, that the United States is an important export market.</p>	
France.....	9		
Greece.....	2		
1939			
Italy.....	89		
France.....	5		
Palestine.....	2		
1938			
Kwantung.....	179		
Germany ¹	104		
Czechoslovakia.....	63		
1939			
Germany ²	459		
Kwantung.....	84		
Hungary.....	82		
1938			
Italy.....	185		
Canada.....	66		
France.....	63		
1939			
Italy.....	201		
France.....	80		
Canada.....	65		
1938			
United Kingdom..	919		
Japan.....	457		
Italy.....	158		
1939			
United Kingdom..	1,188		
Japan.....	478		
Italy.....	162		

¹ Rate reduced on "talc, steatite, or soapstone; ground, washed, powdered, or pulverized (except toilet preparations, valued not over \$12.50 per ton)" in the Trade Agreement with Canada, effective Jan. 1, 1936.

² Rate further reduced on same products in the second Trade Agreement with Canada, effective Jan. 1, 1939 and new rate applicable to that valued not over \$14.00 per ton.

³ Rate reduced in the Trade Agreement with the United Kingdom effective Jan. 1, 1939.

TABLE 116.—United States imports for consumption of commodities of which in later specified

Paragraph, act of 1930	Commodity	Year	Tariff treatment		Imports for consumption from—			
			Rate of duty	Ad valorem equivalent, percent	All countries		Italy	
					Quantity	Value (in 1,000 dollars)	Quantity	Value (in 1,000 dollars)
211	Earthenware, etc.—Con. Miscellaneous articles (not including sanitary articles but including filter tubes, etc.): Decorated.	1929	50 percent.....	50	1,448	2,042	120	543
		1931	10¢ doz. + 50%.....	61	1,128	983	78	191
		1934	do.....	64	897	608	49	120
		1935	do.....	67	974	592	42	98
		1937	do.....	64	1,409	1,042	86	185
		1938	do.....	62	1,022	843	102	220
		1939 ¹	do.....	64	1,353	955	237	247
218 (f)	Glassware, blown or partly blown pressed, or other- wise produced, or colored, cut, engraved, etc. ² ; Table and kitchen ar- ticles and utensils. Other than pressed, unpolished.	1929	55 percent.....	55	1,209	157	157	
		1931	60 percent.....	60	806	103	103	
		1934	do.....	60	771	47	47	
		1935	do.....	60	737	36	36	
		1937	do.....	60	1,365	54	54	
		1938	60%; 50% ³	52	966	55	55	
		1939 ¹	60%; 45% ³ ; 50% ⁴	56	839	35	35	
232 (a)	Marble, onyx, and breccia.... In block, rough or squared only.	1929	65¢ cu. ft.....	27	668	1,591	418	976
		1931	do.....	28	252	592	113	267
		1934	do.....	10	19	126	5	27
		1935	do.....	15	52	227	23	50
		1937	do.....	16	75	298	24	05
		1938	do.....	18	55	197	24	54
		1939 ¹	do.....	20	73	235	40	95
233	Alabaster and Jet, wholly or partly manufactured into vases or other articles.	1929	50 percent.....	50	207	100	100	
		1931	do.....	50	148	113	113	
		1934	do.....	50	144	125	125	
		1935	do.....	50	207	199	199	
		1937	do.....	50	204	182	182	
		1938	do.....	50	160	141	141	
		1939 ¹	do.....	50	110	95	95	

¹ Preliminary.² Classified in 1929 as "table and kitchen articles and utensils of glass, blown or partly blown" and "glassware, cut, engraved, ornamented or decorated, tableware, n. s. p. t."³ Classified in 1931, 1934, and 1935 as "glassware, blown or partly blown in the mold or otherwise: table, table and kitchen articles and utensils, undecorated" and "colored, cut, engraved, etc." and "pressed glassware: table and kitchen articles and utensils: polished, colored, cut, engraved, etc."

imports from Italy were valued at \$200,000 or more in 1929, or at \$100,000 or more years—Continued

Principal suppliers in 1938 and 1939 by value		Comments	
Country	Value (in 1,000 dollars)		
1938			
Japan.....	271	Imports from Italy represent a very small part of American consumption, though their share in total imports is higher in value than in quantity. The Italian product usually has a coarse, porous body of red or white clay covered by a glaze rendered opaque mainly by the use of tin oxide. In this respect it differs substantially from the major types of earthenware produced by the American industry, and from most imports. The applied decorations are for the most part typically Italian in design and are rarely duplicated in other producing countries, mainly because of the small demand for these types in countries other than Italy. Domestic production of earthenware tableware (semivitreous type), predominantly for household use, increased from about \$14,000,000 in 1932, to about \$25,000,000 in 1938. Italian production and exports are not separately reported. It is believed that over a considerable period the United States has ranked among the most important Italian export markets. In 1937, total domestic production of glass tableware (excluding kitchenware) amounted to 41 million dollars, of which about 7 million represented hand-blown ware. In the same year, imports from all countries amounted to about 1.4 million dollars. Most of this was hand-blown ware comparable to types produced in the United States. Before the war Czechoslovakia and Germany were the principal sources of imports, and Italy supplied less than 5 percent of all imports. Detailed statistics of Italian production and trade are not available. Marble is a crystalline form of limestone. The "onyx" from Argentina and Mexico is distinguished from marble by its pronounced translucency. Breccia is a natural stone formed from fragments of marble or other stone. Italy is the principal source of United States imports of marble, Belgium is second, and France third. Imports declined sharply after 1929 largely because of decreased building construction. Imports from Italy consist mainly of the famous Carrara white marble, with smaller quantities of black and gold, green (verde antique), yellow, red, and gray marbles. Imported marbles generally differ from the domestic in color, veining, or other characteristics. Italian production increased from 4,834,000 cubic feet in 1932 to 7,263,000 cubic feet in 1937 and 6,689,000 cubic feet in 1938; exports amounted to about 1,210,000 cubic feet in 1937 and 1,214,000 cubic feet in 1938. The principal export markets were Argentina, France, and the United Kingdom (in descending order). In 1937 and 1938 the United States accounted for 11 percent and 8 percent, respectively, of total exports. Approximately 65 percent of the Italian production is white marble. United States production (sales) decreased from 958,000 cubic feet in 1929 to 106,000 cubic feet in 1935, and in 1937 and 1938 amounted to 257,000 and 229,000 cubic feet, respectively. A large part of the output of important producing States, Vermont, Alabama, Georgia, and Colorado, consists of white marble. Italian white marbles for building are competitive with some of the domestic white marbles, but are in demand in part because of certain physical characteristics, and in part because of their prestige. The manufacture of alabaster imported from Italy are book ends, paperweights, vases, urns, lamp bases, trays, boxes, slabs for use as table tops, and other decorative and utilitarian articles; statues and smokers' articles are specially provided for in pars. 1547 and 1552, respectively. Italian production statistics for these articles are not available, but it is known that a sizeable industry, with a growing export market, has developed. From 1933 to 1937 Italian production of alabaster, in the rough, averaged about 4,500 metric tons annually. Imports supply practically the entire American consumption of these articles. Imports consist largely of unfinished lamp bases used in the domestic lamp industry. Little, if any, jet is imported at the present time.	
Italy.....	220		
Czechoslovakia.....	111		
1939			
Japan.....	359		
Italy.....	247		
United Kingdom.....	96		
1938			
Czechoslovakia.....	355		
Japan.....	135		
Belgium.....	124		
1939			
Belgium.....	227		
Sweden.....	103		
Germany ⁴	93		
1938			
Argentina.....	56		
Italy.....	54		
Mexico.....	44		
1939			
Italy.....	95		
Argentina.....	55		
Mexico.....	47		
1938			
Italy.....	141		
Rumania.....	15		
Germany ⁴	1		
1939			
Italy.....	95		
Rumania.....	14		
China.....	(⁵)		

⁴ Rate reduced in the Trade Agreement with Czechoslovakia, effective Apr. 16, 1938, to April 23, 1939.
⁵ Rate reduced in the Trade Agreement with United Kingdom, effective Jan. 1, 1939, on "Table and kitchen articles and utensils, blown or partly blown, if cut or engraved, valued \$1 or more each."
⁶ Includes Austria.
⁷ Less than 500.

TABLE 116.—United States imports for consumption of commodities of which in later specified

Paragraph, act of 1930	Commodity	Year	Tariff treatment		Imports for consumption from—			
			Rate of duty	Ad valorem equivalent, percent	All countries		Italy	
					Quantity	Value (in 1,000 dollars)	Quantity	Value (in 1,000 dollars)
302 (d)	Ferromanganese, 30 percent or more manganese: Containing over 1 percent carbon.	1929	17¢ lb.	39	Manganese content 1,000 pounds		Manganese content 1,000 pounds	
		1931	do.	48	124,732	5,969	3,369	230
		1934	do.	55	43,653	1,713	1,524	104
		1935	do.	54	41,401	1,401	1,157	70
		1937	17¢ lb.; 1¢ lb. ¹	32	47,888	1,663	1,589	97
		1938	do. ¹	33	52,160	2,076	94	6
		1939 ²	do. ¹	34	46,822	1,740		
369 (b)	Automobiles other than trucks or motor busses: New (complete or chassis).	1929	25 percent ¹		Number		Number	
		1931	do. ¹					
		1934	do. ¹					
		1935	10 percent.		Not separately classified.			
		1937	do.	10	1,442	964	866	289
		1938	do.	10	187	221	67	29
		1939 ²	do.	10	298	377	12	13
374	Crude aluminum metal, scrap, and alloys (except alloys provided for in par. 302).	1929	5¢ lb.	28	1,000 pounds		1,000 pounds	
		1931	4¢ lb.	24	50,856	9,926	42	3
		1934	do.	21	15,066	2,555	112	1
		1935	do.	21	18,363	3,561	700	163
		1937	do.	23	21,076	3,646	810	179
		1938	do.	25	44,702	6,770	281	42
		1939 ²	3¢ lb. ³	29	17,485	2,428		
386	Quicksilver or mercury	1929	25¢ lb.	19				
		1931	do.	21	1,134	1,513	158	196
		1934	do.	40	42	49	23	24
		1935	do.	39	775	481	49	33
		1937	do.	39	594	382	69	31
		1938	do.	29	1,438	1,228	747	649
		1939 ²	do.	34	180	133	84	50
403	Brier, ivy, or laurel root and similar wood, not further advanced than cut into blocks.	1929	10 percent.	10	Thousands		Thousands	
		1931	do.	10		305		100
		1934	do.	10		338		133
		1935	do.	10		380		201
		1937	do.	10	23,815	530	15,145	316
		1938	do.	10	27,858	542	19,137	332
		1939 ²	do.	10	34,482	636	21,381	347
				10	36,903	616	24,273	373

¹ Rate reduced in the first and second Trade Agreements with Canada, effective Jan. 1, 1936 and Jan. 1, 1939, to 1 cent per pound on manganese content of "ferromanganese, 30 percent or more manganese, containing not less than 4 percent carbon."

² Preliminary.

³ When from country imposing a greater duty on imports from United States, an equal duty shall be imposed but not greater than 50 percent.

⁴ Countervailing duty repealed June 13, 1934, by Section 350 of Tariff Act of 1930.

⁵ Includes Austria.

imports from Italy were valued at \$200,000 or more in 1929, or at \$100,000 or more years—Continued

Principal suppliers in 1938 and 1939 by value		Comments	
Country	Value (in 1,000 dollars)		
1938			
Norway.....	922	<p>Italy is a relatively small producer of ferromanganese and a minor supplier of United States imports; there were no imports from Italy in 1938 and 1939. Imports from Italy have been of the low and medium carbon grade containing, respectively, less than 1 percent of carbon (alloys of less than 1 percent carbon are classed under par. 302 (e)), and from 1 to 4 percent carbon. Low and medium carbon grades are made only where cheap electric power is available. This circumstance has given Norwegian plants a great advantage over plants in Canada, France, Italy, and Switzerland.</p> <p>The United States ranks far ahead of any other country in production of automobiles, usually much exceeding all other countries combined. Imports are insignificant. Imports from Italy have in recent years been a small part of total imports; Italy is one of the less important markets for United States exports, taking something like 1/10 of 1 percent of the total, but exports to Italy usually exceed imports from that country. High duties on import controls have restricted Italian imports.</p> <p>In 1938 Italy produced about 70,000 vehicles and was far surpassed by Great Britain (448,000), Germany (352,000), France (215,000), Soviet Union (211,000), and Canada (166,000). 31 percent of the Italian passenger car production and 18 percent of the truck production were exported, mainly to Italian Africa and to Germany and other countries of Europe, where the small type of car is in favor.</p> <p>The United States has ranked first and Italy eighth in world production of aluminum, although in 1938 Germany produced more than did the United States. United States production of crude aluminum amounted to 131,000 long tons in 1937 and 128,000 tons in 1938. Italian output was 23,000 tons in 1937 and 25,000 tons in 1938. Although rapidly expanding, Italian production barely keeps pace with home demand; exports have been small in most years.</p> <p>Italy is a minor supplier of United States imports. The high unit value of imports from Italy as compared with the average import unit value suggests special alloys; in 1929, however, unit values were so low as to suggest scrap material.</p> <p>The United States, the third largest producer of quicksilver, produces from 10 to 20 percent of the world output. In 1937 and 1938, United States production amounted to 1,255,000 and 1,367,000 pounds, respectively.</p> <p>Normally, Spain is the world's largest producer and Italy the second. Since 1928, Mercurio Europeo, a cartel covering the combined output of Spain and Italy, has controlled prices and the volume of sales but not always—production.</p> <p>In 1937, during the Civil War in Spain, United States imports of quicksilver from Italy increased while imports from Spain declined. In recent months imports from Italy have practically ceased and domestic production has increased sharply.</p> <p>Imports consist almost exclusively of brierwood used in the manufacture of bowls for tobacco pipes. Brierwood is not produced in the United States and no domestic wood is a satisfactory substitute.</p> <p>Italy and France and French North Africa have always been the chief sources of the brierwood imports. While statistics showing production in and exports from these sources are not available, it is estimated that about 1/2 of the brierwood exported from Italy comes to the United States. Beginning in 1932, Italy has replaced France as the principal source of imports, because lower-grade blocks, which are more readily available in Italy than in France, have been in demand as a result of the trend toward less expensive pipes.</p>	
Netherlands.....	404		
Czechoslovakia.....	211		
1939			
Norway.....	1,790		
Netherlands.....	562		
Czechoslovakia.....	102		
1938			
United Kingdom.....	101		
Germany *.....	45		
France.....	29		
1939			
United Kingdom.....	233		
France.....	83		
Germany *.....	28		
1938			
Norway.....	795		
France.....	737		
Switzerland.....	416		
1939			
Canada.....	1,120		
France.....	616		
United Kingdom.....	673		
1938			
Spain.....	82		
Italy.....	50		
1939			
Spain.....	246		
Mexico.....	61		
Italy.....	30		
1938			
Italy.....	347		
France.....	167		
Algeria.....	67		
1939			
Italy.....	373		
France.....	128		
Algeria.....	92		

* Rate reduced in the second Trade Agreement with Canada, effective Jan. 1, 1939.

TABLE 116.—United States imports for consumption of commodities of which in later specified

Paragraph, act of 1930	Commodity	Year	Tariff treatment		Imports for consumption from—				
			Rate of duty	Ad valorem equivalent, percent	All countries		Italy		
					Quantity	Value (in 1,000 dollars)	Quantity	Value (in 1,000 dollars)	
412	Chairs of wood (except bentwood), n. s. p. f.	1929	33½ percent	33	Thou- sands	801	1,925	21	255
		1931	40 percent	40		43	331	11	106
		1934	do	40		13	77	5	41
		1935	do	40		32	89	5	35
		1937	do	40		68	212	13	79
		1938	do	40		42	136	7	43
		1939 ¹	do	40		59	216	15	79
412	Wood furniture and parts, n. s. p. f.	1929	33½ percent	33			3,414		640
		1931	40 percent	40			1,446		319
		1934	do	40			488		155
		1935	do	40			473		151
		1937	do	40			1,020		270
		1938	do	40			619		171
		1939 ¹	40%; 25% ²	25			555		122
506	Sugar candy and confectionery, n. s. p. f.	1929	40 percent	40	1,000 pounds	3,880	991	265	127
		1931	do	40		4,802	909	106	72
		1934	do	40		3,304	483	100	55
		1935	do	40		4,235	576	111	45
		1937	do	40		5,661	618	190	90
		1938	do	40		3,013	481	170	75
		1939 ¹	40%; 20% ²	21		3,206	556	265	122
601	Tobacco	1929	35¢ lb.	61		46,010	26,218	1,646	834
	Cigarette leaf—unstemmed.	1931	do	66		43,179	22,844	9,346	3,784
		1934	do	101		38,364	18,314	6,934	2,159
		1935	do	115		39,545	12,080	5,332	1,578
		1937	do	84		47,985	20,048	2,216	943
		1938	do	70		49,508	24,660	522	213
		1939 ¹	35¢ lb.; 30¢ lb. ³	71		49,619	24,293	645	251
703	Pork	1929	2¢ lb.	47		2,308	980	474	192
	Pickled, salted, and other.	1931	3¼¢ lb.	9		1,233	438	345	120
		1934	do	8		484	192	119	53
		1935	do	11		1,229	348	230	89
		1937	do	13		6,529	1,681	720	244
		1938	do	12		3,748	982	447	171
		1939 ¹	3¼¢ lb.; 2¢ lb. ³	11		2,358	681	462	170

¹Preliminary.²Rate reduced on "wood furniture (other than chairs)" in the Trade Agreement with the United Kingdom, effective Jan. 1, 1939. The reduced rate does not apply to parts of such furniture.³Rate on "sugar candy and confectionery, n. s. p. f. valued at 6 cents or more per pound" reduced in the Trade Agreement with the United Kingdom, effective Jan. 1, 1939.

imports from Italy were valued at \$200,000 or more in 1929, or at \$100,000 or more years—Continued

Principal suppliers in 1938 and 1939 by value		Comments	
Country	Value (in 1,000 dollars)		
1938			
Italy.....	43	<p>In 1937, domestic production of wood furniture, including chairs, was valued at \$504,000,000, of which \$417,000,000 represented household furniture. Total imports are usually less than 1 percent of domestic consumption. Decreased imports since 1929 are due largely to a general decline in the sale of luxury articles.</p> <p>In 1935 Italian production was estimated at about \$13,000,000, the most important foreign market for the Italian industry being the United States. Imports from Italy consist chiefly of frames for chairs, sofas, settees, and similar pieces for upholstering. The frames which are of various qualities are hand-carved and shaped ready for setting-up, but are in the white, i. e., unfinished. The imported furniture from England and France consists mainly of finished pieces. The unit value of imports of chairs from Italy is higher than the unit value from all other countries. Furniture imported into the United States does not compete with the bulk of the domestic output. However, frames from Italy offer substantial competition to some classes of domestic frames which may be of different designs but are used for the same purposes.</p> <p>Par. 506 provides for all articles generally considered candy or confectionery, except chocolate without nuts, etc.; other forms of chocolate containing sugar and possibly small quantities of flavoring; and candied, crystallized, and glace fruits.</p> <p>Production data, which do not include many establishments manufacturing on a small scale, show an output valued at \$388,000,000 in 1929, \$211,000,000 in 1933, and \$299,000,000 in 1937.</p> <p>Exports exceed imports but, like imports, consist for the most part of specialties appealing to a restricted trade. Imports are mainly types of candy not produced in large quantities in this country. Italy is a relatively small supplier of imports. In 1938, Italian exports amounted to about 4,104,000 pounds; by far the major part went to Italian possessions in Africa. The United States produces over 1 billion pounds of cigarette leaf tobacco annually and is by far the world's largest exporter. Imports consist almost wholly of aromatic tobaccos from near-Eastern countries, and are used for blending with domestic tobaccos in the popular brands of cigarettes. Italy's contribution to these imports, which was quite large in 1931 consists not of tobacco grown in Italy, but of Turkish, Greek, Bulgarian, and perhaps some Russian tobaccos, sent, for manipulation (sorting and packing) and reshipment, to the free port of Trieste where several large American companies have established warehouses. In recent years the advantages of manipulating tobacco at Trieste have declined and much less is received through Trieste than formerly.</p> <p>Production of tobacco in Italy and exports from that country are of types not imported into the United States.</p> <p>This classification comprises all cured pork other than hams, shoulders, bacon, and canned pork. The principal product included is pork sausage, bacon, and canned pork. The principal product included is pork sausage. In 1937 domestic production of sausage of all kinds (both beef and pork) amounted to 1,620 million pounds. In the same year total imports into the United States under this classification (of which probably 70 percent was sausage), which were much larger than usual because of the effects of droughts on United States production of pork products, amounted to 6.5 million pounds or to 0.4 of 1 percent of total domestic production.</p> <p>Imports from Italy, which usually ranks second as a supplier, consist chiefly of dry sausages, both smoked and unsmoked, and are considered, as are imports from most other sources, to be specialty products. Imported sausages are consumed principally by people whose ancestors came from the country of origin of such imports.</p> <p>No data are available concerning Italian production or exports of sausages. It is believed, however, that Italian export data on all cured and smoked meats, except hams, refer largely to sausages. In 1937 these exports amounted to 5.3 million pounds. About 4 million pounds went to Switzerland and half a million to the United States, France ranking third.</p>	
United Kingdom.....	32		
France.....	19		
1939			
Italy.....	79		
United Kingdom.....	43		
France.....	29		
1938			
United Kingdom.....	174		
Italy.....	171		
France.....	107		
1939			
United Kingdom.....	177		
Italy.....	122		
France.....	108		
1938			
United Kingdom.....	101		
Estonia.....	78		
Italy.....	76		
1939			
Italy.....	122		
United Kingdom.....	113		
Netherlands.....	59		
1938			
Greece.....	11,162		
Turkey.....	11,125		
Bulgaria.....	1,083		
1939			
Turkey.....	11,212		
Greece.....	10,163		
Bulgaria.....	1,587		
1938			
Poland and Danzig.....	434		
Italy.....	171		
Canada.....	102		
1939			
Poland and Danzig.....	187		
Italy.....	170		
Hungary.....	91		

¹ Rate reduced in the Trade Agreement with Turkey, effective May 5, 1939.

² Rate reduced on "pork; pickled, salted, and other, not cooked, boned or canned, or made into sausages" in the second Trade Agreement with Canada, effective Jan. 1, 1939.

TABLE 116.—United States imports for consumption of commodities of which in later specified

Paragraph, act of 1930	Commodity	Year	Tariff treatment	Imports for consumption from—				
			Rate of duty	Ad valorem equivalent, percent	All countries		Italy	
					Quantity	Value (in 1,000 dollars)	Quantity	Value (in 1,000 dollars)
710	Cheese	1929	5½ lb.			1,000 pounds		
	Provolone and Provolotte:	1931	7½ lb.	37		Not separately classified.		
	Dutiable at specific rate.	1934	do.	37	6,394	1,197	6,356	
		1935	do.	38	4,838	895	4,837	
		1937	do.	37	2,431	456	2,430	
		1938	do.	37	3,121	586	3,107	
		1939 ²	do.	36	2,445	474	2,444	
	Dutiable at minimum ad valorem rate.	1929	25 percent.	36	2,214	429	2,208	
		1931	35 percent.	35	2,114	452	2,114	
		1934	do.	35	2,114	465	2,114	
		1935	do.	35	3,889	851	3,884	
		1937	do.	35	2,453	533	2,453	
		1938	do.	35	2,665	577	2,663	
		1939 ²	do.	35	1,078	235	1,059	
	Romano or Pecorino:	1929	5½ lb.					
	Dutiable at specific rate.	1931	7½ lb.	38			Not separately classified.	
		1934	do.	38	1,691	308	1,630	
		1935	do.	38	2,576	477	2,459	
		1937	do.	39	1,073	192	727	
		1938	do.	38	1,023	186	838	
		1939 ²	do.	39	621	111	384	
	Dutiable at minimum ad valorem rate.	1929	25 percent.	42	660	110	182	
		1931	35 percent.	35	14,878	3,704	14,869	
		1934	do.	35	11,850	2,953	11,849	
		1935	do.	35	14,744	4,012	14,690	
		1937	do.	35	14,371	3,599	14,338	
		1938	do.	35	14,894	3,666	14,843	
		1939 ²	do.	35	15,397	4,061	15,318	
	Reggiano or Parmesan:	1929	5½ lb.					
	Dutiable at specific rate.	1931	7½ lb.	37			Not separately classified.	
		1934	do.	41	34	6	34	
		1935	do.	41	390	68	258	
		1937	do.	38	1,182	217	1,112	
		1938	do.	37	408	76	365	
		1939 ²	do.	43	175	28	42	
	Reggiano or Parmesan:	1929	25 percent.	46	339	52	24	
	Dutiable at minimum ad valorem rate.	1931	35 percent.	35	2,674	716	2,652	
		1934	do.	35	1,768	475	1,730	
		1935	do.	35	1,497	345	1,496	
		1937	do.	35	1,356	325	1,332	
		1938	do.	35	1,392	377	1,350	
		1939 ²	do.	35	2,097	559	2,035	
	Blue-mold in original loaves. ¹	1929	5½ lb.	35				
	Dutiable at specific rates.	1931	7½ lb.				Not separately classified.	
		1934	do.				Do.	
	1935	do.				Do.		
	1937	5½ lb. ¹	30			Do.		
	1938	do. ¹	30	3,304	575	809		
	1939 ²	do. ¹	30	3,133	522	489		
"Other"	1929	5½ lb.	30	3,043	514	559		
Dutiable at specific rate.	1931	7½ lb.				102		
	1934	do.				No comparable statistics.		
	1935	do.				Do.		
	1937	do.				Do.		
	1938	do.	47	7,089	1,048	2,465		
	1939 ²	do.	49	5,789	835	2,008		
Dutiable at minimum ad valorem rate.	1929	25 percent.	49	5,861	840	1,927		
	1931	35 percent.				282		
	1934	do.				No comparable statistics.		
	1935	do.				Do.		
	1937	do.				Do.		
	1938	do.	35	1,425	352	643		
	1939 ²	do.	35	1,344	321	380		
	1939 ²	do.	35	1,870	446	494		

¹ Less than 500.
² Preliminary.

imports from Italy were valued at \$200,000 or more in 1929, or at \$100,000 or more years—Continued

Principal suppliers in 1938 and 1939 by value		Comments
Country	Value (in 1,000 dollars)	
Italy..... 1938	474	<p>Cheeses imported into the United States from Italy consist almost entirely of what are known as Italian type cheeses. Italy has been almost the sole source of such imports which are consumed chiefly by people of Italian ancestry.</p> <p>In 1938 and 1939, United States production of all cheese amounted to 725 and 703 million pounds, respectively, of which Italian types accounted for 16.5 and 19.6 million pounds. The principal Italian types produced in this country are Provolone, Asiago, and Parmesan (or Reggiano).</p> <p>Total imports of cheese amounted to 54.4 million pounds in 1938, and to 59.1 million pounds in 1939; of these imports, Italy accounted for 29.4 million and 29.5 million pounds, respectively.</p> <p>In 1938, imports of all types of cheese from Italy amounted to 24.6 million pounds or 46 percent of total imports and in 1939 to 23.8 million pounds or 40 percent of total imports. Of these imports, Romano or Pecorino represented 61 percent, Reggiano or Parmesan 6 percent, Provolone and Provolotte 21 percent, and Gorgonzola, a blue-mold type, 2.7 percent.</p> <p>In recent years, Italy has ranked third among all countries as a producer and fourth as an exporter of cheese. In 1931-35, Italian production averaged about 510 million pounds as compared with 491 million pounds in 1936-37. In 1937 and 1938, Italian exports of cheese amounted to 52.7 million and 54.1 million pounds, respectively; nearly 50 percent in each year went to the United States.</p> <p>Although reductions in duty have been granted by the United States on several types of cheese in various trade agreements, no concessions have been made on any Italian type cheese.</p>
Argentina..... (1)		
Italy..... 1939	428	
Argentina..... 1938	1	
Italy..... 1938	577	
Argentina..... 1939	1	
Italy..... 1938	231	
Argentina..... 1938	4	
Italy..... 1938	72	
Greece..... 1939	19	
Argentina..... 1938	13	
Argentina..... 1939	44	
Italy..... 1938	34	
Greece..... 1938	12	
Italy..... 1939	3,654	
Greece..... 1938	9	
Albania..... 1939	2	
Italy..... 1938	4,043	
Greece..... 1939	9	
Albania..... 1938	7	
Argentina..... 1939	20	
Italy..... 1938	8	
Argentina..... 1939	48	
Italy..... 1938	4	
Hungary..... 1938	(1)	
Italy..... 1938	370	
Argentina..... 1939	7	
Italy..... 1938	546	
Argentina..... 1939	13	
Switzerland..... 1938	(1)	
Denmark..... 1938	371	
Italy..... 1939	91	
France..... 1938	44	
Denmark..... 1939	370	
Italy..... 1938	102	
France..... 1939	33	
Italy..... 1938	287	
Greece..... 1939	141	
Argentina..... 1938	125	
Italy..... 1939	282	
Argentina..... 1938	190	
Norway..... 1938	72	
Italy..... 1939	90	
Norway..... 1938	43	
France..... 1939	42	
Italy..... 1938	115	
Norway..... 1939	76	
Albania..... 1938	48	

¹ New class, effective June 15, 1936; formerly included in "other" cheese.

⁴ Rate reduced in the Trade Agreement with France, effective June 15, 1936

TABLE 116.—United States imports for consumption of commodities of which in later specified

Paragraph, act of 1930	Commodity	Year	Tariff treatment		Imports for consumption from—			
			Rate of duty	Ad valorem equivalent, percent	All countries		Italy	
					Quantity	Value (in 1,000 dollars)	Quantity	Value (in 1,000 dollars)
718 (a)	Anchovies In oil or in oil and other substances: Valued over 9¢ lb.	1929	30 percent	30	Not separately classified.			
		1931	do.	30	Do.			
		1934 ¹	do.	30	1,852	588	1,364	465
		1935	do.	30	2,382	787	1,753	648
		1937	do.	30	2,169	365	1,652	719
		1938	do.	30	2,061	897	1,849	823
		1939 ²	do.	30	2,449	878	1,697	668
718 (a)	Antipasto In oil or in oil and other substances: Valued over 9¢ lb.	1929	30 percent	30	Not separately classified.			
		1929	do.	30	Do.			
		1934 ¹	do.	30	205	75	204	75
		1935	do.	30	287	105	276	103
		1937	do.	30	269	104	269	104
		1938	do.	30	210	79	208	78
		1939 ²	do.	30	227	83	227	83
725	Macaroni, vermicelli, noodles, and similar pastes: Containing no eggs or egg products.	1929	2¢ lb.	30	Not separately classified.			
		1931	do.	27	2,398	177	1,631	124
		1934	do.	24	1,324	110	707	71
		1935	do.	23	1,374	117	668	67
		1937	do.	24	1,634	138	830	79
		1938	do.	21	1,151	107	628	64
		1939 ²	do.	21	1,050	100	453	48
730	Beet, pulp, dried.	1929	\$5 ton	14	Long tons		Long tons	
		1931	do.	32	31,731	1,100	10,572	343
		1934	do.	25	41,224	638	2,475	36
		1935	do.	21	3,067	61	—	—
		1937	do.	20	20,473	697	362	10
		1938	do.	21	37,027	941	1,394	42
		1939 ²	\$3.75 ton ¹	17	27,843	658	—	—
737	Cherries Sulphured, or in brine: With pits removed.	1929	3¢ lb.	20	1,000 pounds		1,000 pounds	
		1931	9½¢ lb.	79	20,492	3,048	19,491	2,900
		1934	do.	100	5,161	622	5,137	620
		1935	do.	94	330	32	330	32
		1937	do.	101	549	56	549	56
		1938	do.	100	887	84	862	81
		1939 ²	do.	117	613	58	613	58
				93	8	93	8	

¹ Jan. 13-Dec. 31. New classification beginning Jan. 13, 1934, when in accordance with the Presidential proclamation under Section 336 of the Tariff Act of 1930, the duty on all fish packed in oil and valued at not more than 9 cents per pound was increased to 44 percent ad valorem.

² Preliminary.

imports from Italy were valued at \$200,000 or more in 1929, or at \$100,000 or more years—Continued

Principal suppliers in 1938 and 1939 by value		Comments
Country	Value (in 1,000 dollars)	
1938		
Italy.....	823	Anchovies packed in oil are not produced in the United States because the domestic species, although available in large quantities off the coast of California, does not lend itself to the preserving processes used on the European species. Anchovies do not compete directly with any other domestic fishery product.
Spain.....	38	
Portugal.....	17	
1939		
Italy.....	668	Italy is by far the largest producer of olive oil pack, and it is estimated that of the production at Leghorn, the center of the industry, about ½ is exported to the United States, and about ¼ to England.
Portugal.....	162	
Spain.....	19	
1938		
Italy.....	78	Although there have always been extensive anchovy fisheries off the coast of Italy it has recently been reported that the bulk of the supply of brined anchovies used by the Italian processing industry is produced in Portugal. Antipasto is a preserve of fish, vegetables, and olives, packed in oil in glass jars, bottles, and tins. It is believed that there has been no production in the United States since 1932, when one domestic company produced a small pack that resembled somewhat the imported product but sold for a lower price.
France.....	1	
1939		
Italy.....	83	
1938		
Italy.....	64	United States production of macaroni, spaghetti, vermicelli, and noodles was estimated at 556 million pounds in 1937, as compared with 638 million pounds in 1929. In the decade imports declined from ¼ of 1 percent of domestic production to ¼ of 1 percent. Imports are consumed chiefly by persons of Italian descent. Exports greatly exceed imports.
China.....	23	
Japan.....	10	
1939		
Italy.....	48	In 1937 and 1938, Italian production of macaroni and spaghetti amounted to 1,137 million pounds and 1,120 million pounds, respectively. Exports from Italy in those years amounted to 40.3 million and 37.9 million pounds. Over 80 percent of these exports went to Italian possessions in Africa. The United Kingdom and the United States were next in importance as export markets, each accounting for less than 4 percent of the total.
China.....	26	
Hong Kong.....	13	
1938		
Spain.....	220	Dried beet pulp is used principally for dairy cattle and livestock feeding. Since 1932, the quantity produced in the United States has ranged between 199,000 and 275,000 short tons annually. Only about ½ of the domestic production of beet pulp is dried, the remainder is fed moist or wet. Imports of dried beet pulp flow principally to Atlantic coast markets and have varied widely. In recent years Italy has supplied little or none.
Yugoslavia.....	134	
Rumania.....	122	
1939		
Canada.....	223	
Yugoslavia.....	74	
Poland and Danzig.....	64	
1938		
Italy.....	58	Sulphured cherries are cherries that have been bleached and preserved in a sulphur solution. They are used principally in the manufacture of maraschino and glace cherries. Largely as the result of increased demand for maraschino cherries, especially for use in cocktails and for making chocolate-coated cherries, the use of sulphured cherries is now about 5 times that of 1930. Production in the United States increased from about 9 million pounds (fresh fruit basis) in 1930 to almost 50 million pounds in 1937.
Japan.....	(*)	
1939		
Italy.....	8	Under the act of 1930 the duty on sulphured cherries with stems and pits removed was increased from 2 cents to 5½ cents per pound, and on cherries with stems and pits removed, from 3 cents to 9½ cents per pound. Imports of sulphured cherries with the stems and pits removed normally averaged about 10 million pounds per year prior to 1930, but because of abnormal conditions amounted to over 20 million pounds in 1929. By 1930 imports had declined to less than 300,000 pounds, and since then have remained at less than 1 million pounds annually.

* Rate reduced in the Trade Agreement with Canada, effective Jan. 1, 1930.
 † Less than 500.

TABLE 116.—United States imports for consumption of commodities of which in later specified

Paragraph, act of 1930	Commodity	Year	Tariff treatment		Imports for consumption from—					
			Rate of duty	Ad valorem equivalent, percent	All countries		Italy			
					Quantity	Value (in 1,000 dollars)	Quantity	Value (in 1,000 dollars)		
739	Citrons or citron peel, candied, or otherwise prepared.	1929	4½¢ lb	30	1,000 pounds	3,200	477	1,000 pounds	2,207	323
		1931	6¢ lb	62		2,115	205		1,942	189
		1934	do	53		1,065	120		936	109
		1935	do	55		745	81		728	79
		1937	do	61		613	60		609	60
		1938	do	71		628	53		628	53
		1939 ¹	do	75		506	41		506	41
743	Lemons	1929	2¢ lb	56	46,926	1,664	45,919	1,624	1,624	
		1931	2½¢ lb	90	20,056	560	18,816	517	517	
		1934	do	96	1,915	50	1,912	50	50	
		1935	do	100	161	4	160	4	4	
		1937	do	71	5,532	195	5,375	190	190	
		1938	do	119	560	12	561	11	11	
		1939 ¹	do							
756	Almonds Shelled.	1929	14¢ lb	40	16,003	5,058	6,788	2,250	2,250	
		1931	16½¢ lb	71	11,747	2,716	5,425	1,191	1,191	
		1934	do	69	2,807	680	386	99	99	
		1935	do	81	7,340	1,488	2,144	415	415	
		1937	do	58	6,608	1,888	4,007	1,308	1,308	
		1938	do	52	1,639	518	961	294	294	
		1939 ¹	do	61	1,534	413	1,001	261	261	
757	Filberts Not shelled.	1929	2½¢ lb	22	6,915	770	5,103	587	587	
		1931	5¢ lb	60	6,791	569	6,586	551	551	
		1934	do	70	2,452	170	2,384	171	171	
		1935	do	58	3,533	304	2,701	238	238	
		1937	do	53	330	31	293	28	28	
		1938	do	46	417	45	417	45	45	
		1939 ¹	do	57	1,534	134	1,534	134	134	

¹ Preliminary.

imports from Italy were valued at \$200,000 or more in 1929, or at \$100,000 or more years—Continued

Principal suppliers in 1938 and 1939 by value		Comments
Country	Value (in 1,000 dollars)	
Italy..... 1938	53	<p>In addition to producing and importing citron in brine (see par. 1649) for the manufacture of candied citron, the United States also imports candied citron, practically all from Italy. As a result of placing citron in brine on the free list in 1930 (former duty 2 cents per pound) and raising the rate on candied citron from 4½ to 6 cents per pound, the relation between imports of the two commodities changed greatly. Imports of the candied peel declined from an average of 2,043,000 pounds in 1927-29 to 582,000 pounds in 1937-39; imports of the crude, on the other hand, increased from 1,134,000 to 2,503,000 pounds.</p> <p>Domestic production of candied citron rose from less than a million pounds annually in 1929 and 1930 to 3.9 million pounds in 1937. Total consumption, on the other hand, has varied little since 1920, ranging from 3.9 million pounds in that year to 4.5 million pounds in 1937.</p> <p>Candied or preserved citron or citron peel is prepared by passing the crude citron in brine through 8 to 10 changes of sirups of progressively increasing sugar concentration, and then allowing it to drain, dry, and crystallize. Candied citron, apart from that made in the United States, is prepared mostly in citron-growing countries, namely, Italy, France, and Greece. Leghorn, Italy, is the largest manufacturing and export center. (See citron or citron peel in brine, par. 1649.)</p>
Italy..... 1939	41	
Palestine.....	(2)	<p>In recent years the annual production of lemons in the United States has averaged about 608 million pounds. About 75 percent of this total has gone to the fresh fruit markets, the remainder having been used in byproduct plants. Imports have varied greatly even in the more recent years. In 1938 imports amounted to about 560,000 pounds, or ¼ of 1 percent of domestic production; exports were 61 million pounds, or about 10 percent of domestic production. Since 1931 exports have been larger than imports. There were no imports in 1939.</p> <p>Italy is the leading world producer of lemons. In 1937 production was 646 million pounds, of which 494 million pounds, or 76 percent, was exported, mainly to Germany, the United Kingdom, and France. In recent years the United States has been unimportant as a market because of increased domestic production. In Italy large quantities of lemons are used in the manufacture of citrate of lime, lemon oil, citric acid, concentrated lemon juice, and dried lemon peel.</p>
Italy..... 1938	11	<p>The average annual domestic production of shelled almonds, which is all from almonds grown in this country (total imports of unshelled almonds are insignificant), amounts to about 5 million pounds (nearly all in California). In 1935 and 1937 imports amounted to some 7 million pounds annually, largely as a result of the shortage of domestic crops. In 1937, however, domestic production was 8 million pounds, and imports declined to less than 2 million pounds.</p> <p>Italy and Spain are the principal suppliers of United States imports. The average annual production of almonds (in the shell) in Italy is about 179 million pounds and that in Spain about 162 million pounds, the 2 countries together representing approximately 85 percent of the world total. A large proportion of the production in Italy is of the hard-shelled type used for shelling. Spain produces a larger quantity of soft-shelled almonds more suitable for the unshelled trade.</p> <p>In 1936 and 1937, the United States bought 10 percent of Italy's total exports of shelled almonds. Germany, the Netherlands, and France were more important markets.</p> <p>Imports are entered chiefly at Atlantic ports, large consuming centers, where imports have a slight transportation advantage over the California product.</p>
Palestine.....	(1)	
Dominican Republic.....	(2)	<p>Prior to 1927, domestic production of filberts was negligible. In 1937 and 1938 over 4 million pounds were produced in the United States, most of which was marketed unshelled; imports, nearly all from Italy, meantime had declined from 9 million pounds per annum in the period 1926-29 to less than one-half million in 1937 and 1938. There was a decline of over 40 percent in total domestic sales in this form between 1926-29 and 1934-37.</p>
Italy..... 1938	294	<p>Prior to 1927, domestic production of filberts was negligible. In 1937 and 1938 over 4 million pounds were produced in the United States, most of which was marketed unshelled; imports, nearly all from Italy, meantime had declined from 9 million pounds per annum in the period 1926-29 to less than one-half million in 1937 and 1938. There was a decline of over 40 percent in total domestic sales in this form between 1926-29 and 1934-37.</p>
Spain.....	200	
France.....	16	
Italy..... 1939	261	
Spain.....	142	
Morocco.....	5	
Italy..... 1938	45	
Italy..... 1939	134	
Turkey.....	(2)	

¹ Less than 500.

TABLE 116.—United States imports for consumption of commodities of which in later specified

Paragraph, act of 1930	Commodity	Year	Tariff treatment		Imports for consumption from—			
			Rate of duty	Ad valorem equivalent, percent	All countries		Italy	
					Quantity	Value (in 1,000 dollars)	Quantity	Value (in 1,000 dollars)
757	Filberts..... Shelled.	1929	5¢ lb.	22	1,000 pounds		1,000 pounds	
		1931	10¢ lb.	57	5,855	1,333	731	183
		1934	do.	59	3,690	643	463	128
		1935	do.	56	2,231	378	203	35
		1937	do.	52	2,104	374	487	94
		1938	do.	58	2,005	384	721	143
		1939	do.	58	1,940	336	303	66
		1939 ¹	10¢ lb; 8¢ lb. ²	43	2,094	392	461	98
760	Walnuts..... Not shelled.	1929	4¢ lb.	38	7,570	780	4,775	519
		1931	5¢ lb.	60	4,519	376	3,567	305
		1934	do.	48	28	3	27	3
		1935	do.	72	308	22	305	21
		1937	do.	66	263	20	177	12
		1938	do.	63	138	11	66	6
		1939	do.	108	22	1		
		1939 ¹	do.					
765	Beans, n. s. p. f..... Dried.	1929	134¢ lb.	31	93,835	5,358	5,258	380
		1931	3¢ lb.	98	42,039	1,281	1,405	66
		1934	do.	133	13,797	310	159	8
		1935	do.	124	35,099	847	75	3
		1937	do.	87	54,492	1,885	1,704	78
		1938	do.	74	8,104	328	866	52
		1939	do.	88	5,910	201	168	10
		1939 ¹	do.					
772	Tomatoes..... Canned or otherwise prepared or preserved.	1929	15 percent.	15	162,158	8,389	150,213	7,716
		1931	50 percent.	50	82,024	2,843	81,872	2,839
		1934	do.	50	82,399	3,069	81,902	3,052
		1935	do.	50	76,793	3,086	72,754	2,951
		1937	do.	50	53,807	2,204	53,775	2,202
		1938	do.	50	62,520	2,434	62,518	2,434
		1939	do.	50	55,400	2,222	55,391	2,222
		1939 ¹	do.					
	Tomato paste and tomato sauce.....	1929	40 percent.	40	13,283	1,558	13,269	1,557
		1931	50 percent.	50	12,568	945	12,543	944
		1934	do.	50	12,265	911	11,788	897
		1935	do.	50	10,775	966	9,848	958
		1937	do.	50	8,942	651	8,939	651
		1938	do.	50	9,314	624	9,312	624
1939	do.	50	7,146	567	7,146	567		
1939 ¹	do.							

¹ Preliminary.² Rate reduced in the Trade Agreement with Turkey, effective May 5, 1939.

imports from Italy were valued at \$200,000 or more in 1929, or at \$100,000 or more years—Continued

Principal suppliers in 1938 and 1939 by value		Comments
Country	Value (in 1,000 dollars)	
1938		
Turkey.....	228	Imports of shelled filberts in 1937 and 1938, although smaller than in earlier years, were approximately equivalent to the domestic crop sold in the shell. Imports are chiefly from Turkey, Italy, and Spain.
Italy.....	66	
Spain.....	21	
1939		
Turkey.....	286	Italy produces normally about 47 million pounds of filberts (in the shell) or less than 1/4 as much as Turkey and about 10 percent less than Spain. Italy exports about 90 percent of its production, the bulk being in the unshelled form, but imports appreciable quantities of shelled filberts from Turkey. Germany, the United Kingdom, and France are the principal export markets.
Italy.....	98	
France.....	7	
1938		
Italy.....	6	For the 4 crop years 1934-37, the average domestic production of walnuts, marketed unshelled, was about 68 million pounds annually, of which about 12 million pounds were exported. During this period imports of unshelled walnuts averaged less than 200,000 pounds annually; they had been many times larger before 1932. Domestic production has rapidly increased. In recent years United States imports of shelled walnuts have been far larger than those of the unshelled, but Italy is a minor supplier.
Rumania.....	3	
Syria.....	1	
1939		
Rumania.....	1	Italian production of walnuts amounts to about 38 million pounds a year, about 15 million pounds being exported. Italy produces somewhat less than 1/2 as much as France, and about 1/4 as much as the United States. Over 90 percent of Italian exports are in the unshelled form. Of total Italian exports, only about 1 percent in the last few years has gone to the United States, though Italy generally supplies the greater part of United States imports. Italy's principal foreign markets are Germany, the United Kingdom, and Switzerland.
1938		
China.....	77	Domestic production of dried beans averages 1 1/4 billion pounds annually. Imports have consisted chiefly of the higher priced types and have varied greatly (6 million pounds in 1939, but 64 million in 1929). Imports from Italy constitute from less than 1 percent to about 10 percent of total quantities imported, with somewhat higher percentages by value.
Italy.....	52	
Hong Kong.....	51	
1939		
China.....	105	During the 1930's the annual production of dried beans in Italy was from 300 million to 400 million pounds. In 1938 Italy imported 45 million pounds and in 1937 65 million pounds. Italian exports in those years amounted to approximately 10 percent of imports. Exports go largely to Italian colonies and possessions.
Hong Kong.....	34	
Japan.....	30	
1938		
Italy.....	2,434	Imported canned tomatoes are mostly from Italy and are consumed largely by people of Italian origin. The imported product most closely resembles the so-called solid pack of California and Utah. There are only slight differences in chemical constituents, solid matter, and flavor.
Palestine.....	(*)	
Hungary.....	(*)	
1939		
Italy.....	2,222	In the period 1934-38, total domestic production averaged 690 million pounds annually, exports averaged only 2 million pounds, and imports averaged 67 million pounds or 9 percent of domestic consumption.
Spain.....	(*)	
Palestine.....	(*)	
1938		
Italy.....	624	In the period 1934-38, production in Italy averaged 160 million pounds, of which 38 percent was exported; in 1937 and 1938, exports were 72.7 and 65.8 million pounds, respectively. In 1937, 19 percent of the exports went to the United Kingdom, 14 percent to Germany, and 12 percent to the United States; in 1938, 20 percent to the United States; 17 percent to the United Kingdom, and 15 percent to Germany.
Palestine.....	(*)	
1939		
Italy.....	567	Tomato paste, an important item in the diet of Italians, is used in place of canned tomatoes in the preparation of soups and sauces. The domestic product is comparable in quality to the imported, yet persons of Italian origin appear to prefer the imported paste even at a higher price.
Palestine.....	(*)	
Production in the United States in 1937 was 154 million pounds as compared with 65 million pounds in 1935, and 40 million pounds in 1929. In 1937, imports amounted to about 6 percent of domestic consumption, as compared with about 14 percent in 1935.		
In the period 1934-38, Italian production averaged 134 million pounds annually, of which 75 percent was exported; in 1937 and 1938 exports amounted to 119.1 and 117.1 million pounds, respectively. In 1937 and 1938, 59 and 50 percent, respectively, of exports went to the United Kingdom, and 39 and 48 percent, respectively, to the United States.		

* Less than 500.

TABLE 116.—United States imports for consumption of commodities of which in later specified

Paragraph, act of 1930	Commodity	Year	Tariff treatment		Imports for consumption from—			
			Rate of duty	Ad valorem equivalent, percent	All countries		Italy	
					Quantity	Value (in 1,000 dollars)	Quantity	Value (in 1,000 dollars)
775	Vegetables, including horse-radish, cut, sliced, parched, roasted, reduced to flour, packed in oil, or prepared, n. s. p. f.	1929 ¹	35 percent.....	35	1,000 pounds		1,000 pounds	
		1931 ²	do.....	35	12,846	1,141	1,243	119
		1934	do.....	35	9,546	674	1,475	120
		1935	do.....	35	6,142	471	652	66
		1937	do.....	35	7,263	587	840	82
		1938	do.....	35	11,128	791	1,104	100
		1939 ³	do.....	35	6,780	550	811	75
					7,836	662	624	52
804	Still wines, containing not more than 24 percent alcohol: Vermuth: In containers holding each one gallon or less.	1929	\$1.25 gallon.....		1,000 gals.		1,000 gals.	
		1931	do.....			Not separately classified.		
		1934	do.....			Do.		
		1936	62½¢ gallon ⁴	32	815	1,610	528	1,016
		1937	do.....	30	1,205	2,118	820	1,394
		1938	do.....	38	1,144	1,897	778	1,284
		1939 ³	do.....	45	1,380	1,900	899	1,142
804	Still wines produced from grapes: Containing 14 percent or less alcohol: In containers holding each one gallon or less.....	1929	\$1.25 gallon.....			Not separately classified.		
		1931	do.....			Do.		
		1934	do.....			Do.		
		1937	75¢ gallon ¹	28	646	1,910	148	239
		1938	do.....	34	990	2,422	304	368
		1939 ³	do.....	38	898	1,021	280	322
			do.....	38	1,024	2,161	298	355
808	Lemonade, soda water, and beverages containing no alcohol or less than ½ percent.	1929	15¢ gallon.....	11	389	510	144	178
		1931	do.....	12	403	496	153	179
		1934	do.....	12	108	131	25	50
		1935	do.....	14	108	113	3	6
		1937	do.....	15	115	117	4	3
		1938	do.....	14	116	121	(⁵)	(⁵)
		1939 ³	10¢ gallon ¹	9	86	91	(⁵)	(⁵)

¹ Combined data for "vegetables, cut, sliced, parched, roasted, packed in oil, or prepared, n. s. p. f." and "canned vegetables, n. s. p. f."

² Includes pickled vegetables in 1931.

³ Preliminary.

⁴ Classification established on June 15, 1936, the effective date on which the rate was reduced in the Trade Agreement with France to 62½¢ gallon.

imports from Italy were valued at \$200,000 or more in 1929, or at \$100,000 or more years—Continued

Principal suppliers in 1938 and 1939 by value		Comments
Country	Value (in 1,000 dollars)	
<i>1938</i>		
Japan.....	218	Imports of prepared vegetables, n. s. p. l., from Italy and other countries, notably the Far East, consist almost entirely of special preparations not produced in the United States and consumed largely by former nationals of the several countries.
China.....	136	
Italy.....	76	
<i>1939</i>		
Japan.....	273	According to an analysis of imports of 1936, made by the Tariff Commission, the principal items imported from Italy are "cajonata" (an eggplant salad), "condimento" (a paste or sauce usually containing sardines and probably used as an appetizer), canned macaroni, chickpea flour; also peppers, onions, and mixed pickles in vinegar, all more properly classifiable under pickled vegetables.
China.....	184	
Hong Kong.....	81	
<i>1938</i>		
Italy.....	1,284	In the United States vermouth is ordinarily made with California fortified wine such as port, sherry, angelina, or muscatel as a base. The flavoring herbs, most of which must be imported, are obtained from all parts of the world. Domestic vermouth ordinarily sells at considerably lower prices than the imported product, but until recent months imports exceeded domestic production.
France.....	610	
Greece.....	2	
<i>1939</i>		
Italy.....	1,142	Italy has been the chief source of imports, particularly for the sweeter types. In 1938, total imports (in containers large or small) amounted to 1,152,000 gallons, of which 781,000 gallons came from Italy. This compares, in the fiscal year 1937-38, with tax-paid withdrawals of domestic vermouth for consumption amounting to 172,000 gallons. The United States is the most important single foreign market for Italian bottled vermouth; in 1938 more than 40 percent of the total went to the United States, Sweden being the second market.
France.....	753	
Greece.....	4	
<i>1938</i>		
France.....	1,042	Since the repeal of prohibition domestic production of wines has increased greatly. In the fiscal years 1937-38 and 1938-39, the output of commercial wines (mainly still wines, with fortified wines over 3/4 of the total) was about 100 and 64 million gallons, respectively, as compared with annual imports of 3 to 4 million gallons (including all types). Imports consist chiefly of wines which are in demand because of special qualities. The only kinds of wine in which Italy is the major supplier of United States imports are vermouth, and still wines containing 14 percent or less of alcohol.
Germany ⁴	484	
Italy.....	322	
<i>1939</i>		
France.....	1,208	Italy produces about 1 billion gallons of wine of all kinds annually, and is surpassed only by France. In 1938, total exports of Italian wine of all types to the United States (with vermouth predominating) constituted about 5 1/2 percent of the value of Italian wines going to all countries. Switzerland, the Italian possessions, and Germany are the most important markets for Italian wine. Exports to the United States, other than vermouth, consist chiefly of wine in "fiaschi," i. e., straw-covered bottles, probably mostly Chianti. To ensure high quality in wine bottled for export, the Italian Government has provided for a national mark to be affixed to the product, which conforms to certain standards. This mark is optional for some markets, but compulsory for others, including the United States.
Germany ⁴	500	
Italy.....	355	
<i>1938</i>		
Denmark.....	73	Par. 808 covers 3 general types of nonalcoholic beverages: (1) Artificially carbonated beverages, such as soda water, ginger ale, sarsaparilla, grape, and lemon; (2) beverages prepared from fruit juices, such as lemonade, limeade, but not including fruit juices as such, which are dutiable under paragraph 806; and (3) fermented beverages, such as ginger beer, near-beer, and small beer. In 1935 and 1937, United States production of non-alcoholic beverages was valued at 161 and 280 million dollars, respectively. Products in this group are, at present, unimportant in United States trade with Italy. Before the repeal of the prohibition amendment, annual imports in this class from Italy amounted to about 150,000 gallons, valued at \$180,000, and consisted chiefly of nonalcoholic vermouth.
United Kingdom.....	45	
France.....	2	
<i>1939</i>		
Denmark.....	45	
United Kingdom.....	43	
Germany ⁴	2	

⁴ Does not include duties on imports into the Virgin Islands of the United States.

⁵ Includes Austria.

⁶ Classification established on June 15, 1936, the effective date on which the rate was reduced in the Trade Agreement with France to 75¢ gallon.

⁷ Less than 600.

⁸ Rate reduced in the Trade Agreement with the United Kingdom, effective Jan. 1, 1939.

TABLE 116.—United States imports for consumption of commodities of which in later specified

Paragraph, act of 1930	Commodity	Year	Tariff treatment		Imports for consumption from—			
			Rate of duty	Ad valorem equivalent, percent	All countries		Italy	
					Quantity	Value (in 1,000 dollars)	Quantity	Value (in 1,000 dollars)
904	Countable cotton cloth..... Printed, dyed, or colored: Not containing silk.	1929	Various.....	32	1,000 sq. yd.	8,428	1,000 sq. yd.	173
					25,267		1,000 lbs.	
					5,875		1,000 lbs.	
		1931	do.....	31	1,000 sq. yd.	4,441	1,000 sq. yd.	82
					18,319		1,000 lbs.	
					4,895		1,000 lbs.	
		1934	do.....	34	1,000 sq. yd.	3,234	1,000 sq. yd.	34
					16,121		1,000 lbs.	
		1935	do.....	32	1,000 sq. yd.	3,279	1,000 sq. yd.	52
					3,670		1,000 lbs.	
20,640	1,000 lbs.							
1937	do. ¹	*32	1,000 sq. yd.	6,169	1,000 sq. yd.	215		
			5,150		1,000 lbs.			
			41,831		1,000 lbs.			
1938	do.....	*32	1,000 sq. yd.	2,967	1,000 sq. yd.	94		
			11,008		1,000 lbs.			
			17,870		1,000 lbs.			
1939 ²	do. ⁴	*29	1,000 sq. yd.	2,926	1,000 sq. yd.	58		
			4,797		1,000 lbs.			
			17,555		1,000 lbs.			
908	Tapestries and other Jacquard-figured upholstery cloths, of cotton or other vegetable fiber (not including pile fabrics or bed-ticking).	1929	45 percent.....	45	4,535	718		
		1931	55 percent.....	55				
		1934	do.....	55			1,576	
		1935	do.....	55			800	
		1937	do.....	55			807	
		1938	do.....	55			1,412	
		1939 ³	do.....	55			1,010	
				4,187	74			
					1,100	705		

¹ Rate reduced on "printed dyed or colored cloth, exceeding yarn count 85, weighing less than 1½ ounces per square yard, or exceeding yarn count 40, woven with swivel attachments," in the Trade Agreement with Switzerland, effective Feb. 15, 1936.

² Calculation does not include duty on imports into Virgin Islands customs district.

imports from Italy were valued at \$200,000 or more in 1929, or at \$100,000 or more years—Continued

Principal suppliers in 1938 and 1939 by value		Comments
Country	Value (in 1,000 dollars)	
<i>1938</i>		
United Kingdom.....	843	United States production of cotton cloth, the largest of any country in the world, consists mainly of cloths made from coarse and medium yarns, not finer than 40s. Total production of countable cotton cloths in 1937 amounted to nearly 9 billion square yards, weighing over 2 billion pounds. Production of fine cloths is substantial, amounting to about 1 billion square yards and to 175 million pounds.
Belgium.....	778	
Japan.....	360	
United Kingdom.....	1,271	
Belgium.....	529	Imports of countable cotton cloths are small in comparison with total domestic production, and consist largely of fine cloths and specialties. Imports from Italy represent less than 3 percent of total imports and include such materials as filter cloths, cambrics, upholstery cloths, coarse colored cloths, and colored shirtings. Imports from Italy are now in part subject to reductions in duty because of concessions made in the recent trade agreement with the United Kingdom.
Switzerland.....	412	
<i>1939</i>		
Italy.....	688	United States production of cotton tapestries, the only class of jacquard-figured upholstery cloths for which production data have been available, declined from a value of \$21,000,000 in 1923 to \$13,000,000 in 1929, and to \$4,000,000 in 1935. Production data are not shown separately in the Census of Manufactures for 1937.
Belgium.....	183	
United Kingdom.....	64	
Italy.....	705	
Belgium.....	230	Imports include jacquard-figured piece goods such as brocatelles, damasks, matelasse, Gobelin type of tapestry and other tapestries, also table covers, scarfs, runners, panels, and seats and backs for chairs. These are made principally of all-cotton, cotton-and-rayon, and cotton-and-linen yarns. Italy is the principal source of imports, supplying on the average for recent years about 65 percent (by value) of the total. The comparatively large importations may be attributed in part to superior quality, in part to lower prices, and also to the availability of a greater number of patterns or designs in short lengths. The increased percentage of imports from Italy is due primarily to the decrease in domestic consumption of the higher-priced tapestries and jacquard-figured upholstery cloths which were supplied mainly by other countries.
United Kingdom.....	70	

³ Preliminary.

⁴ Rate reduced on certain value brackets and on cloth woven with 8 or more harnesses, etc. and rate bound on cloth woven with 2 or more kinds or colors of filling, in the Trade Agreement with United Kingdom, effective Jan. 1, 1939.

TABLE 116.—United States imports for consumption of commodities of which in later specified

Paragraph, act of 1930	Commodity	Year	Tariff treatment		Imports for consumption from—			
			Rate of duty	Ad valorem equivalent, percent	All countries		Italy	
					Quantity	Value (in 1,000 dollars)	Quantity	Value (in 1,000 dollars)
909	Cotton corduroys, plushes, and chenilles: Manufactures of.	1929	50 percent		Not separately classified.			
		1931	do	50		357		174
		1934	do	50		137		107
		1935	do	50		90		34
		1937	do	50		18		3
		1938	do	50		5		(1)
		1939 ¹	do	50		5		(1)
911 (a)	Cotton quilts or bedspreads, Jacquard-figured.	1929	25%; 40%		Not separately classified.			
		1931	40 percent	40	818	806	763	738
		1934	do	40	788	765	774	747
		1935	do	40	1,100	924	1,068	889
		1937	do	40	2,321	1,584	1,849	1,350
		1938	do	40	1,893	1,269	1,614	1,139
		1939 ²	do	40	2,270	1,353	1,892	1,213
921	Cotton imitation Oriental rugs. ³	1929	35 percent	35	Not separately classified.			
		1931	do	35	1,250	1,734	329	381
		1934 ⁴	do	37	471	542	85	85
		1934 ⁴	35%+23¢ sq. yd. e.	} 22	793	562	72	56
		1935 ⁵	35%+23¢ sq. yd. e.					
		1935 ⁵	20%+23¢ sq. yd. e.	20	4,502	3,597	560	423
		1937	do	20	2,808	2,040	309	200
		1938	do	20	3,022	2,546	302	184
				1939 ²	do	20		
921	Rugs, n. e. s., wholly or in chief value of cotton (except grass or rice straw) (other than "hit and miss" rag rugs, chenille rugs, and imitation oriental rugs). ¹¹	1929	35 percent		Not separately classified.			
		1931 ¹¹	do	35	2,089	592		
		1934 ¹¹	do ¹²	42	4,821	671	(1)	(1)
		1935	do ¹²	48	3,010	550	1	1
		1937	do	35	4,553	1,063	39	29
		1938	do	35	2,246	780	156	112
		1939 ²	do	35	3,382	1,415	108	129

¹ Less than 500.² Preliminary.³ Imports reported under class 32259 "other carpets, carpeting, mats and rugs," during the period Jan. 1, 1931, to June 9, 1934, from Belgium, France, and Italy were considered as "imitation oriental", and are included in the figures for those years.⁴ Jan. 1-June 9.⁵ June 10-Dec. 31.⁶ In addition to the regular duty, a fee of 23¢ per square yard was imposed under sec. 3 (e) of the National Recovery Act, by Presidential direction, effective June 10, 1934.⁷ Jan. 1-June 14.

imports from Italy were valued at \$200,000 or more in 1929, or at \$100,000 or more years—Continued

Principal suppliers in 1938 and 1939 by value		Comments	
Country	Value (in 1,000 dollars)		
<i>1938</i>			
France.....	2	Manufactures of cotton corduroys, plushes, and chenilles include a wide variety of items, such as plush pillow or cushion tops, table scarfs and runners, radio and piano scarfs, tapestries, rugs, chenille face cloths, and bath sheets. Domestic production figures for these articles are not available and probably the output is not large.	
Japan.....	1		
United Kingdom.....	1		
<i>1939</i>			
United Kingdom.....	2		
Japan.....	1		
France.....	1	Imports, chiefly novelties, consist of prayer rugs, pillow tops, scarfs and runners, and similar products. They were substantial in 1931 but declined sharply in subsequent years because articles made from cut-pile fabrics went out of style. In the period 1931-34, Italy was the principal supplier, followed by France and Belgium. Imports from Italy in 1938 and 1939 were negligible.	
<i>1938</i>			
Italy.....	1,139	Total domestic production of all types of woven cotton quilts or bedspreads declined in value from \$19,000,000 in 1927 to \$4,000,000 in 1933, but increased to \$9,000,000 in 1937. The production of all-cotton jacquard-figured bedspread fabrics, first separately recorded in 1935, was valued at \$3,700,000 in 1935, and at \$4,000,000 in 1937. The output of cotton-and-rayon jacquard-figured bedspreads is not shown separately, but in view of the fact that the value of imports is exclusive of duty, it appears that imports supply a considerable part of the consumption.	
Japan.....	116		
United Kingdom.....	9		
<i>1939</i>			
Italy.....	1,213		
Japan.....	132		
United Kingdom.....	5	Italy is the main source of imports of jacquard-figured bedspreads in chief value of cotton, supplying over 85 percent of the total. Italian bedspreads are made of all-rayon or alternate ends of cotton and rayon warp and of coarse cotton filling. They are imported chiefly because of relatively low price and novelty. Data are not available for Italian production and exports of bedspreads. The United States is probably an important market for Italian bedspreads, which are sold largely to Italians living in this country.	
<i>1938</i>			
Belgium.....	1,760	Cotton "imitation oriental" rugs were developed in Europe shortly after the World War, and in the United States a decade later. These rugs are cut-pile woven in oriental designs and colorings.	
Italy.....	200		
France.....	87		
<i>1939</i>			
Belgium.....	2,258		
Italy.....	184		
France.....	104	Domestic production reached a peak during the period 1933-35, when, under the National Industrial Recovery Act, a fee of 23 cents per square yard was imposed on imports in addition to the regular duty of 35 per centum. The annual production during this period was between 250,000 and 300,000 square yards. After the duty was reduced and the fee abolished following the decision of the Supreme Court regarding the National Recovery Administration, effective May 1 and June 15, 1935, respectively, production declined rapidly and finally ceased altogether.	
<i>1938</i>			
Japan.....	300	Imports, almost entirely from Belgium, France, and Italy, were first separately recorded on June 10, 1934; prior to that date, imports of "other carpets, carpeting, mats, and rugs" from these countries were considered cotton "imitation oriental" rugs. Belgium, the principal source, supplies about 75 percent of total imports as compared with about 10 percent from Italy.	
Belgium.....	300		
Italy.....	112		
Canada.....	38		
<i>1939</i>			
Belgium.....	800		
Japan.....	420		
Italy.....	120	Under the National Industrial Recovery Act a fee of 20 percent, but not less than 5 cents per square yard, was imposed on imports of cotton rugs other than hit-and-miss rag rugs, chenille rugs, and "imitation oriental" rugs, in addition to the regular duty. This fee, which became effective on June 5, 1934, was discontinued on June 15, 1935, following the Supreme Court decision on the National Recovery Administration.	

* Rate reduced from 35 percent to 20 percent in the Trade Agreement with Belgium, effective May 1, 1935.

⁹ June 15-Dec. 31.
¹⁰ Fee of 23 cents per square yard abolished by Presidential direction, effective June 15, 1935.
¹¹ Statistics for 1931 and Jan. 1-June 9, 1934, include "grass or rice straw" rugs.
¹² In addition to the regular duty, a fee of 20 percent, but not less than 5¢ per square yard, under sec. 3 (e) of the National Industrial Recovery Act, was imposed by Presidential proclamation, effective June 5, 1934. This fee was abolished by the President's action, effective June 14, 1935.
¹³ Imports reported under this class for the period Jan. 1, 1931, to June 9, 1934, from Belgium, France, and Italy are included with "cotton imitation oriental rugs."

TABLE 116.—United States imports for consumption of commodities of which in later specified

Paragraph, act of 1930	Commodity	Year	Tariff treatment		Imports for consumption from—			
			Rate of duty	Ad valorem equivalent, percent	All countries		Italy	
					Quantity	Value (in 1,000 dollars)	Quantity	Value (in 1,000 dollars)
923	Articles and manufactures of cotton, n. s. p. f. ¹	1929	40 percent	40		2,738		1,037
		1931	do	40		931		71
		1934	do	40		1,009		15
		1935	do	40		1,344		44
		1937	do	40		4,207		345
		1938	do	40		2,171		230
		1939 ²	40 percent; 30 percent.	40		2,438		264
1001	Hemp, unmanufactured, not hackled.	1929	\$22.40 per ton	8	Long tons		Long tons	
		1931	\$44.80 per ton	32	994	280	919	258
		1934	do	18	806	114	578	81
		1935	do	16	511	128	495	124
		1937	do	16	676	187	439	126
		1938	do	16	621	173	301	88
		1939 ²	do	15	410	113	229	73
1008	Burlaps and other woven fabrics wholly of jute, n. s. p. f., not bleached, colored, etc., or printed, or rendered noninflammable.	1929	1½ lb	8	1,000 pounds		1,000 pounds	
		1931	do	15	640,372	77,006	11,730	1,494
		1934	do	14	431,871	28,867	6,119	443
		1935	do	14	371,956	27,521	2,268	187
		1937	do	16	472,732	33,023	4,229	310
		1938	do	16	658,969	41,213	12,731	769
		1939 ²	do	16	504,235	28,335	10,50	596
1021	Jute carpets, carpeting, mats, matting, or rugs.	1929	35 percent	35	1,000 square yards		1,000 square yards	
		1931	do	35	671	732	5	7
		1934	do	35	365	248	60	44
		1935	do	35	495	567	19	21
		1937	do	35	1,088	1090	106	88
		1938	do	35	708	589	301	216
		1939 ²	do	35	793	650	227	153
				1,193	858	278	173	

¹ Imports in 1929, especially those from Italy, largely of "cloth in chief value of cotton, containing wool," reclassified under the act of 1930 in pars. 906 and 1122

² Preliminary.

imports from Italy were valued at \$200,000 or more in 1929, or at \$100,000 or more years—Continued

Principal suppliers in 1938 and 1939 by value		Comments
Country	Value (in 1,000 dollars)	
1938		<p>These articles are mainly tablecloths, napkins, and sets; started needlework tapestry; velours (runners, scarfs, etc.); petit-point bags and purses; panels, scarfs, and mats; printers' rubber blanketing; slip covers; bandages, and gauze tissues; badminton nets; and cotton bag materials. Although complete data are not available, United States production probably exceeds 200 million dollars annually. The few articles reported separately in the Census of Manufactures for 1935 were valued at 183 million dollars. Exports are considerably larger than imports.</p> <p>The articles imported from Japan, which are more competitive with domestic products than those from other sources, consist chiefly of tablecloths, napkins, and sets; bags, purses, and cases; cotton figures; and measuring tapes. Imports from other countries are either novelty and specialty goods, such as started needlework tapestries, and petit-point bags, or articles produced in the United States only in small quantities. Imports from Italy account for 10 percent or less of the total and consist largely of velour articles. Treasury Decision 47681, May 9, 1935, transferred velour articles from paragraphs 909 to 923, which largely accounts for the great increase in imports in 1937 and 1938. Prior to the act of 1930, the principal item in this class imported from Italy was cotton cloth containing wool. This cloth is now dutiable under paragraphs 906 and 1122.</p> <p>United States production of hemp fiber averaged 544 long tons per year during 1929-36 and 653 tons in 1937-39. Imports averaged 771 long tons in 1929-36 and 679 tons in 1937-39; Italy usually supplying over one-half of total imports.</p> <p>Italian production of raw hemp amounted to about 86,000 long tons in 1930, 107,000 tons in 1937, and to 90,000 tons in 1938. Because of the Government's policy of self-sufficiency, a much greater portion of the crop is now being consumed in Italian mills than formerly, the consumption being estimated at about 60,000 tons annually. Italian jute mills are using a considerable quantity of lower grade hemp and tow in place of jute. Hemp spinning mills are reported to be using about 40,000 tons of hemp annually. Moreover, substantial quantities of hemp are cottonized for spinning on cotton machinery.</p> <p>Italian exports of raw hemp averaged about 36,000 long tons per year in 1929-36, and amounted to 35,000 tons in 1937, and to 30,000 tons in 1938. Germany acquired 64 percent of Italian exports in 1937 and 73 percent in 1938. France ranks second, and Great Britain, Belgium, and the United States take small quantities; in general, however, spinners in these countries use Italian hemp only when orders specify this fiber, or when the requisite strength and color cannot be obtained in other hemp.</p> <p>These fabrics consist principally of unbleached and unprocessed burlap, which are not manufactured commercially in the United States. Imported burlap, however, competes indirectly in a limited way with cotton bagging fabrics. Domestic requirements are supplied principally by imports from British India, but about 2 percent comes from Italy. Burlap imported from Italy is reported to be generally interchangeable in use with that from British India; other European sources are the United Kingdom and Belgium.</p> <p>British India is practically the sole source of raw jute, the raw material for making burlap.</p> <p>"Reproduction oriental" rugs of jute, which constitute the major part of imports of jute rugs and carpeting, are pile-woven with designs similar to those in oriental rugs of wool and in "imitation oriental" cotton rugs, which are also pile-woven. Production of such jute rugs in the United States amounted to 912,000 square yards in 1929, 176,000 square yards in 1935, and 421,000 square yards in 1936. Although later data are not available, it is known that there has been little, if any, increase in domestic output, which has remained smaller than imports.</p> <p>Data on foreign production and trade are not available. United States imports are chiefly from France, Belgium, and Italy.</p> <p>"Reproduction oriental" jute rugs (both imported and domestic) compete with "imitation oriental" cotton rugs imported from Belgium, France, and Italy, and with certain types of the lower grades of wool rugs (both domestic and imported).</p>
Japan.....	961	
Italy.....	230	
United Kingdom.....	183	
1939		
Japan.....	1,273	
Italy.....	264	
Belgium.....	221	
1938		
Italy.....	73	
Yugoslavia.....	33	
Chile.....	3	
1939		
Italy.....	105	
Yugoslavia.....	33	
Chile.....	11	
1938		
British India.....	24,765	
United Kingdom.....	1,984	
Italy.....	596	
1939		
British India.....	24,035	
United Kingdom.....	2,318	
Belgium.....	531	
1938		
France.....	336	
Italy.....	153	
Belgium.....	163	
1939		
France.....	378	
Belgium.....	284	
Italy.....	173	

³Rate on a number of articles was reduced in the Trade Agreement with the United Kingdom, effective Jan. 1, 1939.

⁴Rate bound in the Trade Agreement with the United Kingdom, effective Jan. 1, 1939.

TABLE 116.—United States imports for consumption of commodities of which in later specified

Paragraph, act of 1930	Commodity	Year	Tariff treatment		Imports for consumption from—				
			Rate of duty	Ad valorem equivalent, percent	All countries		Italy		
					Quantity	Value (in 1,000 dollars)	Quantity	Value (in 1,000 dollars)	
1101 (a)	Donskoi, Smyrna, etc., and similar wools without Merino or English blood (carpet wool): In the grease: Under bond for manufacture of rugs, carpets, or other floor coverings. ¹	1929	Free		1,000 pounds actual weight		1,000 pounds actual weight		
		1931	do		105,389	25,560	1,139	260	
		1934	do		67,037	7,731	1,570	154	
		1935	do		44,990	5,201	1,139	159	
		1937	do		98,845	11,883	208	26	
		1938	do		99,062	24,581	355	87	
		1939	do		43,926	6,827	114	20	
		1939	do		86,401	13,856	1,389	197	
		Washed	1929	do		35,287	10,467	2,790	708
			1931	do		30,314	4,635	945	104
	1934		do		12,300	1,822	967	123	
	1935		do		20,771	3,279	415	59	
	1937		do		33,762	10,177	235	67	
	1938		do		11,043	2,275	111	18	
	1939		do		25,124	5,120	264	51	
	Scoured	1929	do		17,079	5,378	1,169	317	
		1931	do		19,741	3,290	2,096	324	
		1934	do		16,440	2,606	221	25	
		1935	do		31,926	5,342	34	4	
		1937	do		28,434	9,118			
1938		do		11,644	2,911				
1939		do		23,180	5,225				
1109	Woven fabrics of wool and hair (other than mohair): Weighing over 4 ounces per square yard: Woolens: Valued over \$1.25, not over \$2 per pound. ² Valued not over \$1.25 per pound. ³	1929	Various		1,000 pounds		1,000 pounds		
		1931	50¢ lb. + 55%	86	671	1,065			
		1934	do	86	580	939			
		1935	50¢ lb. + 40% ⁴	86	705	1,118	(4)	(4)	
		1937	50¢ lb. + 55%	86	1,203	2,005	113	171	
		1938	50¢ lb. + 40% ⁴	86	999	1,551	64	92	
		1939	50¢ lb. + 55%	73	1,574	2,411	119	174	
		1929	Various						
		1931	50¢ lb. + 50%	105	680	615	1	1	
		1934	do	108	843	722			
		1935	50¢ lb. + 40% ⁴	108	1,288	1,114	(4)	(4)	
		1936	50¢ lb. + 50%	103	2,167	2,048	258	239	
		1938	50¢ lb. + 40% ⁴	103	1,399	1,313	246	228	
		1939	40¢ lb. + 45% ⁴	92	2,672	2,418	43	41	

¹ Preliminary.

² Classification for 1929 included camel hair, imports of which were comparatively small in the years 1931 to 1937, with no imports from Italy.

³ Rate reduced on "woven green billiard cloths, etc.," in the Trade Agreement with Belgium, effective May 1, 1935.

⁴ Less than 500.

⁵ Including in 1935, 1937, and 1938 "woven green billiard cloths, in the piece, weighing more than 11 ounces but not more than 15 ounces per square yard," separately classified beginning May 1, 1935. Imports of these cloths (entirely from Belgium) amounted to 25,076 pounds valued at \$42,357 during the period May 1-Dec. 31, 1935, and 49,260 pounds valued at \$81,367 in 1937. In 1938 imports from Belgium amounted to 58,134 pounds valued at \$91,321 and imports from the United Kingdom to 101 pounds valued at \$292.

imports from Italy were valued at \$200,000 or more in 1929, or at \$100,000 or more years—Continued

Principal suppliers in 1938 and 1939 by value		Comments	
Country	Value (in 1,000 dollars)		
<i>1938</i>			
Argentina.....	2,905	<p>There is no commercial production of carpet wools in the United States, the entire domestic consumption being supplied by imports. Italy has a limited production of carpet wools of a rather inferior type, and there is also a small production in the Italian colonies. In addition, there is some importation into Italy of carpet wools, both shorn and on the skin. Imports from Italy are a small part of total imports. The United States market, however, is of no great importance to Italy since any small surplus of Italian carpet wools is readily sold in European countries.</p>	
British India.....	1,954		
United Kingdom.....	1,040		
<i>1939</i>			
Argentina.....	5,042		
British India.....	4,811		
United Kingdom.....	1,224		
<i>1938</i>			
Syria.....	831		
Iraq.....	356		
Egypt.....	338		
<i>1939</i>			
Syria.....	1,452		
Iraq.....	1,181		
British India.....	774		
<i>1938</i>			
Argentina.....	886		
British India.....	472		
France.....	390		
<i>1939</i>			
Argentina.....	2,043		
Iraq.....	1,207		
British India.....	990		
<i>1938</i>			
United Kingdom.....	1,188	<p>The 2 principal types of wool cloth are woolsens and worsteds. Although there is a small output of fine, high-grade fabrics, the output of the American woolen and worsted industry consists largely of medium and low grade fabrics for consumers with moderate incomes who constitute the largest market in the United States. In 1937, domestic output was valued at \$827,000,000, of which woolen goods accounted for \$289,000,000 and worsted for \$499,000,000. The remaining \$129,000,000 was composed of tops for sale, yarn noils, and waste. Woolsens are relatively more important in imports than in domestic production. Imports of woolsens, which are mainly fine, medium, and heavy weight, were not shown separately before 1930, but the figures for all fabrics of wool have been much less since that time than under the Tariff Act of 1922. The United Kingdom is by far the most important source of woolen as well as worsted imports. Entries from Italy, which has recently become a minor supplier of woolsens, are in general lower in grade than those from the United Kingdom, and therefore, compete with a larger part of the domestic output. Italy ranks among the leading exporters of wool goods and in 1937 was exceeded only by Great Britain. In 1937, the total value of woolen and worsted fabrics exported from Italy was about 300 million lire (16 million dollars), and in 1938 about 325 million lire (17 million dollars); both values were higher than those for the years 1929 and 1931, the most favorable earlier years. The leading markets for Italian woolens and worsteds are British India, South Africa, Argentina, the United Kingdom, and Switzerland. Exports to the United States in 1937 were valued at 11,546,000 lire (\$607,000), as compared with 7,836,000 lire (\$412,000) in 1938.</p>	
Belgium.....	102		
Italy.....	92		
<i>1939</i>			
United Kingdom.....	1,837		
France.....	198		
Italy.....	174		
<i>1938</i>			
United Kingdom.....	1,005		
Italy.....	228		
Japan.....	29		
<i>1939</i>			
United Kingdom.....	2,209		
Japan.....	59		
France.....	54		

⁶ Rate reduced on "woven fabrics, etc. (except woven green billiard cloths, etc.);" in the Trade Agreement with the United Kingdom, effective Jan. 1, 1939.

⁷ Including in 1935, 1936, and 1938 "woven green billiard cloths, in the piece, weighing more than 11 ounces but not more than 15 ounces per square yard," separately classified beginning May 1, 1935. There were no imports of these cloths during the period May 1-Dec. 31, 1935; in 1937 imports (entirely from Belgium) amounted to 227 pounds, valued at \$242; there were no imports in 1938 or 1939. "Woven green billiard cloths, etc." are dutiable at 50¢ lb.+40 percent regardless of value.

⁸ Rate reduced on "woven fabrics, etc. (except woven green billiard cloths, etc.)," valued at not more than 80¢ per pound," in the Trade Agreement with the United Kingdom, effective Jan. 1, 1939.

⁹ Rate reduced on "woven fabrics, etc. (except woven green billiard cloths, etc.)" valued at more than 80¢ but not more than \$1.25 per pound," in the Trade Agreement with the United Kingdom, effective Jan. 1, 1939.

TABLE 116.—United States imports for consumption of commodities of which in later specified

Paragraph, act of 1930	Commodity	Year	Tariff treatment		Imports for consumption from—				
			Rate of duty	Ad valorem equivalent, percent	All countries		Italy		
					Quantity	Value (in 1,000 dollars)	Quantity	Value (in 1,000 dollars)	
1115 (b)	Bodies, hoods, forms, and shapes, for hats, bonnets, berets, or similar articles of wool felt (hat bodies): Not blocked, trimmed or finished.	1929	(1).....	57	1,000 pounds		1,000 pounds		
		1931	{40¢ lb.+75%.....	107	6,295	9,168	4,012	5,372	
		1934	{40¢ lb.+55% ²		2,449	1,958	2,138	1,638	
		1935	40¢ lb.+55%.....	99	1,757	1,602	1,631	1,487	
		1937	do.....	99	2,132	1,956	1,410	1,355	
		1938	{40¢ lb.+55%.....	91	98	2,305	2,163	968	1,058
		1939 ⁴	{33¢ lb.+45% ³		2,083	1,799	1,417	1,286	
1939 ⁴	40¢ lb.+55%.....	105	1,006	797	691	563			
1205	All-silk and silk mixed fabrics not over 30 inches in width, not Jacquard-figured, in the gray, bleached, printed, piece-dyed, and yarn-dyed.	1929	55 percent.....		Not separately classified.				
		1931	60 percent.....	60	206	972	17	66	
		1934	do.....	60	89	308	5	23	
		1935	do.....	60	99	293	8	31	
		1937	45% ³ ; 50% ³ ; 60%.....	50	129	548	24	118	
		1938	do.....	51	119	439	25	105	
		1939 ⁴	do.....	50	103	413	20	93	
1205	Woven fabrics of silk, Jacquard-figured: Exceeding 30 inches in width.	1929	55 percent.....		Not separately classified.				
		1931	65 percent.....	65	196	1,124	77	383	
		1934	do.....	65	50	272	16	73	
		1935	do.....	65	58	274	13	67	
		1937	65% ³ ; 45% ³	57	105	453	44	151	
		1938	do.....	60	55	204	22	84	
		1939 ⁴	do.....	60	34	127	9	32	

¹ Dutiable at 24¢ per lb.+40% if valued not over \$2 per pound; 30¢ per lb.+45% if valued over \$2 not over \$4 per pound; and at 45¢ per lb.+50% if valued over \$4 per pound.

² Rate changed from 40¢ per lb.+75% to 40¢ per lb.+55%, by Presidential proclamation, effective Apr. 15, 1931, under section 326 of the Tariff Act of 1930.

³ The rate of 33¢ per lb.+45% (par. 1115 (a)) was in effect during the period Mar. 23 to June 25, inclusive. It was authorized by T. D. 49335 and terminated by Sec. 34 (b) of the Customs Administrative Act of 1938 (T. D. 49646).

⁴ Preliminary.

imports from Italy were valued at \$200,000 or more in 1929, or at \$100,000 or more years—Continued

Principal suppliers in 1938 and 1939 by value		Comments
Country	Value (in 1,000 dollars)	
1938		<p>Domestic production of wool-felt hat bodies, for sale as such, increased from 587,000 dozens in 1929 to 2,428,000 dozens in 1937. Of domestic consumption, which totaled 3,969,000 dozens in 1929, 1,553,000 dozens in 1933, and 3,886,817 dozens in 1937, imports supplied, respectively, 85, 62, and 38 percent.</p> <p>Italy has been the principal source of imports, except in 1937 when Japan furnished 46 percent of the total (in quantity—a much smaller proportion in value) as compared with 42 percent from Italy.</p> <p>Of foreign producers, Italy ranks first in both production and exports, and is followed by France, Poland, and, in recent years, by Japan. Italian exports, which are widely distributed, amounted to 2,387,000 pounds in 1937 and 3,417,000 pounds in 1938. In 1937 43 percent of the exports from Italy went to the United States and 23 percent to Great Britain, as compared with 46 percent and 28 percent, respectively, in 1938. Largely because of a union boycott against the products of Italy and Japan, imports from both declined sharply from 1938 to 1939.</p> <p>Fabrics of this width and construction include all-silk and silk-mixed goods woven of dyed yarns or woven in the gray state and subsequently converted by bleaching, printing, or piece dyeing. In 1938 this group accounted for about 9 percent of the total value of broad silks imported under paragraph 1205. The group consists of mainly necktie materials, umbrella cloth, split-edge floral ribbons, and Japanese pongees and Fujii cloth, printed or dyed. Of these products, only necktie materials and umbrella cloth are produced in the United States, but data on production are not available. About 3/4 of the imports from Italy are yarn-dyed fabrics, chiefly all-silk necktie cloth of distinctive workmanship or novelty design. Italy is the leading supplier of yarn-dyed, narrow-woven silk goods but competes in this market with fabrics of this type imported from Switzerland. The all-silk, yarn-dyed fabrics from Italy are valued for the most part at more than \$5.50 a pound. They are high-grade novelties of special patterns for the exclusive quality trade.</p> <p>In 1938 about 3/4 of the value of the plain-woven, narrow fabrics imported from Italy were piece-dyed and printed, dominantly of silk mixtures and of all-silk fabrics valued at less than \$5.50 a pound. Japan was the principal source of this type of goods; it furnishes, however, fabrics wholly different from those of European origin. The piece-dyed silk mixtures from Italy are primarily "gloria" umbrella fabrics which compete in this market with imports from Switzerland and with the domestic output of gloria cloth.</p> <p>Italian production and export statistics do not show data for items comparable with those grouped under this classification. The importance of Italy as a producer of necktie fabrics in general and the position of the United States as a market for Italian exports of silk fabrics are discussed under Jacquard-figured broad silks.</p> <p>In 1938, imports of Jacquard-figured goods constituted about 13 percent of the value of total imports of broad silks. Italy has been for a number of years the leading source of imports. Austria, France, and the United Kingdom are other important suppliers.</p> <p>Imports of Jacquard-figured goods over 30 inches wide are largely high-grade upholstery and drapery fabrics, such as armures, damasks, brocades, and brocatelles. Italy was the leading source of imports in 1937 and 1938, having ranked second to France prior thereto. Imports from Italy are mainly luxury fabrics for interior decoration. In 1937, the domestic production of silk-mixed upholstery, tapestry, and drapery materials, both plain-woven and Jacquard-figured, amounted to 849,000 pounds, valued at \$1,377,000. The bulk of the domestic output consists of medium-grade staple goods and such novelties as can be made in large quantities per pattern.</p>
Italy.....	1,286	
Japan.....	370	
France.....	95	
1939		
Italy.....	563	
Japan.....	127	
France.....	85	
1938		
Japan.....	114	
Italy.....	105	
France.....	71	
1939		
Italy.....	93	
Japan.....	85	
United Kingdom..	77	
1938		
Italy.....	84	
Japan.....	58	
France.....	24	
1939		
Italy.....	118	
Czechoslovakia..	88	
Japan.....	61	
1939		
Italy.....	116	
Switzerland.....	109	
United Kingdom..	52	

¹ Rate on all-silk, valued over \$5.50 per pound, reduced to 45 percent in the Trade Agreement with France, effective June 15, 1936; rate on yarn-dyed, all-silk, valued over \$5.50 per pound, previously specified at 45 percent in the Trade Agreement with Switzerland, effective Feb. 15, 1936. Countervailing duty collected on imports from Italy, effective Aug. 12, 1939.

² Rate on silk mixed reduced to 50 percent in the Trade Agreement with Switzerland, effective Feb. 15, 1936.

³ Rate on all-silk, valued over \$5.50 per pound, reduced to 45 percent in the Trade Agreement with France, effective June 15, 1936.

TABLE 116.—United States imports for consumption of commodities of which in later specified

Paragraph, act of 1930	Commodity	Year	Tariff treatment		Imports for consumption from—				
			Rate of duty	Ad valorem equivalent, percent	All countries		Italy		
					Quantity	Value (in 1,000 dollars)	Quantity	Value (in 1,000 dollars)	
1205	Woven Fabrics, etc.—Con. Not exceeding 30 inches in width.	1929	55 percent	-----	Not separately classified.				
		1931	65 percent	65	120	849	33	192	
		1934	do	65	50	402	22	143	
		1935	do	65	57	381	16	98	
		1937	65%; 45% ¹	51	111	658	36	197	
		1938	do	51	77	413	20	118	
		1939 ²	do	51	72	362	21	116	
		1301	Rayon yarns, having not more than 20 turns twist per inch: Singles: Weighing 150 deniers or more.	1929	45¢ lb.; 45% min.	-----	Not separately classified.		
1931	45%; 45¢ lb. min.			60	634	502	150	101	
1934 ³	do			59	17	14	7	4	
1935	do			48	15	15	(⁴)	(⁴)	
1937	do			148	407	124	227	67	
1938	do			140	180	58	69	26	
1939 ²	do			152	132	39	(⁴)	(⁴)	
Weighing less than 150 deniers.	1929			45¢ lb.; 45% min.	-----	Not separately classified.			
	1931		50%; 45¢ lb. min.	66	1,132	790	210	161	
	1934		do	66	52	38	15	11	
	1935		do	53	7	6	-----	-----	
	1937		do	102	418	185	251	102	
	1938		do	107	74	31	55	25	
	1939 ²		do	101	39	17	22	12	
	1302		Filaments, not ⁴ exceeding 30 inches in length, other than waste (staple fiber).	1929	20 percent	20	1,052	446	25	10
1931				25 percent	25	663	272	170	48
1934		do		25	215	71	120	38	
1935		do		25	1,457	317	587	150	
1937		do		25	20,607	3,847	5,637	1,092	
1938		do		25	23,189	4,600	9,008	1,940	
1939 ²		do		25	47,400	9,016	9,481	1,931	

¹ Rate on all-silk, valued over \$5.50 per pound, reduced to 45 percent in the Trade Agreement with France, effective June 15, 1936. Rate on yarn-dyed (colored), all-silk valued over \$5.50 per pound, previously reduced to 45 percent in the Trade Agreement with Switzerland, effective Feb. 15, 1936.

² Preliminary.

imports from Italy were valued at \$200,000 or more in 1929, or at \$100,000 or more years—Continued

Principal suppliers in 1938 and 1939 by value		Comments	
Country	Value (in 1,000 dollars)		
1938			
Japan.....	35	<p>Three-fifths to two-thirds, in value, of the imports of Jacquard-figured broad silks are goods not over 30 inches wide, largely all-silk necktie materials. Italy is the world's leading producer and fashion arbiter for such fabrics. The United States production, on the other hand, consists principally of all-rayon goods, silk-warp mixtures, and rayon-warp mixtures. In 1937, the domestic output of all-silk necktie fabrics, including both Jacquard-figured and plain-woven goods amounted to 563,000 pounds valued at \$2,309,000 or approximately 10 percent of the total domestic production of necktie fabrics of all textile fibers. Production of silk-mixed necktie fabrics in that year amounted to 1,553,000 pounds valued at \$5,024,000. The foreign trade of Italy in Jacquard-figured fabrics is not separately reported, but such goods constitute a substantial proportion of Italy's exports of yarn-dyed all-silk and silk-mixed fabrics, which amounted to 34,326,000 lire (about \$1,800,000) in 1937, the most important market being the United States and Great Britain. A Government subsidy is paid on exports.</p> <p>The rate of duty on all-silk Jacquard-figured fabrics, other than in the gray, valued over \$5.50 per pound was reduced by the French trade agreement from 65 to 45 percent ad valorem, regardless of width. Over ½ of the total value of the imports of Jacquard-figured goods from all countries were affected by the reduction in duty, and a very much larger proportion of the narrow Jacquard-figured goods. Most of the all-silk Jacquard-figured fabrics valued over \$5.50 per pound imported from Italy and other European countries are specialties not adapted to manufacture by mass production methods.</p>	
Italy.....	32		
France.....	29		
1938			
Italy.....	26	<p>In 1939 the United States was the largest producer of rayon yarn, with an output of about 331 million pounds or 29 percent of the world total. Next in rank were Japan, Germany, and Great Britain. Italy produced 119 million pounds or 11 percent of the world output. Italy, however, is the world's largest exporter of rayon yarn. Over ½ of the Italian production is exported, principally to Germany, British India, Mexico, Australia, and Egypt, the United States being of negligible importance as a market. At their peak in 1929 imports into the United States were equal to about 11 percent of domestic consumption; since 1931, however, they have averaged less than 1 percent, though varying widely in different years. The small import trade under the act of 1930 is due to the decline in prices of rayon yarn which has brought the minimum specific duty of 45 cents a pound into operation on all but a few high-priced specialty yarns. Imports in recent years have been almost wholly from Italy and Japan. Those from Italy are mostly finer than 150 denier whereas those from Japan are principally 150 denier or coarser. Imported yarns comparable with domestic production are primarily consumed in the domestic manufacture of rayon articles intended for export with benefit of drawback of the duty. Staple fiber is a comparatively new textile raw material made by cutting untwisted continuous rayon filaments into definite measured lengths corresponding, as desired, to the staple of raw cotton, wool, or spun silk. Yarns spun wholly or predominantly of staple fiber are known as "spun rayon yarns." Staple fiber is also used for blending with other textile fibers in mixture yarns.</p> <p>The world's production of staple fiber, which was only about 8 million pounds in 1931, increased to 1,084 million pounds in 1939 and is now only slightly less than the world output of rayon yarn. In 1939 Germany produced 440 million pounds, Japan 309 million pounds, and Italy 191 million pounds; the United States, in fifth place, produced about 53 million pounds, and its imports in that year were 47 million.</p> <p>In Italian foreign trade statistics, exports of staple fiber are reported in combination with rayon waste. Staple fiber, however, constitutes the bulk of such exports, which amounted to 39 million pounds in 1937 and 34 million pounds in 1938. Germany has long been the principal market. In 1938, the United States ranked second, taking nearly ½ of Italy's exports.</p>	
Japan.....	21		
Switzerland.....	4		
1939			
Netherlands.....	36		
United Kingdom.....	3		
1938			
Italy.....	(1) 25		
Japan.....	4		
Netherlands.....	1		
1939			
Italy.....	12		
Netherlands.....	3		
Germany.....	2		
1938			
United Kingdom.....	2,438		
Italy.....	1,940		
Japan.....	85		
1939			
United Kingdom.....	5,268		
Italy.....	1,931		
France.....	798		

* Data revised since publication in Foreign Commerce and Navigation of the United States.

† Less than 500.

‡ Includes Austria.

TABLE 116.—United States imports for consumption of commodities of which in later specified

Paragraph, act of 1930	Commodity	Year	Tariff treatment		Imports for consumption from—			
			Rate of duty	Ad valorem equivalent, percent	All countries		Italy	
					Quantity	Value (in 1,000 dollars)	Quantity	Value (in 1,000 dollars)
1302								
1504 (a)	Braids, plaits, and laces of straw: Not bleached, dyed, colored, or stained.	1929	15 percent.....	15	1,000 yards 405,982	1,293	1,000 yards 15,510	154
		1931	do.....	15	133,404	349	7,643	64
		1934	do.....	15	123,571	294	3,600	20
		1935	do.....	15	104,248	216	4,229	29
		1937	do.....	15	194,411	533	33,131	137
		1938	do.....	15	197,328	505	23,882	140
		1939 ¹	do.....	15	545,606	1,231	15,232	123
1504 (b)	Hats, bonnets, and hoods (other than harvest hats) of paper or of vegetable fiber other than straw, not sewed, not blocked or trimmed: Not bleached, dyed, colored, or stained.	1929	35 percent.....		Thousands Not separately classified.		Thousands Not separately classified.	
		1931	25 percent.....	25	11,620	5,553	5,095	2,007
		1934	do.....	25	6,988	2,037	1,993	618
		1935	do.....	25	3,916	1,174	1,224	373
		1937	do.....	25	2,614	1,140	93	32
		1938	25%; 12½% ¹	25	1,681	643	98	33
		1939 ¹	do.....	19	1,637	596	75	18
	Bleached, dyed, colored, or stained.	1929	35 percent.....		Thousands Not separately classified.		Thousands Not separately classified.	
		1931	2½% ea. + 25%.....	33	9,684	2,890	495	270
		1934	do.....	37	6,854	1,240	938	308
		1935	do.....	35	4,749	955	976	286
		1937	do.....	35	9,435	1,926	1,204	397
		1938	do.....	35	7,237	1,459	765	231
		1939 ¹	do.....	38	8,780	1,628	1,106	269
	Hats, bonnets, and hoods of straw (other than harvest hats), not sewed, not blocked or trimmed: Not bleached, dyed, colored, or stained.	1929	25%; 35%.....		Thousands Not separately classified.		Thousands Not separately classified.	
		1931	25 percent.....	25	7,245	2,720	3,588	1,308
		1934	do.....	25	3,804	1,287	1,623	604
		1935	do.....	25	1,493	597	511	194
		1937	do.....	25	1,995	783	773	290
		1938	do.....	25	1,480	698	535	213
		1939 ¹	do.....	25	1,572	609	762	295

¹ Preliminary.

imports from Italy were valued at \$200,000 or more in 1929, or at \$100,000 or more years—Continued

Principal suppliers in 1938 and 1939 by value		Comments
Country	Value (in 1,000 dollars)	
		In most years imports have constituted more than half of the United States consumption. Germany was the chief source of imports before Italy's rise to first rank in 1933 and 1934. In 1935, Japan became the leading supplier, continuing in first place until 1938 when it was surpassed by the United Kingdom. Imports from European countries are mostly of the 1½-denier size cut to lengths suitable for spinning on the cotton system. This size constitutes also the bulk of domestic production. Imports from Japan, on the other hand, are of the 5½-denier size in lengths suitable for spinning on the worsted and woolen systems.
1938		<p>Domestic manufacturers of men's and women's sewed straw hats are entirely dependent upon foreign sources for their requirements of hat braids. These are imported chiefly from Japan, Italy, and China. The braids imported from Italy are of finer quality and higher price than those from other countries; this disparity became very conspicuous in 1939, when, in terms of quantity, total imports were abnormally large. The prevailing style in finished hats determines the amount of straw braid imported in any given year and to some extent the proportion that is imported from each of the supplying countries.</p> <p>In Italy these braids are produced almost exclusively in the homes of workers rather than in factories. In 1937 and 1938, Italian exports of unbleached straw braids amounted to 66,000 and 88,000 pounds, respectively. The principal export markets are the United States, Great Britain, and South American countries; in 1937 and 1938, the United States purchased 41 percent and 47 percent, respectively, of the total quantity, while the percentages based on value were 67 and 69, respectively.</p> <p>This classification covers hat bodies (partly finished hats) which, after further processing, are converted into finished hats. No hat bodies of the types here considered are made in the United States, the domestic millinery and "straw" hat industries being entirely dependent upon foreign sources for their requirements. These hat bodies originate in several countries, each of which tends to specialize in particular types. Ecuador, Colombia, China, Japan, Italy, Switzerland, and the Netherlands Indies are the principal suppliers. The types imported from Italy are racello, ramies, and to a lesser extent raffia (palm leaf), sisal, and chip (wood). Imports from Italy have been very small since 1937.</p> <p>Racello bodies are used in making women's hats exclusively, and the other types in making both women's and men's hats.</p> <p>Statistics of production in, and exports from, Italy of hats covered by this and subsequent classifications are not available. It is known, however, that the Italian production of vegetable fiber hats is primarily for export. These hat bodies are identical with the bodies described in the preceding comment except that they have been bleached, dyed, colored, or stained. They are directly competitive with bodies imported in an unbleached condition and bleached, dyed, colored, or stained in this country. There is no domestic production of unprocessed hat bodies of the types under consideration. Imports from Italy, unlike those of the hat bodies covered by the preceding comment, continued down to the entrance of Italy into the war, to constitute a considerable fraction of total imports around one-fifth, in quantity and value, in 1939.</p> <p>Hat bodies in this classification are made from untreated natural straw. They are used in the United States in making finished hats by both the millinery and the men's straw hat industries. No similar bodies are produced in this country.</p> <p>Imports from Italy have been a smaller proportion of total imports in the last few years than before. They consist principally of Leghorn hat bodies, a typical Italian product. These bodies are made from a special type of hat braid which is remailed (laced together by a cord running through loops at the edge of the braid) rather than sewed. Imports from Italy also include some Yeddo hat bodies made of strands of tubular or unsplit straw held together by knotted cords. Yeddos (also known as Swiss straw) were originally imported exclusively from Switzerland but now are supplied in lower grades by Italy and Japan.</p>
Japan.....	219	
Italy.....	140	
China.....	135	
1939		
China.....	752	
Japan.....	334	
Italy.....	123	
1938		
Ecuador.....	310	
China.....	173	
Japan.....	69	
1939		
Ecuador.....	269	
China.....	174	
Japan.....	108	
1938		
Japan.....	834	
China.....	371	
Italy.....	231	
1939		
Japan.....	938	
China.....	342	
Italy.....	269	
1938		
China.....	314	
Italy.....	213	
Netherlands Indies.....	30	
1939		
Italy.....	295	
China.....	227	
Japan.....	71	

¹ Rate on palm leaf hats, in chief value of toquilla fiber (*carludovica palmata*), reduced to 1½ percent in the Trade Agreement with Ecuador, effective Oct. 23, 1938.

TABLE 116.—United States imports for consumption of commodities of which in later specified

Paragraph, act of 1930	Commodity	Year	Tariff treatment		Imports for consumption from—					
			Rate of duty	Ad valorem equivalent, percent	All countries		Italy			
					Quantity	Value (in 1,000 dollars)	Quantity	Value (in 1,000 dollars)		
1504 (b)	Hats, bonnets, etc.—Con. Bleached, dyed, colored, or stained.	1929	35%; 25% ¹		Not separately classified.					
		1931	2½¢ ea. + 25%	31	1,060	371	402	180		
		1934	do	31	944	334	701	271		
		1935	do	31	1,138	376	959	311		
		1937	do	32	2,362	681	1,492	467		
		1938	do	32	2,286	704	1,573	515		
		1939 ²	do	35	2,265	581	1,698	446		
		Sewed hats, bonnets, and hoods, other than harvest hats, composed wholly or in chief value of straw, chip, paper, grass, etc.: whether or not blocked or trimmed and whether or not bleached, dyed, colored, or stained.	1929	Various	68	7,175	2,261	6,908	2,082	
			1931	33½¢ ea. + 60% ³	89	173	122	149	74	
	1932		25¢ ea. + 50%	88	694	454	654	408		
	1934		do	89	100	63	72	37		
	1935		do	69	10	14	4	2		
	1937		do	86	38	27	5	3		
	1938		do	75	19	20	7	3		
	1939 ²		Various ⁴	62	18	20	1	1		
	1526 (a)		Fur felt hats and hat bodies for men and boys: Valued over \$18, not over \$24 per dozen. ⁵	1929	58½¢ ea. + 25%		Not separately classified.			
		1931		75¢ ea. + 25%	68	12	21	1	1	
		1934		do	67	2	4	(⁶)	(⁶)	
1935		do		66	3	6	(⁶)	(⁶)		
1937		do		64	21	40	16	31		
1938		do		64	35	66	31	59		
1939 ²		do		65	50	94	47	90		
Valued over \$24, not over \$30 per dozen. ¹		1929		83½¢ ea. + 25%		Not separately classified.				
		1931		\$1 ea. + 25%	67	58	137	52	123	
		1934	do	68	5	12	(⁶)	1		
		1935	do	67	33	80	30	72		
		1937	do	71	63	138	62	135		
		1938	do	73	47	98	44	91		
Valued over \$30, not over \$48 per dozen. ⁵		1929	83½¢ ea. + 25% \$1.08½ ea. + 25%		Not separately classified.					
		1931	do	64	74	207	54	144		
		1934	do	62	65	190	60	173		
		1935	do	63	46	130	40	109		
		1937	do	64	39	109	24	63		
		1938	do	61	11	34	2	6		
		1939 ²	do	62	15	45	1	2		
		1528	Other precious and semiprecious stones, cut but not set.	1929	20 percent	20		5,328		160
				1931	10 percent	10		1,200		55
1934				do	10		697		10	
1935				do	10		1,231		3	
1937	do			10		2,700		24		
1938	do			10		1,344		49		
1939 ²	do			10		1,938		202		

¹ Rate of duty changed by T. D. 42685.² Preliminary.³ Rate reduced by Presidential proclamation, effective Mar. 7, 1931, under section 336 of the Tariff Act of 1930.⁴ Rate on "sewed straw hats, blocked or trimmed and valued at \$15 or more per dozen" was reduced to 16½ cents each plus 30 percent ad valorem in the Trade Agreement with the United Kingdom, effective Jan. 1, 1939.⁵ Classified in 1929 as "fur felt hats for men, valued over \$15, not over \$24 per dozen." Imports in 1929 amounted to 51,917 hats, valued at \$85,568.

imports from Italy were valued at \$200,000 or more in 1929, or at \$100,000 or more years—Continued

Principal suppliers in 1938 and 1939 by value		Comments	
Country	Value (in 1,000 dollars)		
<i>1938</i>			
Italy.....	515	<p>These hat bodies, of which Italy is much the largest supplier to the United States, are identical with those described in the preceding comment except that they have been bleached, dyed, colored, or stained. Though no straw hat bodies are produced in the United States, large quantities of imported bodies not bleached, dyed, colored, or stained abroad are so treated in this country. Hat bodies of the types under consideration, therefore, are competitive with products of the domestic bleaching and dyeing industry.</p> <p>This classification includes all finished and partly finished hats (hat bodies), except harvest hats. Such hat bodies are made by sewing together hat braids of straw or other vegetable fiber. Imports in 1929 consisted principally of men's low-priced chip braid hats from Italy. Following the increase in duty by the Tariff Act of 1930, imports of these and other sewed hats declined drastically. This decline continued despite the reduction in duty by Presidential proclamation in 1931, and in recent years imports have been negligible. The sewed hats being imported currently are chiefly high-priced straw hats from the United Kingdom and France. In 1937, 23,966,532 sewed braid hats, valued at \$22,618,355, were produced in the United States.</p> <p>Practically all imports of men's fur felt hats are finished, ready-to-wear hats. Imports of bodies for men's hats have always been negligible. The accompanying statistics apply to only 3 of the 9 value brackets established for fur felt hats in the Tariff Act of 1930. Most of the imports from Italy are entered under these 3 brackets. Total imports under the 3 brackets amounted to 144,000 hats in 1931, reached a low of 70,000 in 1932, and increased to a peak for recent years of 123,000 in 1937. Imports in 1939 amounted to 84,000 hats. Almost all the hats imported from Italy under the 3 brackets are the products of well-known Italian hat makers, and retail at \$10 each in the United States.</p> <p>Imports under the 3 value brackets for which figures are shown cannot be compared directly with the United States or Italian production or exports, because only imports are segregated by value brackets. In recent years a total of from 16 to 21 million finished fur felt hats for men and boys have been produced annually in the United States. Approximately 5 million have been produced annually in Italy, of which about 20 percent have been exported. In 1937 approximately 16 percent of these Italian exports, both in quantity and value, came to the United States. Italian fur felt hats for men supply a world-wide demand, the most important markets being the British Empire, the United States, and South American countries.</p>	
China.....	142		
Japan.....	43		
<i>1939</i>			
Italy.....	446		
China.....	89		
Japan.....	32		
<i>1938</i>			
United Kingdom..	8		
France.....	6		
Italy.....	3		
<i>1939</i>			
France.....	10		
United Kingdom..	5		
Switzerland.....	3		
<i>1938</i>			
Italy.....	59		
Czechoslovakia..	6		
Belgium.....	2		
<i>1939</i>			
Italy.....	90		
Belgium.....	3		
France.....	1		
<i>1938</i>			
Italy.....	91		
Czechoslovakia..	5		
United Kingdom..	1		
<i>1939</i>			
Italy.....	34		
United Kingdom..	6		
Belgium.....	(e)		
<i>1938</i>			
United Kingdom..	13		
France.....	8		
Czechoslovakia..	7		
<i>1939</i>			
France.....	23		
United Kingdom..	19		
Italy.....	2		
<i>1938</i>			
France.....	333	<p>The term "precious" as used in paragraph 1528 applies only to diamonds, emeralds, rubies, and sapphires. All other gem stones have been held to be "semiprecious." The import classification "other precious and semiprecious stones cut but not set" does not include diamonds and emeralds. It includes rubies and sapphires, and stones such as amethyst, aquamarine, cat's-eye, jade, opal, topaz, tourmaline, turquoise, and zircon.</p> <p>With the exception of diamonds, very few precious or semiprecious stones are cut in the United States, imports supplying over 95 percent of the cut gem stones used in this country. The only gem stones cut on a commercial scale are rubies, sapphires, and a few of the more valuable semiprecious stones.</p> <p>Data on Italian production and trade are not available. It is known, however, that both are small. In most recent years, Italy has been an unimportant source of the United States imports, but supplied about 10 percent of total entries.</p>	
British India.....	230		
Germany.....	174		
<i>1939</i>			
British India.....	328		
Germany.....	369		
United Kingdom..	303		

¹ Less than 500.
² Classified in 1929 as "fur felt hats for men, valued over \$24, not over \$36 per dozen." Imports in 1929 amounted to 290,049 hats valued at \$844,695.
³ Classified in 1929 as "fur felt hats for men, valued over \$36, not over \$48 per dozen." Imports in 1929 amounted to 70,204 hats valued at \$231,775.
⁴ Includes Austria.

TABLE 116.—United States imports for consumption of commodities of which in later specified

Paragraph, act of 1930	Commodity	Year	Tariff treatment		Imports for consumption from—				
			Rate of duty	Ad valorem equivalent, percent	All countries		Italy		
					Quantity	Value (in 1,000 dollars)	Quantity	Value (in 1,000 dollars)	
1529 (a)	Cotton articles (except wearing apparel) or fabrics embroidered, tamboured, appliqued, or ornamented with beads or spangles, n. s. p. f.	1929	75 percent.....	75		813		165	
		1931	90 percent.....	90		942		102	
		1934	do.....	90		1,078		30	
		1935	do.....	90		1,149		39	
		1937	90%; 60% ¹	82		1,667		35	
		1938	do.....	83		1,120		25	
		1939 ⁴	do.....	84		1,411		24	
		Articles or fabrics of vegetable fiber (except cotton), n. s. p. f.: Embroidered, tamboured, appliqued, or ornamented with beads or spangles, n. s. p. f.; and articles or fabrics with threads omitted, drawn, punched, or cut, and threads introduced after weaving for ornament.	1929	75 percent.....	75		5,360		1,098
			1931	90 percent.....	90		3,137		760
	1934		do.....	90		2,104		257	
	1935		do.....	90		2,198		127	
	1937		do.....	90		3,104		153	
	1530 (a)	Cattle hides, wet salted (over 25 pounds).	1929	Free.....		1000 Pounds		1000 Pounds	
			1931	10 percent.....	10	253,090	39,826	7,211	1,109
1934			do.....	10	84,017	7,034	934	173	
1935			do.....	10	65,616	5,127	1,028	173	
1937			do.....	10	131,930	11,275	1,562	297	
1938			do.....	10	118,830	14,910	1,114	267	
1939 ⁴			do.....	10	58,304	5,021	370	108	
			do.....	10	126,206	11,221	465	141	
Calfskins, wet salted (less than 12 pounds).			1929	Free.....		37,632	10,131	910	242
		1931	10 percent.....	10	26,752	4,063	1,048	196	
		1934	do.....	10	10,530	1,727	415	84	
		1935	do.....	10	14,217	2,461	142	26	
		1937	do.....	10	11,913	2,942			
		1938	do.....	10	18,351	3,073	321	50	
1939 ⁴	do.....	10	16,804	2,814					

¹ Rate applicable to a number of articles under this heading reduced in the Trade Agreement with Switzerland, effective Feb. 16, 1936.

² Does not include \$174,472 imported free from Philippine Islands.

imports from Italy were valued at \$200,000 or more in 1929, or at \$100,000 or more years—Continued

Principal suppliers in 1938 and 1939 by value		Comments
Country	Value (in 1,000 dollars)	
<i>1938</i>		
China.....	663	The products concerned are principally articles of cotton, ornamented either by hand or machine with embroidery, tambour, applique or drawnwork, etc. Fabrics are included, but most of the imports from Italy are finished articles ready for the consumer. Imports from Italy have been very small since 1932.
Switzerland.....	200	
Czechoslovakia.....	53	
<i>1939</i>		
China.....	922	Though not recorded separately, domestic production is known to be substantial. It consists almost exclusively of articles ornamented by machine with embroidery, or with machine-made lace.
Switzerland.....	299	
Azores and Madeira Islands.....	53	
<i>1938</i>		
China.....	1,454	The products here considered are principally linen articles ornamented either by hand or machine, with embroidery, tambour, applique or drawnwork, etc., and used mainly as decorative or utilitarian accessories to furnishings. Domestic production includes articles ornamented by machine (value not recorded separately but known to be comparatively small), stamped art goods (with a recorded value in 1937 of \$2,812,393); and articles from Puerto Rico valued in 1938 at \$56,374. The principal linen fabrics used in the domestic and Puerto Rican production are all imported.
Azores and Madeira Islands.....	288	
Canary Islands.....	163	
<i>1939</i>		
China.....	1,590	Italy's share in total United States imports fell markedly after 1931. Italian production is not recorded in sufficient detail to show its relation to exports, which are substantial. The embroideries are almost exclusively made by hand, and usually have a considerable amount of cut work and drawn work in combination with embroidery in Florentine and Venetian designs. United States imports of these goods meet not only a somewhat indirect competition from similar goods produced in other countries, including Puerto Rico, but also strong direct competition from reproductions made in China. They are not directly competitive with domestic production of either machine ornamented embroideries or stamped art goods. The United States, Great Britain, and Switzerland are the leading foreign markets for Italian embroidery. The United States has usually ranked not lower than third as a market and has sometimes taken as much as 20 percent of total exports in some classifications.
Azores and Madeira Islands.....	337	
Canary Islands.....	116	
<i>1938</i>		
Argentina.....	2,361	Since 1934 domestic production has averaged about 16,000,000 hides annually, but the domestic supply of certain grades and weights is not sufficient to meet the requirements of the domestic tanning industry, making it necessary to import about 10 to 15 percent of the total number of cattle hides consumed annually in the United States. Argentina has for many years been the principal source of United States imports. Italy has been a relatively minor source, but it supplies very heavy, large hides principally for the manufacture of belting and upholstery leathers. Since 1929, the value per pound of the imports from Italy has been higher than the average for the other countries.
Canada.....	1,487	
Brazil.....	571	
<i>1939</i>		
Argentina.....	7,060	Annual output of hides in Italy is probably in excess of 1 million. Italian exports amounted to 3,988 metric tons in 1937, and to 5,059 tons in 1938. The principal markets are United Kingdom, Germany, France, and the United States. Imports of cattle hides into Italy exceed exports from that country.
Canada.....	1,774	
Brazil.....	1,299	
<i>1938</i>		
France.....	932	United States production of calf and kip skins averaged 12,997,600 skins annually in the period 1934-38, and amounted to 11,416,000 skins in 1939. During the period 1927-33 imports supplied about 40 percent of the annual domestic consumption, but in the period 1934-38, imports supplied less than 20 percent.
New Zealand.....	544	
Australia.....	305	
<i>1939</i>		
France.....	775	Most of the calfskins imported into the United States are wet salted skins which come principally from France, New Zealand, Australia, Canada, and the United Kingdom. Italy has been an unimportant supplier. Total exports of Italian calfskins are small.
New Zealand.....	523	
Canada.....	298	

³ Does not include \$367,238 imported free as product of the Philippine Islands.

⁴ Preliminary.

⁵ Does not include \$401,632 imported free as product of the Philippine Islands.

TABLE 116.—United States imports for consumption of commodities of which in later specified

Paragraph, act of 1930	Commodity	Year	Tariff treatment		Imports for consumption from—			
			Rate of duty	Ad valorem equivalent, percent	All countries		Italy	
					Quantity	Value (in 1,000 dollars)	Quantity	Value (in 1,000 dollars)
1531	Bags, baskets, belts, satchels, pocketbooks, and other boxes and cases of leather or parchment, not permanently fitted or furnished with traveling, drinking, dining, sewing, and similar sets. ¹	1929	30 percent.....	30		3,668		271
		1931	35 percent.....	35		1,739		355
		1934	do.....	35		392		39
		1935	do.....	35		545		27
		1937	do.....	35		961		73
		1938	do.....	35		704		94
		1939 ²	Various ³	28		648		60
	Other manufactures of leather, rawhide, or parchment, not permanently fitted or furnished with traveling, drinking, dining, sewing, and similar sets. ²	1929	30 percent.....	30				158
		1931	35 percent.....	35		986		189
		1934	do.....	35		276		31
		1935	do.....	35		315		23
		1937	do.....	35		448		40
		1938	do.....	35		285		48
		1939 ²	20%; 25% ⁴	25		213		38
1532 (a)	Women's and children's unlined leather gloves, machine seamed, not over 12 inches in length, and not trimmed with fur.	1929	\$4 per doz. prs. ⁵					
		1931	\$5.50 per doz. prs.; additional if other than over seamed; 50% min.		1000 pairs		1000 pairs	
		1934		Not separately classified.				
		1935	\$1 per doz. prs.		9,763	8,903	1,010	744
		1937			4,501	4,111	302	230
					4,459	3,826	150	100
					5,756	4,951	556	401
1938	Same as above, less 50¢ doz. prs.		3,241	2,701	172	126		
1939 ²	do.....		2,759	2,229	26	18		
1541 (a)	Piano accordions.....	1929	40 percent.....		Thousands		Thousands	
		1931	do.....		Not separately classified. ⁷			
		1934	do.....		do			
		1935	do.....		do			
		1936	do.....		do			
		1937	do.....	40	59	1,584	24	897
		1938	do.....	40	65	1,769	25	953
		1939 ²	do.....	40	43	1,277	20	827
			50	1,427	27	991		

¹ Includes Austria.² As a result of changes in classification of imports, effective Jan. 1, 1936, data for 1937, 1938 and 1939 for each of the two classes under paragraph 1531 are not strictly comparable with those for previous years. However, totals resulting from combining data for the two classes would be comparable with totals for previous years. As a result of further changes, effective Jan. 1, 1939, data for that year are not strictly comparable with data for previous years. These changes did not affect the comparability of the totals for the two groups.³ Preliminary.

imports from Italy were valued at \$200,000 or more in 1929, or at \$100,000 or more years—Continued

Principal suppliers in 1938 and 1939 by value		Comments	
Country	Value (in 1,000 dollars)		
1938			
United Kingdom.....	341	<p>This classification includes trunks, suitcases, and other luggage; women's handbags; coin purses, billfolds, card cases and similar flat goods; dressing, jewel, gun, letter, and watchcases; button boxes; sewing baskets; and belts and other wearing apparel. Domestic production in recent years is estimated at \$70,000,000 annually. Statistics of United States exports are not available but it is known that exports exceed imports. Imports are supplied principally by the United Kingdom, France, and Germany, and for the most part compete only with the higher priced goods made in the United States. Italy usually ranks fourth in the trade.</p> <p>The Italian leather goods industry supplies most of the home market and exports substantial quantities, particularly of the more highly decorated articles, but substantial quantities of low-priced leather and imitation leather goods are imported. The rate of duty on most of the articles here considered was reduced in the trade agreement with the United Kingdom, effective Jan. 1, 1939.</p> <p>The more important "other" manufactures in chief value of leather, rawhide, or parchment are dog equipment, straps and strops, tips for cues, memorandum books and pads, photo and writing portfolios, and aprons for textile machines. Statistics of domestic production are not available, but the output in the United States is known to be large.</p> <p>Though in recent years Italy has been an unimportant source of United States imports under the classification as a whole, it has been the principal source of certain highly decorated articles, including albums and writing portfolios. Statistics of Italian production and exports are not available.</p> <p>These gloves are principally women's leather gloves for dress and street wear. Most of the domestic gloves are made of dip-dyed cape (sheep) skins, while most of the imported are made of brush-dyed kid and lambskins. In recent years imports have supplied about one-third of total domestic consumption, and a larger proportion of the consumption of the higher-priced gloves. Italy has usually ranked fourth as a supplier of the imports, but in 1939 imports from Italy were insignificant.</p> <p>The Italian glove industry supplies practically the entire home requirements and exports substantial quantities. Exports from Italy of all types of leather gloves for men's, women's, and children's wear amounted to 4,390,400 pairs in 1937 and to 3,855,900 pairs in 1938. About 63 percent in 1938 went to the United Kingdom and 15 percent to the United States. Gloves imported into the United States from Italy are, as a rule, of a slightly inferior quality and lower price than those imported from the more important foreign suppliers.</p> <p>United States production of piano accordions amounted to about 6,000 instruments in 1932, to approximately 7,500 in 1935, and to 11,222 (valued at \$1,324,892) in 1937. About 80 percent by quantity and 90 percent by value of the instruments produced in 1937 had 120 or more bass keys.</p> <p>United States imports are supplied almost exclusively by Italy and Germany. About 40 percent by quantity, and 60 percent by value, are accordions with 120 or more bass keys. On the average, the instruments from Italy have the higher unit values.</p> <p>Approximately 95 percent of the accordions made in Italy are exported. Production statistics are not available, but exports amounted to 72,652 instruments valued at \$2,788,000 in 1937 and to 50,107 instruments valued at \$1,043,000 in 1938. The United States takes from 20 to 30 percent of the exports. The United Kingdom, France, and Sweden are also important markets.</p> <p>Domestic and imported accordions are similar in construction and quality and are directly competitive. Manufacturers in the United States use both domestic and imported reeds in the highest priced 120-bass instruments, but use imported reeds exclusively in the lower priced 120-bass and in all similar instruments. Practically all imported reeds are supplied by Germany and Italy.</p>	
France.....	144		
Germany ¹	72		
1939			
United Kingdom.....	340		
France.....	177		
Italy.....	60		
1938			
United Kingdom.....	103		
France.....	37		
Mexico.....	34		
1939			
United Kingdom.....	102		
Italy.....	38		
France.....	29		
1938			
Czechoslovakia.....	1,135		
France.....	1,007		
Belgium.....	293		
1939			
France.....	1,545		
Belgium.....	583		
Germany ¹	18		
1938			
Italy.....	827		
Germany ¹	450		
Sweden.....	(9)		
1939			
Italy.....	901		
Germany ¹	434		
Sweden.....	2		

¹ Rate reduced on some classes in the Trade Agreement with the United Kingdom, effective Jan. 1, 1939.
² Rates reduced in the Trade Agreement with the United Kingdom, effective Jan. 1, 1939.
³ Additional duty of 40¢ per doz. pairs if embroidered or embellished. Provision is also made that duty shall not be less than 50 or more than 70 percent ad valorem.
⁴ Included in "musical instruments, parts, and accessories, n. s. p. f."
⁵ Includes "piano accordions: with less than 120 bass keys" and "piano accordions: with 120 or more bass keys."
⁶ Less than 500.

TABLE 116.—United States imports for consumption of commodities of which in later specified

Paragraph, act of 1930	Commodity	Year	Tariff treatment		Imports for consumption from—				
			Rate of duty	Ad valorem equivalent, percent	All countries		Italy		
					Quantity	Value (in 1,000 dollars)	Quantity	Value (in 1,000 dollars)	
1547 (a)	Works of art, n. s. p. f. Sculptures, statuary, and copies, replicas, or reproductions, valued not less than \$2.50 each.	1929	20 percent	20		568		345	
		1931	do	20		248		163	
		1934	do	20		74		50	
		1935	do	20		68		45	
		1937	do	20		113		53	
		1938	do	20		97		43	
		1939 ¹	do	20		80		30	
1602	Crude drugs, herbs, leaves, roots, etc.: Licorice root.	1929	Free		1,000 pounds	72,559	1,000 pounds	2,010	107
		1931	do		59,283	1,424	2,580	132	
		1934	do		53,013	938	1,219	46	
		1935	do		59,731	1,134	2,673	84	
		1937	do		89,567	1,353	4,725	137	
		1938	do		65,163	1,266	2,095	74	
		1939 ¹	do ²		62,331	1,391	4,678	188	
1611	Argols, tartar, and wine lees, crude or partly refined, containing less than 90 per- cent of potassium bitar- trate. ³	1929	5 percent	5	17,686	2,078	3,702	387	
		1931	Free		19,314	1,605	4,035	361	
		1934	do		13,970	885	4,462	317	
		1935	do		16,368	903	3,887	258	
		1937	do		23,820	1,699	7,372	540	
		1938	do		31,745	2,472	4,987	417	
		1939 ¹	do		17,370	1,217	4,441	359	
1615	Articles, the growth, prod- uce, or manufacture of the United States, returned: Other.	1929	do			25,069		1,045	
		1931	do			23,804		513	
		1934	do			17,302		146	
		1935	do			17,662		165	
		1937	do			16,314		90	
		1938	do			20,119		90	
1939 ¹	do			20,146		57			
1630	Books and pamphlets print- ed wholly or chiefly in languages other than Eng- lish.	1929	do			1,966		113	
		1931	do			1,881		107	
		1934	do			1,003		38	
		1935	do			1,237		43	
		1937	do			1,450		49	
		1938	do			1,383		48	
1939 ¹	do			1,292		50			
1632 1739 1747 1798	Household furniture, wear- ing apparel, tools of trade, books, and professional and personal effects, not merchandise.	1929	do			7,400		126	
		1931	do			5,536		109	
		1934	do			4,127		124	
		1935	do			4,298		150	
		1937	do			5,682		109	
1938	do			5,405		121			
1939 ¹	do			6,925		277			

¹ Preliminary.² Bound free in the Trade Agreement with Turkey, effective May 5, 1939.

imports from Italy were valued at \$200,000 or more in 1929, or at \$100,000 or more years—Continued

Principal suppliers in 1938 and 1939 by value		Comments	
Country	Value (in 1,000 dollars)		
<i>1938</i>			
Italy.....	43	The import figures are for works of the fine arts but most of them are not originals. Imports from Italy, principal supplier, consist chiefly of small marble and alabaster statuettes and sculptures. Production in United States of works of art of the types imported from Italy is negligible. Statistics of production in Italy are not available, but that country is known to be one of the leading producers. Exports from Italy, classified as "marble and alabaster statues" in 1937 amounted to 7,753 pieces valued at 3,484,809 lire (\$183,325). The principal Italian export markets in the order of their importance are the United States, France, and Venezuela. Licorice root is the dried rhizome (unground stem) and roots of a perennial herb; growing in Asia Minor and southern Europe; there is no production in the United States. Licorice extract is used in the manufacture of chewing and other tobaccos, in confectionery, and in the drug trade. Italy produces 5 percent or less of the world supply, being outranked by Turkey, the U. S. S. R., and Iraq. Wild plants account for most of the Italian output, as systematic cultivation has proved impracticable. About 60 percent of the production is manufactured into licorice extract in Italy and the remaining 40 percent is exported in crude form. In 1937 and 1938, Italian exports amounted to 5,302,000 and 4,135,000 pounds, respectively; about 89 percent in each year went to the United States. Italy is a minor supplier of United States imports, although Italian root is considered superior to the variety from the Soviet Union and the Near East. Argols, tartar, and wine lees, byproducts of the wine industry, are raw materials for the production of tartaric acid, cream of tartar, Rochelle salts, and other tartar compounds. Production in the United States is only a small fraction of domestic requirements. Imports are entered almost entirely duty-free. When containing 90 percent or more of potassium bitartrate they are dutiable at 5 cents per pound. France, Italy, and Spain (including their possessions) are the largest producers and exporters of tartar raw materials, although substantial quantities are also exported from other Mediterranean countries and from Argentina. Italy's exports go principally to the United States, the United Kingdom, Australia, and Germany, the United States generally ranking first. Imports under par. 1615 include a wide variety of products grown, produced, or manufactured in the United States, exported, and then returned to this country. Typical of the merchandise so entered are office equipment and industrial machinery returned from foreign branches of United States concerns; defective machinery, electrical appliances, and other articles returned for repair or replacement. The "other" classification does not include automobiles, shooks or staves returned as boxes or barrels, other containers, cotton, distilled spirits, sugar, tobacco, zinc (in pigs, bars, etc.), photographic dry plates, or light-struck or damaged films, each of which is covered by a separate statistical class. No information is available on the volume of books and pamphlets printed in Italian within the United States. Imports from Italy are mainly of publications printed in Italian and are distributed in communities of Italian-speaking people. In 1937, Italian exports amounted to approximately \$534,000. Italy's principal markets for books and pamphlets are her colonies to which was shipped about 36 percent of the value of total exports in 1937. Exports to the United States, approximately 9 percent of the total to all foreign countries, had a slightly larger value than exports to any other foreign country. The articles provided for under these paragraphs are not imported for sale and, therefore, do not enter the commercial trade of the United States. They consist of goods brought in by immigrants and by returning American citizens, and of the personal effects of citizens of the United States dying abroad.	
Denmark.....	16		
China.....	11		
<i>1939</i>			
Italy.....	30		
Denmark.....	24		
China.....	2		
<i>1938</i>			
Turkey.....	483		
U. S. S. R.....	289		
Iraq.....	164		
<i>1939</i>			
Turkey.....	701		
U. S. S. R.....	307		
Italy.....	188		
<i>1938</i>			
France.....	1,382		
Algeria.....	500		
Italy.....	417		
<i>1939</i>			
Algeria.....	364		
Italy.....	359		
France.....	301		
<i>1938</i>			
Canada.....	7,786		
United Kingdom.....	4,341		
Mexico.....	1,054		
<i>1939</i>			
Canada.....	9,209		
United Kingdom.....	3,707		
Mexico.....	1,019		
<i>1938</i>			
Germany ¹	554		
France.....	214		
Netherlands.....	141		
<i>1939</i>			
Germany ¹	502		
France.....	189		
Netherlands.....	131		
<i>1938</i>			
Germany ¹	2,236		
Canada.....	834		
United Kingdom.....	506		
<i>1939</i>			
Germany ¹	2,550		
Canada.....	1,025		
United Kingdom.....	739		

¹ Classified in 1929 as "containing not more than 90 percent of potassium bitartrate."
⁴ Includes Austria.

TABLE 116.—United States imports for consumption of commodities of which in later specified

Paragraph, act of 1930	Commodity	Year	Tariff treatment		Imports for consumption from—			
			Rate of duty	Ad valorem equivalent, percent	All countries		Italy	
					Quantity	Value (in 1,000 dollars)	Quantity	Value (in 1,000 dollars)
1646	Chestnuts, including mar- rons, dried, or baked.	1929	Free		1,000 pounds		1,000 pounds	
		1931	do.		16,933	849	15,769	719
		1934	do.		19,511	939	14,118	717
		1935	do.		14,070	540	11,836	454
		1937	do.		16,681	704	14,592	635
		1938	do.		22,217	737	19,176	637
		1939 ¹	do.		16,767	591	15,397	531
				14,717	655	12,011	528	
1649	Citron or citron peel. In brine.	1929	2¢ lb.	22	891	80	127	11
		1931	Free		1,201	46	1,201	46
		1934	do.		2,614	152	2,048	116
		1935	do.		2,656	170	2,535	168
		1937	do.		2,711	173	1,925	124
		1938	do.		2,212	123	1,774	100
		1939 ¹	do.		2,586	102	2,270	91
1654	Coffee. Raw or green.	1929	do.		1,480,545	301,929	1,933	471
		1931	do.		1,741,515	174,899		
		1934	do.		1,523,894	133,141		
		1935	do. ²		1,754,644	136,710	99	11
		1937	do. ²		1,697,093	150,578		
		1938	do. ²		1,987,127	137,821		
		1939 ¹	do. ²		2,013,756	139,542		
1681	Coney and rabbit fur skins, undressed.	1929	do.		Thou- sands	Thou- sands		
		1931	do.		17,496	19,611	8	6
		1934	do.		17,241	7,493	219	76
		1935	do.		18,684	8,226	614	118
		1937	do.		32,292	13,973	1,033	182
		1938	do.		115,290	19,700	1,830	163
		1939 ¹	do.		72,038	6,903	5,917	219
			109,066	8,332	2,235	99		
1683	Lamb, kid, sheep and goat skin furs, undressed.	1929	do.		0,842	20,813	635	637
		1931	do.		0,163	12,936	255	117
		1934	do.		5,734	0,830	437	141
		1935	do.		8,668	12,865	516	187
		1937	do.		0,472	28,898	162	73
		1938	do.		4,794	16,820	14	4
1939 ¹	do. ²		0,232	18,342	86	42		

¹ Preliminary.² Bound free by Trade Agreements with the following countries: Haiti, effective June 3, 1935; Brazil, effective Jan. 1, 1936; Honduras, effective Mar. 2, 1936; Colombia, effective May 20, 1936; Guatemala, effective June 15, 1936; Nicaragua, effective Oct. 1, 1936—terminated Mar. 10, 1938; Salvador, effective May 31, 1937; Costa Rica, effective Aug. 2, 1937; Ecuador, effective Oct. 23, 1938.

imports from Italy were valued at \$200,000 or more in 1929, or at \$100,000 or more years—Continued

Principal suppliers in 1938 and 1939 by value		Comments
Country	Value (in 1,000 dollars)	
1938		
Italy.....	531	Italy is the world's leading producer of chestnuts, the average annual production exceeding 500,000 short tons. Normally less than 10 percent of the Italian crop is exported and from 25 to 30 percent of the exports are shipped to the United States where chestnuts are not produced commercially.
Japan.....	36	
Portugal.....	23	
1939		
Italy.....	528	The marron is a large type of chestnut. In the United States chestnuts are used chiefly as a fowl dressing and for roasting to be eaten out of hand. They are consumed principally in centers where there is a large Latin population, and are not competitive with other edible nuts, domestic or imported.
Portugal.....	100	
Japan.....	26	
1938		
Italy.....	100	The citron is a citrus fruit resembling the lemon, only much larger, and with a much thicker rind or peel. The peel is packed and shipped in brine and it is from this that candied citron is made. About 4,355,000 pounds of citron in brine were used in the United States in 1939, of which 60 percent was imported and 40 percent domestic. Puerto Rico supplied 86 percent of home production and California 14 percent.
Greece.....	21	
France.....	2	
1939		
Italy.....	91	Apart from the recent development in Puerto Rico, world production of citron is largely confined to three islands in the Mediterranean—Crete (Greek), Corsica (French), and Sardinia (Italian); there is also considerable production on the Italian mainland, in France, and in Palestine. Italy, which usually supplies about half of world production, produces about 12 million pounds of citron peel annually, equal to the combined production of Greece and France. Over half of the Italian production is exported.
Greece.....	11	
Imports of citron peel in brine in former years constituted a much larger percentage of United States consumption than at present. Receipts from Puerto Rico are of comparatively recent origin, having increased from 537,000 pounds in 1931 to 1,519,000 pounds in 1939; and production in California is also of very recent origin. In 1939 Italy supplied 88 percent of the imports and Greece 12 percent, and in the 5-year period 1935-39 Italy supplied an average of 81 percent.		
1938		
Brazil.....	67,426	Italy is not a producer of coffee, its climate being unsuitable for this crop; the small imports reported as from Italy in 1929 and 1935, were reshipments, possibly from African possessions.
Colombia.....	45,830	
Salvador.....	5,550	
1939		
Brazil.....	67,255	In 1937, the United States received from Ethiopia 417,000 pounds of coffee valued at \$50,000, and in 1938, 329,000 pounds valued at \$41,000. Although reputed to be the original home of coffee, and still a supplier of one of the better and high-priced types, Ethiopia is unimportant as a source of supply for the United States.
Colombia.....	45,103	
Salvador.....	6,706	
1938		
Australia.....	1,601	Coney and rabbit furs are used chiefly in making hatters' fur (the principal raw material for fur-felt hats) and in the manufacture of low-priced wearing apparel. United States production of furs for use in these industries is relatively small, and domestic manufacturers are dependent upon foreign sources for most of their requirements. Though Italy increased substantially her shipments to the United States in 1938, that country still remains an unimportant source of imports.
France.....	1,358	
Belgium.....	1,211	
1939		
France.....	2,565	Statistics of production in Italy are not available but it is known that owing to recent measures limiting imports Italian production increased considerably in 1936 and 1937, being estimated at 50,000,000 skins in 1937. Most of the skins produced are consumed by the Italian fur-felt hat industry, leaving only small quantities for export.
Australia.....	2,030	
United Kingdom.....	1,637	
1938		
U. S. S. R.....	6,705	Domestic production of raw or undressed lamb, kid, sheep, and goat furs, is small, and domestic manufacturers of fur and fur-trimmed garments are dependent upon foreign sources for most of their requirements.
Other Asia.....	3,779	
Union of So. Africa.....	1,502	
1939		
Other Asia.....	6,639	Italy is an unimportant supplier. Statistics showing Italian production and exports are not available.
U. S. S. R.....	5,171	
Union of So. Africa.....	2,812	

¹ Does not include imports into Puerto Rico amounting to 1,130,051 pounds valued at \$139,512 taxable at 15 cents per pound under the provisions of sec. 319 of the Tariff Act of 1930.
² Bound free in the Trade Agreement with the United Kingdom, effective Jan. 1, 1939.

TABLE 116.—United States imports for consumption of commodities of which in later specified

Paragraph, act of 1930	Commodity	Year	Tariff treatment		Imports for consumption from—			
			Rate of duty	Ad valorem equivalent, percent	All countries		Italy	
					Quantity	Value (in 1,000 dollars)	Quantity	Value (in 1,000 dollars)
1685	Nitrogenous fertilizer materials, n. s. p. f. (including hoof meal).	1929	Free		Not separately classified. ¹			
		1931	do.		Do.			
		1934	do.		94,980	1,095		
		1935	do.		60,332	1,145		
		1937	do.		105,277	2,232	10,594	347
		1938	do.		65,715	1,101	Not shown	(²)
		1939 ⁴	do. ³		51,403	1,052		
1686	Gums and resins Tragasol (locust-bean gum).	1929	do.		2,787	152		
		1931	do.		3,120	223	4	1
		1934	do.		1,566	165	365	58
		1935	do.		2,136	203	734	104
		1937	do.		2,469	447	691	170
		1938	do.		2,405	275	662	129
		1939 ⁴	do.		4,192	450	1,407	196
1731	Essential and distilled oils... Not containing alcohol: Bergamot.	1929	do.		111	476	93	360
		1931	do.		81	138	60	99
		1934	do.		78	106	61	76
		1935	do.		99	135	38	104
		1937	do.		87	282	76	234
		1938	do.		91	327	79	274
		1939 ⁴	do.		211	713	198	644
1732	Expressed or extracted oils and fats: Inedible oils for mechanical or manufacturing purposes: Olive oil Sulphured or foots.	1929	do.		45,874	3,128	40,816	2,825
		1931	do.		36,924	1,652	28,851	1,280
		1934	do.		36,166	1,958	15,549	819
		1935	do.		38,202	2,325	3,915	250
		1937	do.		22,101	1,054	11,588	959
		1938	do.		22,356	1,241		
		1939 ⁴	do.		28,180	1,453	88	4
1750	Rags for paper stock	1929	do.		446,606	9,346	33,297	533
		1931	do.		117,800	1,621	1,911	28
		1934	do.		101,524	1,283	1,742	27
		1935	do.		201,311	2,411	790	11
		1937	do.		244,325	4,475	3,325	68
		1938	do.		80,028	1,265	34	2
		1939 ⁴	do. ³		114,482	1,257	114	1
1762	Silk, unmanufactured Cocoons.	1929	do.		290	250	240	207
		1931	do.		48	22	48	22
		1934	do.		149	51	41	9
		1935	do.		6	2		
		1937	do.		62	32		
		1938	do.					
		1939 ⁴	do.		(²)	(²)		

¹ Included in "nitrogenous fertilizer materials, n. s. p. f. (including fish scrap, hoof meal, and castor bean pomace) of which there were no imports from Italy in 1929 or 1931.

² Includes Austria.

imports from Italy were valued at \$200,000 or more in 1929, or at \$100,000 or more years—Continued

Principal suppliers in 1938 and 1939 by value		Comments	
Country	Value (in 1,000 dollars)		
<i>1938</i>			
Germany ²	287	Italy is not believed to be in a position ordinarily to supply the fertilizers provided for in par. 1685. Imports from Italy are entirely sporadic, there being none prior to 1937.	
Netherlands.....	287		
United Kingdom..	276		
<i>1939</i>			
Netherlands.....	378	Imports of nearly all types of fertilizer were greatly increased in 1937 largely as a result of improved prices for agricultural products and increased acreage planted. The drought of 1936 also probably caused some shortage in the domestic supply of materials in this classification.	
Germany ²	342		
United Kingdom..	217		
<i>1938</i>			
Italy.....	120	Tragasol is a natural gum obtained from the carob bean, grown commercially around the Mediterranean basin. It is used in sizing and finishing textiles, in thickening printing inks, and in the paper, leather, drug, and food industries.	
France.....	56		
United Kingdom..	52		
<i>1939</i>			
Italy.....	106	United States production is from imported carob beans, but the output probably does not exceed one-fourth of the quantity of gum imported. The output of the one producing plant in Italy, at Bergamo, has in recent years been about 2 million pounds annually. About 40 percent of it is consumed in Italy, and the remainder is exported chiefly to the United States. Imports from Italy have increased since 1931, while those from other countries have declined.	
Malta, Gozo and Cypress Islands.	94		
France.....	86		
<i>1938</i>			
Italy.....	274	Bergamot oil is obtained from a special kind of orange, grown only in Italy and used solely for the oil. The oil is widely used in perfumery and in pharmaceutical preparations, but its odor and flavor may be approximated by blends of synthetic organic chemicals.	
France.....	34		
United Kingdom..	14		
<i>1939</i>			
Italy.....	644	Italian production amounted to about 350,000 pounds in the 1935-36 season and to 210,000 pounds in the 1936-37 season. In 1937 and 1938, exports amounted to 284,000 and 351,000 pounds, respectively. The principal export markets are France, the United States, the United Kingdom, and Germany, in 1937 and 1938, 25 and 22 percent, respectively, of the total went to the United States. Since 1936 sales of bergamot oil, both for use in Italy and for export, have been controlled by a consortium organized by the Government, under which prices have been regulated with considerable success. Imports into the United States from countries other than Italy, are presumably transshipments originating in Italy.	
France.....	42		
United Kingdom..	16		
<i>1938</i>			
Tunisia.....	424	Inedible olive oil (used principally in soaps) consists of the lower grades of expressed oil, and the so-called foots oil extracted with carbon bisulphide or other solvents after the better grades have been expressed. Domestic production is negligible. Italy is one of the principal producers and exporters and has generally exported approximately half her output, the United States taking the bulk of it. Imports into the United States from Italy have varied from practically nil to nine-tenths of total imports, depending largely on crop conditions in Italy and in other producing countries such as Greece, Portugal, Tunisia, and Algeria.	
Portugal.....	379		
Algeria.....	221		
<i>1939</i>			
Greece.....	741	Domestic consumption of rags for use in papermaking in 1935 was approximately 500,000 short tons, valued at \$15,373,000. Imports in 1935 were 100,600 short tons, or about 20 percent of total domestic consumption. They were valued at \$2,411,000. The quantity imported from Italy since 1929 has not reached 2 percent of the total quantity consumed. Data on Italian production are not available, but exports of rags or vegetable fiber from Italy in 1937 and 1938 amounted only to about 3,500 and 2,900 short tons respectively. Of these exports, 42 percent went to the United States in 1937 as compared with less than 2 percent in 1938.	
Portugal.....	320		
Tunisia.....	185		
<i>1938</i>			
U. S. S. R.....	394	Imports are largely pierced and damaged cocoons unsuitable for reeling, used as a raw material in the manufacture of spun silk yarn. Imports of fresh cocoons for breeding and of dry cocoons suitable for reeling are negligible since sericulture and silk reeling are on only an experimental basis in the United States. Imports have declined sharply in recent years, mainly as a result of the curtailed production of spun silk yarns.	
France.....	185		
Japan.....	116		
<i>1939</i>			
France.....	253		
Canada.....	163		
U. S. S. R.....	156		
<i>1938</i>			
Japan.....	(4)		
<i>1939</i>			
China.....	8		
Japan.....	(5)		

¹ Less than 500.

² Preliminary.

³ Bound free in the Trade Agreement with the United Kingdom, effective Jan. 1, 1939.

TABLE 116.—United States imports for consumption of commodities of which in later specified

Paragraph, act of 1930	Commodity	Year	Tariff treatment		Imports for consumption from—			
			Rate of duty	Ad valorem equivalent, percent	All countries		Italy	
					Quantity	Value (in 1,000 dollars)	Quantity	Value (in 1,000 dollars)
1762	Silk waste, n. s. p. f.-----	1929	Free.....		1,000 pounds		1,000 pounds	
		1931	do.....		10,659	4,955	847	583
		1934	do.....		5,544	975	243	78
		1935	do.....		3,919	713	285	100
		1937	do.....		4,681	880	386	150
		1938	do.....		6,292	1,855	402	214
		1939 ¹	do.....		1,856	432	2	1
			do.....		3,654	1,049	80	68
1763	Raw silk, in skeins, reeled from the cocoon, or re-reeled, not wound, doubled, twisted, or advanced.	1929	do.....		87,815	426,596	2,134	7,984
		1931	do.....		83,459	190,889	3,988	8,497
		1934	do.....		56,379	71,764	113	147
		1935	do.....		67,675	95,797	411	604
		1937	do.....		57,804	106,585	1,151	1,930
		1938	do.....		55,182	88,811	2,276	2,988
		1939 ¹	do.....		51,595	120,848	1,141	2,163
1765	Goat and kid skins, dry and dry salted.	1929	do.....		83,830	42,878	1,730	854
		1931 ²	do.....		64,288	21,958	666	235
		1934	do.....		56,656	16,016	687	185
		1935	do.....		71,801	18,156	528	131
		1937	do.....		84,843	28,637	66	38
		1938	do.....		49,598	11,535	728	200
		1939 ¹	do.....		63,124	14,969	120	39

¹ Preliminary.

imports from Italy were valued at \$200,000 or more in 1929, or at \$100,000 or more years—Continued

Principal suppliers in 1938 and 1939 by value		Comments
Country	Value (in 1,000 dollars)	
<i>1938</i>		
China.....	335	The domestic production of silk waste consists of manufacturers' mill waste, such as occurs in silk throwing, knitting, weaving, or in garment cutting. A large part of it is unsuitable for processing into spun silk and can be utilized only in woolen goods manufacture.
Japan.....	79	
United Kingdom.....	9	
<i>1939</i>		
China.....	800	Imports consist largely of frisons and other thread waste discarded in silk filatures during the process of reeling. These types are used as raw material for the spun silk industry; they are not produced in this country and are obtainable only from countries having sericulture and silk-reeling industries. Imports into the United States have been declining as a result of the curtailment of production of spun silk yarns, brought about by changes in fashion, the competition of rayon, and changes in price relationships between spun silk and raw silk.
Japan.....	96	
Italy.....	68	
<i>1938</i>		
Japan.....	83,644	Italy has long been a minor supplier of United States imports, and was an insignificant supplier after 1937. Italian production of silk waste is of a superior quality, and is reserved for countries requiring the best grades of silk waste. Italy's own requirements are met by imports of lower qualities from the Orient. Exports to the United States and to all other countries have been declining, however, since 1929.
Italy.....	2,988	
China.....	2,143	
<i>1939</i>		
Japan.....	106,949	Domestic consumption of raw silk is supplied entirely by imports, less than 5 percent of which come from Italy and over 90 percent from Japan. Italy ranks next to Japan and China as a producer. Italian silk is used mainly in high grade silk specialty fabrics.
China.....	11,711	
Italy.....	2,163	
<i>1938</i>		
British India.....	3,298	Italian production of raw silk averaged about 12 million pounds a year in 1927-30, but declined to 3,800,000 pounds in 1935, because of contraction of exports of both raw silk and manufactures of silk, increasing consumption of oriental raw silk and of rayon, declining raw silk prices, and the instability of currencies. Because Italian sericulture was threatened with abandonment the Italian Government in 1933 began paying subsidies on cocoon production and on raw silk reeled from Italian cocoons for export. As a result production of raw silk increased to over 7 million pounds in 1936 but then decreased to 4,370,000 pounds in 1938.
Brazil.....	1,180	
Nigeria.....	976	
<i>1939</i>		
British India.....	4,122	Most of the raw silk produced in Italy is sold abroad, only a small part being consumed domestically or exported in the form of manufactured goods. Exports amounted to 4,492,000 pounds in 1937 and to 5,649,000 pounds in 1938. Prior to 1930, Switzerland, France, and Germany were Italy's principal customers; in recent years, however, the United States has been the principal export market. Of the total exports, 28 percent went to the United States in 1937 and 46 percent in 1938. Shipments to the United States from Italy are confined entirely to the 20/22 denier size.
Brazil.....	1,854	
Nigeria.....	1,650	
<i>1938</i>		
British India.....	3,298	The United States is dependent upon foreign sources for about 99 percent of its requirements of raw goat and kid skins. Most of the goat and kid skins imported into this country are dry and dry salted; comparatively few are green or pickled. Italy has been a very small supplier, especially so in 1936 and 1937.
Brazil.....	1,180	
Nigeria.....	976	
<i>1939</i>		
British India.....	4,122	It is estimated that about a million goats and kids are slaughtered annually in Italy. Exports have varied widely. Those of goat skins amounted to 1.5 metric tons in 1937, and to 9.2 tons in 1938. Exports of kid skins amounted to 9.3 tons in 1937, and 244.8 tons in 1938. No goat skins were exported to the United States in either year. The United States was the principal foreign market for Italian kid skins in 1937, buying 6.2 tons. In 1938, France was the principal market for kid skins, buying 209.5 tons as compared with 35.3 tons for the United States.
Brazil.....	1,854	
Nigeria.....	1,650	

* Data revised since publication in Foreign Commerce and Navigation of the United States.

UNITED STATES TARIFF COMMISSION

TABLE 116.—United States imports for consumption of commodities of which in later specified

Paragraph, act of 1930	Commodity	Year	Tariff treatment		Imports for consumption from—			
			Rate of duty	Ad valorem equivalent, percent	All countries		Italy	
					Quantity	Value (in 1,000 dollars)	Quantity	Value (in 1,000 dollars)
1774	Altars, communion tables, pulpits, baptismal fonts, shrines, and statuary—for presentation and for use for religious purposes.	1929	Free			875		790
		1931	do			475		356
		1934	do			159		128
		1935	do			177		101
		1937	do			179		132
		1938	do			253		212
		1939 ²	do			236		202
1807	Original paintings, pastels, drawings, and sketches.	1929	do			17,102		429
		1931	do			6,438		107
		1934	do			4,771		30
		1935	do			7,591		29
		1937	do			4,486		60
		1938	do			3,873		139
		1939 ²	do, ¹			4,607		115
1809	Works of art, for exhibition and not for sale.	1929	do			1,084		89
		1931	do			948		107
		1934	do			670		88
		1935	do			1,091		1
		1937	do			612		30
		1938	do			461		24
		1939 ²	do			1,627		104
1811	Artistic antiquities, works of art, etc., produced prior to the year 1830: Furniture.	1929	do		Not separately classified.			
		1931	do		Do.			
		1934	do			1,257		55
		1935	do			1,451		39
		1937	do			2,710		116
		1938	do			1,403		31
		1939 ²	do, ¹			879		18
	Except rugs and carpets, violins, violas, violoncellos, and double basses, and furniture.	1929	do		Not separately classified.			
		1931	do		Do.			
		1934	do			8,081		652
		1935	do			10,132		1,249
		1937	do			12,769		1,338
		1938	do			9,780		1,237
		1939 ²	do, ¹			8,807		804

¹ Includes Austria.² Preliminary.

imports from Italy were valued at \$200,000 or more in 1929, or at \$100,000 or more years—Continued

Principal suppliers in 1938 and 1939 by value		Comments	
Country	Value (in 1,000 dollars)		
<i>1938</i>			
Italy.....	212	<p>The articles here considered are entered free of duty if imported in good faith for presentation, without charge to, and for the use of, any corporation or association organized and operated exclusively for religious purposes.</p> <p>In 1937 and 1938, 65 and 75 percent, respectively, of the ecclesiastical articles provided for in this paragraph were of marble, the remainder being of wood or stone. Italians have for generations been excellent stone workers, and the availability of deposits of white marble in Italy, generally preferred by churches, has led to the development of an industry which fabricates these articles for export to many countries. Practically all of the articles covered by this tariff provision are fabricated according to specifications presented by the buyers. Several American firms have branch houses in Italy, where such articles are fabricated for their American trade. These firms also use domestic marble for the production of similar articles at their American studios.</p> <p>Figures for Italian production and exports are not separately reported. Imports from Canada consist largely of wooden pulpits. These articles are the original works of individual artists. Though statistics of United States production are not available, the domestic output is known to be substantial. Italy is an unimportant source of United States imports.</p>	
Canada.....	16		
Germany ¹	11		
<i>1939</i>			
Italy.....	202		
Canada.....	13		
Germany ¹	5		
<i>1938</i>			
France.....	2,027		
United Kingdom.....	831		
Canada.....	504		
<i>1939</i>			
France.....	2,049		
United Kingdom.....	816		
Switzerland.....	492		
<i>1938</i>			
Germany ¹	175	<p>This classification includes only noncommercial articles and articles for exhibition, and not intended for sale. Imports from Italy have declined roughly from 10 percent to 5 percent of total imports.</p>	
France.....	99		
United Kingdom.....	85		
Italy.....	24		
<i>1939</i>			
Greece.....	453		
France.....	433		
Netherlands.....	190		
<i>1938</i>			
United Kingdom.....	1,009		<p>Imports consist principally of period furniture. Tables and chairs account for from 40 to 45 percent of the total imports; other articles are chests, stands, bookcases, and beds.</p> <p>The United Kingdom and France normally account for approximately 95 percent of total United States imports; Italy usually for 2 to 4 percent of the total.</p>
France.....	317		
Italy.....	31		
<i>1939</i>			
United Kingdom.....	657		
France.....	131		
Switzerland.....	40		
<i>1938</i>			
United Kingdom.....	3,894	<p>This classification includes oil paintings, etchings, silverware, decorative pieces (such as panels and tapestries), and sculptured figures or statues, produced prior to 1830. Italy normally supplies from 10 to 15 percent of United States imports of these old works of art. The most important items imported from Italy are oil paintings and etchings.</p>	
France.....	2,416		
Italy.....	1,237		
<i>1939</i>			
France.....	2,218		
United Kingdom.....	2,093		
Netherlands.....	1,353		

¹ Bound free in the Trade Agreement with the United Kingdom, effective Jan. 1, 1939

TABLE 117.—Italian imports of commodities of which imports from the United States were valued at 3,000,000 lire or more in 1925 or 1929, or at 1,000,000 lire or more in specified years, 1931–38

Statistical No.	Tariff No.	Commodity	Year	Special imports from—				Principal suppliers in 1937 and 1938, by value				
				All countries (excluding Italian dependencies)		Continental United States ¹						
				Quantity	Value	Quantity	Value	Country	Value			
3	2	Mules										
				1925	Number	1,215	2,493	78	280	France	1,422	
				1929		1,188	2,410	510	1,688	Hungary	22	
				1931		937	2,003	646	1,794	Albania	8	
				1934		1,898	3,123	580	1,375	France	207	
				1935		506	684	151	381	Hungary	18	
				1937		1,007	1,452					
				1938		265	315					
						<i>Metric tons</i>			<i>Metric tons</i>			
				1925		105,639	466,058	3,154	14,819	Argentina	41,922	
1929		60,183	217,222	1,657	8,103	Brazil	16,717					
1931		45,994	149,733	741	2,588	Uruguay	9,512					
1934		34,598	53,280	978	1,568	Argentina	54,011					
1935		28,095	35,908	94	134	Uruguay	16,500					
1937		30,411	79,359			Brazil	11,480					
1938		27,533	82,504									
54	34 (a) 2	Codfish, dried, salted, or smoked										
				1925		35,910	164,367	2,948	16,627	Denmark	23,467	
				1929		42,065	131,709	1,191	4,896	France	10,008	
				1931		41,524	75,402	1,238	3,866	Iceland	15,037	
				1934		43,901	49,056	900	1,238	Other ² countries of North America	24,210	
				1935		33,687	32,630	100	179	Iceland	22,992	
				1937		40,937	71,375			Denmark	18,670	
				1938		50,069	92,366					
69 (a)	34 (b) 2 (c)	Salmon, marinated in oil or otherwise prepared, in tins weighing more than $\frac{1}{4}$ and up to 1 kilogram.										
				1925		2,646	12,149	2,370	10,815	Japan	37	
				1929		3,405	16,816	1,019	5,205	Germany	28	
				1931		1,568	5,501	35	138	Belgium and Luxemburg	6	
				1934		704	1,330	8	17			
				1935		891	1,430	12	20	Germany	51	
				1937		15	76			United Kingdom	12	
				1938		6	63					

113	64	Wheat, hard	1925	410,537	718,058	255,522	456,152	Turkey	1937	6,951
			1929	587,801	592,872	120,585	117,506	Argentina	4,209	
			1931	351,837	211,303	56,567	33,328	Czechoslovakia	2	
			1934	94,763	38,374	33,582	14,263			
			1935	45,914	18,446	10,928	5,047	Argentina	1938	3,817
			1937	10,073	11,162			Bulgaria	399	
			1938	5,427	4,223			Albania	7	
114	64	Wheat, soft	1925	1,831,376	3,124,968	979,038	1,669,605	Argentina	1937	666,352
			1929	1,174,534	1,152,358	298,823	298,514	Australia	247,552	
			1931	1,129,101	620,154	222,589	119,308	Rumania	165,787	
			1934	361,032	134,123	171,479	75,108			
			1935	494,470	166,756	72,987	31,371	Australia	75,332	
			1937	1,644,564	1,377,138	64,932	51,683	Bulgaria	44,002	
			1938	277,545	212,369	14,900	10,320	Hungary	43,246	
124	70 (a)	Wheat flour	1925	11,958	26,873	4,046	9,036	Hungary	1937	4,590
			1929	3,740	5,553	2,296	3,429	France	196	
			1931	12,844	10,333	5,321	4,800	Turkey	14	
			1934	8,414	3,957	1,768	1,028			
			1935	2,477	1,275	215	133	Hungary	1938	8,403
			1937	4,039	5,176	1	1	France	8,400	
			1938	15,106	17,839	1	1	Germany	350	
168	96	Prunes	1925	3,108	12,957	948	4,538	Yugoslavia	1937	713
			1929	4,423	15,530	2,919	11,668	Rumania	546	
			1931	8,229	18,800	7,326	17,121	Bulgaria	439	
			1934	3,594	6,104	1,522	2,560			
			1935	2,148	4,199	873	1,561	Yugoslavia	1938	1,062
			1937	1,057	1,717	6	18	Rumania	838	
			1938	1,097	2,678	295	745	United States	745	
169	97	Fruit, dried (except prunes, raisins, figs and olives)	1925	251	2,194	74	614	France	1937	1
			1929	621	3,542	556	3,196	United States	1	
			1931	591	2,364	560	2,282	Switzerland	(9)	
			1934	315	684	258	591			
			1935	133	356	111	314	United States	1938	.8
			1937	(9)	2	(9)	1	France	.7	
			1938	(9)	2	(9)	1	United Kingdom	.5	
200	115 (a) 1	Raw tobacco, leaf	1925	11,598	203,876	6,123	77,357	Greece	1937	12,870
			1929	7,495	131,568	2,881	29,144	Bulgaria	9,702	
			1931	2,723	30,600	1,066	9,922	United States	4,637	
			1934	2,952	28,476	627	7,093			
			1935	2,801	25,322	349	3,871	Bulgaria	1938	32,186
			1937	1,943	31,830	291	4,637	Greece	10,049	
			1938	4,183	48,829	240	3,212	United States	3,212	

See notes at end of table.

TABLE 117.—Italian imports of commodities of which imports from the United States were valued at 3,000,000 lire or more in 1925 or 1929, or at 1,000,000 lire or more in specified years, 1931-38—Continued

Statistical No.	Tariff No.	Commodity	Year	Special imports from—				Principal suppliers in 1937 and 1938, by value		
				All countries (excluding Italian dependencies)		Continental United States ¹				
				Quantity	Value	Quantity	Value	Country	Value	
212.....	115 (b) 1.....	Cigarettes.....	1925	<i>Metric tons</i>	<i>1,000 lire</i>	<i>Metric tons</i>	<i>1,000 lire</i>	<i>1937</i>		
				11, 142	14	Switzerland.....	5,562			
				1929	130	32	2,112	France.....	1,034	
				1931	187	45	2,659	Egypt.....	590	
				1934	185	15	888	<i>1938</i>		
				1935	161	15	861	Switzerland.....	8,589	
				1937	137	11	589	France.....	5,543	
1938	315	40	2,183	United States.....	2,183					
253.....	129.....	Lard.....	1925	2,503	23,341	2,223	20,016	<i>1937</i>		
				1929	5,399	31,064	4,985	28,552	United States.....	3,544
				1931	1,267	5,397	1,049	4,530	Yugoslavia.....	1,524
				1934	2,933	4,470	2,623	3,877	Hungary.....	580
				1935	368	1,288	134	429	<i>1938</i>	
				1937	1,256	7,116	625	3,544	Lithuania.....	443
				1938	261	1,415	30	160	Denmark.....	354
264.....	130.....	Bacon.....	1925	3,350	27,847	2,454	20,575	Argentina.....	184	
				1929	7,467	43,861	5,252	30,919	<i>1937</i>	
				1931	154	583	75	202	Hungary.....	8,438
				1934	819	1,519	500	1,062	Yugoslavia.....	3,249
				1935	83	221	33	61	Netherlands.....	895
				1937	2,328	13,932			<i>1938</i>	
				1938	250	1,478			Hungary.....	775
364 (a).....	181 (a) 1.....	Cotton, raw.....	1925	236,257	3,333,471	157,791	2,236,693	Argentina.....	196	
				1929	243,762	2,192,141	166,237	1,543,758	Denmark.....	186
				1931	168,613	761,569	104,701	492,521	<i>1937</i>	
				1934	187,402	722,277	115,310	448,800	United States.....	608,240
				1935	147,760	573,877	86,898	340,667	Egypt.....	225,040
				1937	166,027	1,047,921	98,285	608,240	British India.....	83,460
				1938	157,625	814,468	95,360	477,594	<i>1938</i>	
						United States.....	477,594			
						Egypt.....	163,137			
						Turkey.....	63,768			

TABLE 117.—Italian imports of commodities of which imports from the United States were valued at 3,000,000 lire or more in 1925 or 1929, or at 1,000,000 lire or more in specified years, 1931–38—Continued

Statistical No.	Tariff No.	Commodity	Year	Special imports from—				Principal suppliers in 1937 and 1938, by value	
				All countries (excluding Italian dependencies)		Continental United States ¹			
				Quantity	Value	Quantity	Value	Country	Value
826	279	Cast-iron scrap		<i>Metric tons</i>	<i>1,000 lire</i>	<i>Metric tons</i>	<i>1,000 lire</i>		<i>1,000 lire</i>
			1925	58,094	25,957	768	395	France	2,456
			1929	65,958	25,384	2,692	1,019	Switzerland	1,011
			1931	58,810	15,689	1,618	473	United Kingdom	425
			1934	54,343	9,410	21,206	3,288	United Kingdom	3,540
			1935	75,117	13,676	40,417	6,677	Switzerland	1,070
			1937	7,772	4,018	172	70	United States	617
			1938	11,244	5,491	1,584	617		
903	299 (c)	Flat sheets of iron or steel, cold-rolled, even whitened, but not subsequently worked, 0.6 mm. or over, but less than 1.5 mm. thick.							
			1925	1,704	4,622	883	2,576	United States	7,250
			1929	9,522	10,463	5,846	13,285	Germany	1,384
			1931	2,456	4,207	1,884	3,350	Sweden	1,070
			1934	3,654	5,299	3,014	3,354	United States	5,596
			1935	2,212	3,255	1,710	1,868	Germany	2,242
			1937	3,762	10,651	3,393	7,259	Sweden	615
			1938	3,107	8,594	2,486	5,596		
915	300 (i)	Sheet iron or steel, worked, tinned (tin-plate).							
			1925	35,530	107,662	7,282	23,757	Germany	15,750
			1929	44,171	89,737	4,852	10,119	United States	12,088
			1931	11,281	18,731	1,396	2,598	United Kingdom	7,043
			1934	13,519	15,064	2,731	2,902	Germany	8,390
			1935	16,102	18,598	2,927	3,160	France	7,293
			1937	19,207	43,088	5,252	12,088	United States	3,340
			1938	9,865	22,883	1,383	3,340		
1023	322 (b)	Cocks, valves, sluices valves, etc., of cast iron, wrought iron or steel. Combined with other metals.							
			1925	623	4,310	3	57	Germany	6,175
			1929	807	6,879	29	622	United States	1,728
			1931	425	3,990	12	262	Austria	555
			1934	230	1,858	1	20	Germany	7,001
			1935	209	1,923	1	35	United States	485
			1937	714	8,886	109	1,728	United Kingdom	207
			1938	689	8,109	11	485		

1111 (b)	349	Copper and its alloys, in ingots	1925	(³)	(³)	(³)	(³)	Chile	1937	136,442
			1929	(³)	(³)	(³)	(³)	Portuguese South Africa		94,320
			1931	52,461	206,580	21,434	89,362	United States	1938	77,018
			1934	62,999	120,837	19,868	38,408	Chile		128,013
			1935	89,815	175,148	35,380	70,706	United States		69,978
			1937	76,113	411,042	13,504	77,018	Portuguese South Africa		69,420
			1938	77,334	324,991	16,396	69,978	France	1937	
								Switzerland		15,747
								Canada		8,488
									1938	5,872
1149 (b)	370 (a)	Aluminum and its alloys in ingots	1925	(³)	(³)	(³)	(³)	Germany		1,329
			1929	(³)	(³)	(³)	(³)	France		911
			1931	1,032	7,977	529	4,366	United Kingdom	1937	643
			1934	3	23	1	8	United Kingdom		88
			1935	203	1,074	90	435	United States		29
			1937	3,366	34,155			France		26
			1938	337	3,470			Norway	1938	410
								Germany		57
								United States		(³)
									1937	
1166 (a)	376 (a)	Nickel and its alloys in scrap	1925	(³)	(³)	(³)	(³)	United States		20,404
			1929	(³)	(³)	(³)	(³)	Norway		20,251
			1931	594	6,777			Netherlands		3,556
			1934	229	1,898	78	556	Norway	1938	33,477
			1935	526	4,859	249	1,840	United Kingdom		9,339
			1937	20	148	3	29	Netherlands		6,250
			1938	36	470	(³)	(³)	Mexico	1937	8,866
								Austria		6,108
								Belgium and Luxembourg		5,654
								Germany	1938	4,932
1166 (b)	376 (a)	Nickel and its alloys in ingots, cubes	1925	(³)	(³)	(³)	(³)	Mexico		3,058
			1929	(³)	(³)	(³)	(³)	Canada		1,563
			1931	710	10,503	311	4,767	Mexico	1937	86
			1934	1,545	17,724	394	4,338	Netherlands		13
			1935	3,180	35,200	1,517	16,221	Norway		8
			1937	2,822	47,172	1,254	20,404	France	1938	301
			1938	3,694	53,811			Netherlands		237
								Germany		80
1175 (b)	379 (a)	Lead and its alloys in pigs	1925	(³)	(³)	(³)	(³)	Mexico		86
			1929	(³)	(³)	(³)	(³)	Netherlands		13
			1931	15,283	22,977	731	1,746	Norway		8
			1934	6,051	4,027	406	200	France	1938	301
			1935	30,249	25,470	1,335	1,017	Netherlands		237
			1937	10,887	24,071	75	140	Germany		80
			1938	8,657	14,260	264	371			
1100 (b)	380 (a)	Zinc and its alloys in ingots	1925	(³)	(³)	(³)	(³)	Mexico		86
			1929	(³)	(³)	(³)	(³)	Netherlands		13
			1931	1,794	2,583	944	1,321	Norway		8
			1934	2,807	2,407	1,337	1,103	France	1938	301
			1935	8,631	8,937	349	264	Netherlands		237
			1937	49	112			Germany		80
			1938	410	708					

See notes at end of table.

TABLE 117.—Italian imports of commodities of which imports from the United States were valued at 3,000,000 lire or more in 1925 or 1929, or at 1,000,000 lire or more in specified years, 1931-38--Continued

Statistical No.	Tariff No.	Commodity	Year	Special imports from—				Principal suppliers in 1937 and 1938, by value		
				All countries (excluding Italian dependencies)		Continental United States ¹				
				Quantity	Value	Quantity	Value	Country	Value	
1213.....	303 (b).....	Safety razors, parts, and blades, including the case.....		<i>Metric tons</i>	<i>1,000 lire</i>	<i>Metric tons</i>	<i>1,000 lire</i>		<i>1,000 lire</i>	
			1925	39	19,131	26	16,624	Germany.....	6,018	
			1929	61	9,461	16	5,783	United Kingdom.....	1,261	
			1931	60	8,556	9	1,577	Belgium.....	113	
			1934	49	4,339	(¹)	39			
			1935	75	6,555	(¹)	34	Germany.....	4,884	
			1937	69	7,439	(¹)	4	United Kingdom.....	485	
			1938	38	5,498	(⁶)	3	France.....	27	
1222.....	396 (a) 2.....	Internal combustion engines with reciprocating motion.....								
			1925	1,036	14,754	37	1,383	Germany.....	30,054	
			1929	2,523	28,957	206	3,908	Denmark.....	1,911	
			1931	1,942	22,250	87	2,038	France.....	881	
			1934	2,056	25,462	38	673			
			1935	2,085	22,659	19	677	Germany.....	19,522	
			1937	2,155	35,227	8	106	Sweden.....	2,600	
			1938	1,893	26,630	12	384	Netherlands.....	2,143	
1238.....	403 (a).....	Machine tools, nonautomatic.....								
			1925	10,222	109,005	1,169	37,718	Germany.....	106,218	
			1929	7,627	88,954	1,155	24,493	United States.....	21,054	
			1931	3,320	33,998	310	7,026	Switzerland.....	13,621	
			1934	4,605	38,076	1,331	9,637			
			1935	9,918	109,277	2,376	33,646	Germany.....	135,786	
			1937	8,784	157,360	1,065	21,054	United States.....	18,609	
			1938	11,102	198,403	1,173	18,609	Switzerland.....	15,229	
1239.....	403 (b).....	Machine tools, automatic.....								
			1925	685	14,247	289	6,695	Germany.....	10,001	
			1929	581	11,399	126	3,156	Switzerland.....	2,145	
			1931	307	5,305	39	896	United States.....	1,771	
			1934	432	7,185	70	1,295			
			1935	917	15,342	303	4,493	Germany.....	11,170	
			1937	548	14,678	60	1,771	Switzerland.....	3,472	
			1938	558	18,237	80	2,783	United States.....	2,783	

1251	409	Machine for the manufacture of paper and cardboard.	1925	529	3,388				Germany	1937	
			1929	844	5,295				United States		3,146
			1931	1,270	5,761	3	32		Sweden		1,310
			1934	237	1,861						403
			1935	102	1,361						
			1937	925	5,876	201	1,310				
1255	413	Machines for type casting and composing.	1925	160	7,561	72	3,537		Germany	1937	
			1929	86	4,039	48	2,379		Belgium-Luxemburg		8,197
			1931	44	1,762	23	1,066		United Kingdom		550
			1934	107	2,159	37	1,036		United Kingdom	1938	352
			1935	53	1,173	23	556		United States		627
			1937	19	1,013	8	386		Switzerland		386
1256 (a)	414 (a)	Spinning machinery. Machines for preparing cotton for spinning, cards, drawing frames, sets of spindles, spinning frames and twisting machines of all kinds including the rings.	1925	8,757	71,789	657	5,521		Germany	1937	
			1929	5,936	40,172	382	4,425		United Kingdom		3,247
			1931	1,085	7,249	31	414		United Kingdom	1938	1,538
			1934	1,710	8,572	8	97		Germany		1,180
			1935	1,207	6,120	12	149		United Kingdom		2,886
			1937	712	7,507	33	399		United Kingdom		2,708
1256 (b)	414 (b)	Spinning machinery, other than machines for preparing cotton, for spinning, etc.	1925	5,710	53,529	733	8,600		France	1937	
			1929	2,361	16,829	251	2,632		Germany		1,435
			1931	855	6,522	13	204		Switzerland		534
			1934	1,542	8,836	163	1,644		United Kingdom		513
			1935	868	5,693	22	255		Germany	1938	5,645
			1937	436	3,730	9	163		United Kingdom		4,004
1257 (a)	415 (a)	Weaving machinery. Frames with an automatic movement for changing automatically the bobbins or shuttles.	1925	4,305	25,885	715	4,800		Switzerland	1937	
			1929	4,368	26,414	1,005	7,239		Germany		1,697
			1931	1,054	6,540	34	53		Switzerland		1,384
			1934	565	2,647				Belgium-Luxemburg		39
			1935	728	4,181				Switzerland	1938	3,299
			1937	463	3,126				Germany		2,132
1258	416	Machines for knitting, fringing, making trimmings, and the like.	1925	1,855	45,518	256	11,301		Poland and Danzig	1937	
			1929	1,919	36,456	142	4,636		Germany		12,730
			1931	651	9,327	35	493		Switzerland		2,326
			1934	1,020	15,353	7	231		United States		353
			1935	1,030	15,461	1	24		Germany	1938	16,286
			1937	690	15,637	15	353		Switzerland		2,165
1938	687	18,895	1	19		United Kingdom		353			

See notes at end of table.

1276.....	431 (a) 1.....	Reciprocating pumps of iron or steel.....	Metric tons			Metric tons		
			1925	1929	1931	1935	1937	1938
			1,511	14,291	97	1,002	United States.....	3,013
			888	9,133	212	2,660	Germany.....	2,974
			402	4,088	64	743	Czechoslovakia.....	356
			259	2,274	67	361	Germany.....	3,364
			302	2,498	70	561	United States.....	1,099
			471	6,904	162	3,013	United Kingdom.....	973
			459	6,601	62	1,099	Germany.....	2,339
1277.....	431 (a) 2.....	Reciprocating pumps of other materials.....	1925	4,753	60	1,091	United States.....	314
			1929	8,439	234	3,451	United Kingdom.....	295
			1931	4,472	155	2,267	Germany.....	3,047
			1934	2,424	98	1,358	United Kingdom.....	758
			1935	1,271	14	195	United States.....	560
			1937	3,167	7	314	Germany.....	12,243
			1938	4,596	17	560	United States.....	1,063
1290.....	427 (a) 1.....	Machines and apparatus for heating, cooling, distilling, concentrating, and the like, of iron or steel, without pipe coils.	1925	24,156	36	373	Switzerland.....	620
			1929	16,508	272	2,036	Germany.....	11,794
			1931	10,405	9	217	United Kingdom.....	6,367
			1934	3,556	23	122	Switzerland.....	439
			1935	3,150	9	83	Germany.....	2,822
			1937	14,694	109	1,063	United States.....	2,038
			1938	19,498	5	97	Sweden.....	1,083
1203.....	437 (b) 2.....	Machines and apparatus for heating, cooling, distilling, concentrating, and the like, not of iron or steel, with pipe coils.	1925	2,136	4	246	Germany.....	8,601
			1929	6,961	144	2,024	Switzerland.....	1,486
			1931	4,605	160	2,537	Sweden.....	878
			1934	5,090	337	3,201	Germany.....	16,077
			1935	6,006	164	1,576	Switzerland.....	7,017
			1937	6,375	133	2,038	United States.....	1,198
			1938	14,933	144	2,359	Germany.....	7,479
1320.....	453 (a).....	Electric generators and electric motors without collectors' commutators.	1925	19,587	21	804	United States.....	1,166
			1929	21,338	34	1,415	Sweden.....	3,518
			1931	13,187	47	1,377	Germany.....	1,747
			1934	8,698	17	446	United States.....	5,060
			1935	8,873	48	831	Switzerland.....	3,518
			1937	13,755	33	850	United Kingdom.....	522
			1938	27,041	23	670	Germany.....	7,479
1321.....	453 (b).....	Electric generators and electric motors with collectors' commutators.	1925	18,123	44	1,981	United States.....	1,166
			1929	26,258	91	3,111	Sweden.....	3,518
			1931	16,956	51	1,883	Germany.....	1,747
			1934	11,874	51	940	United States.....	5,060
			1935	11,962	38	926	Switzerland.....	3,518
			1937	11,069	20	1,166	United Kingdom.....	1,747
			1938	12,832	88	1,747	Germany.....	1,747

See notes at end of table.

TABLE 117.—Italian imports of commodities of which imports from the United States were valued at 3,000,000 lire or more in 1925 or 1929, or at 1,000,000 lire or more in specified years, 1931-38—Continued

Statistical No.	Tariff No.	Commodity	Year	Special imports from—				Principal suppliers in 1937 and 1938, by value	
				All countries (excluding Italian dependencies)		Continental United States ¹			
				Quantity	Value	Quantity	Value	Country	Value
1433 bis.	520 (b)	Tractors	1925	Metric tons		Metric tons		1937	
				No.	1,000 lire	No.	1,000 lire	United States	1,000 lire
			1929	(¹)	(¹)	(²)	(²)	Germany	
			1931	(³)	(³)	(³)	(³)	Hungary	
			1934	1,071 686	9,165	585 338	5,159	United States	8,149
			1935	2,357 1,159	13,276	782 778	8,980	Germany	1,239
			1937	1,594 732	8,238	991 350	5,303	Hungary	1,053
			1938	1,588 526	12,317	932 307	7,880	United States	8,149
			1929	1,122 266	10,690	795 172	8,149	Germany	1,239
			1938					Hungary	1,053
1467 (b)	536	Parts of airplanes	1925	Metric tons		Metric tons		1937	
				No.	1,000 lire	No.	1,000 lire	Hungary	1,000 lire
			1929	12	1,195	(⁴)	19	Rumania	
			1931	100	5,332	1	160	France	4,160
			1934	81	8,096	2	574	United States	1,092
			1935	53	4,739	5	850	United Kingdom	30
			1937	162	18,429	40	7,201	France	4
			1938	173	38,075	11	3,425	United Kingdom	25
			1929	299	42,192	14	5,519	United States	5,519
			1938					France	1
1468 (b)	537	Parts of hydroplanes	1925	Metric tons		Metric tons		1937	
				No.	1,000 lire	No.	1,000 lire	United States	1,000 lire
			1929	6	135			United Kingdom	30
			1931	4	600			France	4
			1934	5	790			United Kingdom	25
			1935	4	159	1	104	United States	2,501
			1937	3	211	3	1,092	United Kingdom	27,471
			1938	4	1,126			Greece	2,728
			1929	* 33	2,386			United States	2,501
			1938					United States	2,501
1471	539 (a)	Ships, mercantile	1925	Metric tons		Metric tons		1937	
				No.	1,000 lire	No.	1,000 lire	United Kingdom	1,000 lire
			1929	(⁵)	(⁵)	(⁵)	(⁵)	Greece	2,728
			1931	(⁶)	(⁶)	(⁶)	(⁶)	United States	2,501
			1934	214,663	39,487	2,900	294	United States	2,501
			1935	92,187	20,605	15,269	2,552	United Kingdom	33,964
			1937	83,419	37,256	7,133	2,501	United States	14,006
			1938	83,397	71,521	22,360	14,006	Norway	6,227
			1929						
			1938						

1494.....	551.....	Manufactures of natural or artificial emery, corundum, carborundum, and the like.	1925	570	9,072	257	5,782	Germany.....	1937	
			1929	719	11,753	371	7,613	Czechoslovakia.....	2,844	
			1931	403	5,459	170	3,050	United States.....	2,746	
			1934	451	4,343	213	2,452		1,556	
			1935	430	4,585	152	1,779	Germany.....	1938	
			1937	485	8,823	61	1,556	United States.....	2,912	
			1938	352	6,439	58	1,190	Czechoslovakia.....	1,190	
1495.....	552(a).....	Carbon and graphite, shaped and prepared for electrical purposes: For electrical furnaces and for electrodes for industrial use.	1925	4,981	29,902	2,361	24,711	Germany.....	1937	
			1929	4,190	11,913	968	6,277	Switzerland.....	2,211	
			1931	1,843	6,854	686	4,111	Sweden.....	381	
			1934	1,021	3,066	347	498		15	
			1935	829	2,982	160	306	Germany.....	1938	
			1937	597	2,608	(*)	2	Switzerland.....	1,874	
			1938	494	2,171	(†)	(‡)	France.....	260	
									36	
								Albania.....	1937	
								Germany.....	6,025	
1514.....	563.....	Bitumens, solid.....	1925	21,177	22,516	3,085	3,967	Germany.....	1937	
			1929	52,775	33,176	12,723	8,060	United States.....	2,726	
			1931	73,188	40,937	22,845	13,170		1,755	
			1934	113,940	35,187	27,780	8,605	Germany.....	1938	
			1935	96,338	29,492	20,675	6,769	Albania.....	8,441	
			1937	17,396	12,460	3,077	1,755	Germany.....	4,356	
			1938	23,311	16,117	727	881	United States.....	881	
								Germany.....	1937	
								United Kingdom.....	1,003,187	
1515.....	564.....	Coal and other natural fossil fuels 10.....	1925	10,512,872	1,749,891	538,782	69,019	Poland and Danzig.....	298,183	
			1929	13,525,635	1,359,482	334,806	43,483		205,757	
			1931	10,370,389	977,357	184,139	20,453	Germany.....	1938	
			1934	11,781,354	775,369	16,658	1,764	United Kingdom.....	1,001,787	
			1935	13,536,530	923,175	20,021	2,393	Poland and Danzig.....	375,149	
			1937	12,572,816	1,671,747	1,177	425		213,890	
			1938	11,914,967	1,714,443			Germany.....	1937	
								France.....	39,565	
								Poland and Danzig.....	10,351	
									6,486	
1515 (bis).....	564 (bis).....	Coke 11.....	1925	(*)	(*)	(*)	(*)	Germany.....	1938	
			1929	1,077,206	186,527	8,287	3,420	United States.....	26,255	
			1931	723,560	107,283	8,541	2,915	France.....	7,862	
			1934	955,654	82,019	8,693	2,335		3,567	
			1935	1,053,069	99,775	8,489	2,871	Germany.....	1937	
			1937	352,957	69,388	7,914	4,283	France.....	59,024	
			1938	216,021	43,040	6,344	3,567	United States.....	45,791	
									10,983	
								Morocco.....	1938	
								Tunisia.....	64,142	
1516.....	565.....	Phosphate rock, natural or crushed.....	1925	840,217	80,540	12,410	1,938	Morocco.....	64,142	
			1929	769,501	70,093	76,215	10,855	Tunisia.....	33,136	
			1931	449,441	40,799	55,429	7,753	United States.....	9,634	
			1934	699,273	54,963	78,890	6,815			
			1935	651,546	57,538	51,621	5,699			
			1937	924,728	131,652	62,632	10,983			
			1938	846,843	115,440	45,588	8,200			

See notes at end of table.

TABLE 117.—Italian imports of commodities of which imports from the United States were valued at 3,000,000 lire or more in 1925 or 1929, or at 1,000,000 lire or more in specified years, 1931–38—Continued

Statistical No.	Tariff No.	Commodity	Year	Special imports from—				Principal suppliers in 1937 and 1938, by value	
				All countries (excluding Italian dependencies)		Continental United States ¹		Country	Value
				Quantity	Value	Quantity	Value		
1599	593	Asbestos, crude, even in powder	1925	Metric tons 6,412	1,000 lire 15,018	Metric tons 2,078	1,000 lire 3,540	British South Africa	6,701
			1929	6,320	17,146	931	2,164	Russia	5,839
			1931	5,277	14,241	477	1,271	Canada	3,860
			1934	8,421	11,492	157	137	Canada	9,927
			1935	5,135	7,702	137	162	Union of South Africa	5,330
			1937	8,609	19,572	172	773	British South Africa	2,482
			1938	7,783	18,248	88	328		
			1937					British South Africa	22,172
1616 (a) 2	604 (a) 1 (b)	Common wood, rough, other than beech and chestnut.	1925	(²)	(²)	(²)	(²)	Austria	16,399
			1929	(²)	(²)	(²)	(²)	Yugoslavia	8,171
			1931	(²)	(²)	(²)	(²)	France	
			1934 ¹²	92,060	21,254	1,029	414	Germany	15,619
			1935	178,099	37,910	1,300	726	Yugoslavia	10,208
			1937	245,252	70,664	6,577	4,353	United States	9,493
			1938	168,907	56,126	11,924	9,493		
			1937					United States	136,990
1617 (b)	604 (a) 3 (b)	Common wood, squared or sawn lengthwise, other than beech or chestnut.	1925	(²)	(²)	(²)	(²)	Austria	43,403
			1929	(²)	(²)	(²)	(²)	Yugoslavia	23,477
			1931	(²)	(²)	(²)	(²)	United States	
			1934 ¹²	529,936	124,247	58,236	22,620	Germany	70,323
			1935	846,622	208,428	79,302	32,391	Yugoslavia	43,795
			1937	480,377	213,863	20,445	23,477	United States	19,325
			1938	290,595	145,931	23,768	19,325		
			1937					United States	19,325
1622	604 (b) 1	Fine wood, rough	1925	(²)	(²)	(²)	(²)	France	3,180
			1929	(²)	(²)	(²)	(²)	United States	2,046
			1931	(²)	(²)	(²)	(²)	Turkey	1,197
			1934 ¹²	1,910	1,974	154	370	United States	1,313
			1935	3,979	3,833	435	946	France	1,104
			1937	4,089	8,052	925	2,046	British India	118
			1938	2,503	2,926	1,280	1,313		
			1938					United States	1,313

1623	604 (b) 3	Fine wood, squared or sawn lengthwise	1925	997	1,821	207	274	United States	1937	590
			1929	3,677	4,019	1,141	1,724	France	340	
			1931	2,423	3,484	1,167	2,130	Rumania	111	
			1934	1,707	1,801	1,277	1,296	United States	1938	1,371
			1935	3,466	3,634	1,633	1,701	French Equatorial Africa	79	
			1937	886	1,280	409	590	Finland	59	
1938	930	1,685	612	1,371						
1724	643 (a)	Mineral oils, crude	1925	37,399	25,635	15,494	9,277	United States	1937	177,230
			1929	59,796	21,624	13,884	4,023	Iraq	52,781	
			1931	101,518	26,191	45,058	10,190	Colombia	19,947	
			1934	142,948	19,338	24,061	3,268	United States	1938	267,091
			1935	219,991	29,948	22,774	3,313	Iraq	65,215	
			1937	935,869	283,331	509,342	177,230	Colombia	31,768	
			1938	1,476,519	429,325	865,090	267,091	United States	1937	62,948
								U. S. S. R.	8,435	
								Rumania	2,180	
								United States	1938	41,335
1726	643 (b) 2	Lubricating oil, other than white oil or for transformers.	1925	(¹)	(¹)	(¹)	(¹)	Rumania	1,841	
			1929	(¹)	(¹)	(¹)	(¹)	United States	1937	8,247
			1931	(¹)	(¹)	(¹)	(¹)	Rumania	7,948	
			1934	(¹)	(¹)	(¹)	(¹)	U. S. S. R.	2,957	
			1935	72,166	47,568	46,530	35,515	United States	1938	12,704
			1937	70,208	75,823	49,918	62,948	Rumania	2,984	
1938	43,902	48,451	35,811	41,335	U. S. S. R.	921				
1727	643 (c)	Kerosene	1925	115,987	97,745	68,853	53,979	Iran	1937	41,392
			1929	161,630	111,551	32,563	27,614	United States	37,456	
			1931	147,544	59,074	13,230	6,978	Rumania	22,809	
			1934	150,424	25,050	23,223	4,280	France	6,580	
			1935	154,532	28,360	6,227	1,319	Rumania	1938	24,557
			1937	94,901	34,921	15,907	6,389	Iran	19,675	
			1938	51,821	18,866	1,960	853	France	12,071	
								Iran	1937	41,392
								United States	37,456	
								Rumania	22,809	
1728	643 (d)	Gasoline	1925	189,241	327,481	111,002	190,610	Iran	1937	41,392
			1929	386,777	351,387	176,502	194,133	United States	37,456	
			1931	367,135	226,475	60,933	39,446	Rumania	22,809	
			1934	348,257	86,325	22,701	5,876	United States	1938	24,557
			1935	366,530	107,052	19,983	6,014	Rumania	19,675	
			1937	260,773	141,687	58,067	37,456	Netherlands Indies	12,071	
			1938	100,288	68,487	30,354	24,557	Rumania	1937	110,303
								"Other" ¹ insular American countries.	83,369	
								Iran	43,917	
								United States	1938	9,095
1730	644	Residues from the distillation of mineral oils.	1925	362,292	145,481	96,745	46,491	Rumania	1937	94,713
			1929	589,998	164,788	72,786	25,154	"Other" ¹ insular American countries.	78,004	
			1931	804,182	157,559	38,598	10,636	Iran	20,486	
			1934	1,122,484	115,742	67,026	9,095	United States	1938	9,095
			1935	1,250,601	138,963	39,963	6,672	Rumania	1937	94,713
			1937	1,211,112	284,914	78,553	19,885	"Other" ¹ insular American countries.	78,004	
1938	960,071	227,874	41,488	9,227	Iran	20,486				

See notes at end of table.

TABLE 117.—Italian imports of commodities of which imports from the United States were valued at \$,000,000 lire or more in 1925 or 1929, or at 1,000,000 lire or more in specified years, 1931-38—Continued

Statistical No.	Tariff No.	Commodity	Year	Special imports from—				Principal suppliers in 1937 and 1938, by value	
				All countries (excluding Italian dependencies)		Continental United States †			
				Quantity	Value	Quantity	Value	Country	Value
1731	645	Turpentine oil	1925	Metric tons 4,747	1,000 lire 22,911	Metric tons 106	1,000 lire 591	Greece.....	1937 8,497
			1929	0,054	19,746	162	560	United States.....	6,102
			1931	5,860	15,655	198	552	Portugal.....	5,526
			1934	6,560	12,289	302	675	Greece.....	7,354
			1935	7,251	13,981	262	606	Portugal.....	5,727
			1937	9,472	27,310	2,062	6,102	Spain.....	4,338
			1938	9,217	21,810	532	1,655		
1738 (a)	649 (b)	Benzol, toluol, and xylol, refined	1925	(²)	(²)	(²)	(²)	Belgium-Luxemburg.....	938
			1929	(²)	(²)	(²)	(²)	Germany.....	443
			1931	(²)	(²)	(²)	(²)	Czechoslovakia.....	142
			1934 ¹⁴	3,846	4,647	1,195	1,377	Czechoslovakia.....	769
			1935	5,723	6,805	1,706	2,217	Belgium-Luxemburg.....	507
			1937	671	1,751	7	9	Netherlands.....	275
			1938	768	1,684				
1738 (b)	649 (c)	Benzol, toluol, and xylol, pure	1925	(²)	(²)	(²)	(²)	United States.....	13,406
			1929	(²)	(²)	(²)	(²)	Germany.....	2,946
			1931	(²)	(²)	(²)	(²)	Czechoslovakia.....	1,717
			1934 ¹⁵	2,701	4,294	204	583	Germany.....	4,735
			1935	10,606	16,639	5,318	8,035	United States.....	4,457
			1937	7,952	19,587	6,021	13,406	Czechoslovakia.....	3,221
			1938	5,172	12,881	2,063	4,457		
1739	650	Paraffine, solid	1925	24,152	79,869	22,799	75,006	U. S. S. R.....	17,672
			1929	24,163	53,679	19,223	42,714	United States.....	16,748
			1931	25,151	36,288	21,637	30,628	Poland and Danzig.....	13,059
			1934	26,051	26,176	18,740	18,038	United States.....	13,639
			1935	27,896	28,913	17,113	16,750	Poland and Danzig.....	11,849
			1937	27,600	52,327	10,302	16,748	Czechoslovakia.....	1,944
			1938	17,350	30,987	8,060	13,639		

1741.....	652 (a).....	Vaseline, natural.....	1925	169	778	144	674	United States.....	1,033
			1929	383	1,156	293	847	United Kingdom.....	23
			1931	282	709	235	589	Germany.....	8
			1934	356	667	325	578	.....	.....
			1935	367	622	288	488	United States.....	833
			1937	367	1,064	357	1,033	United Kingdom.....	115
		1938	355	1,010	303	833	Netherlands.....	44	
1746.....	655 (a).....	Rosin.....	1925	24,029	53,588	7,589	15,850	Greece.....	17,994
			1929	23,518	38,151	7,095	10,311	Spain.....	6,658
			1931	23,213	21,472	5,412	5,289	France.....	6,476
			1934	22,059	13,977	5,435	3,660	.....	.....
			1935	28,283	21,211	7,723	5,225	Greece.....	13,362
			1937	24,263	40,387	2,278	3,668	Spain.....	6,557
		1938	18,915	28,097	1,227	1,447	Portugal.....	5,840	
1906.....	769.....	Organic chemical products, not separately listed.....	1925	974	12,037	335	2,355	Germany.....	10,275
			1929	3,325	29,886	1,481	12,116	United States.....	1,656
			1931	1,810	14,717	329	2,579	Switzerland.....	1,431
			1934	1,602	9,541	175	1,253	.....	.....
			1935	1,945	12,669	129	1,152	Germany.....	28,157
			1937	1,908	23,840	176	1,656	United States.....	2,021
		1938	2,569	33,350	272	2,021	Switzerland.....	1,762	
2048.....	795 (b) 1.....	Organic synthetic dyes (except of sulphur) in a dry state or with less than 50 per cent of water.....	1925	1,590	44,756	3	113	Germany.....	10,179
			1929	1,546	70,621	1	38	Switzerland.....	15,064
			1931	1,313	51,727	5	220	France.....	1,652
			1934	935	44,056	42	1,256	.....	.....
			1935	683	41,794	77	2,424	Germany.....	17,745
			1937	431	36,477	8	403	Switzerland.....	9,942
		1938	343	29,046	10	567	United States.....	567	
2058 (b).....	798 (b).....	Varnishes and enamels, fluid, or in paste, without spirits. Other than in bottles, tubes, etc., of a weight not greater than 3 kilos and other than nitrocellulose.....	1925	(³)	(¹)	(⁴)	(²)	Germany.....	2,235
			1929	(³)	(³)	(³)	(³)	United States.....	298
			1931	621	5,191	142	1,203	United Kingdom.....	159
			1934	629	3,453	119	649	.....	.....
			1935	520	3,288	91	500	Germany.....	1,993
			1937	307	2,904	22	298	Switzerland.....	189
		1938	268	2,603	16	143	United States.....	143	
2078.....	802 (b).....	Lampblack, even in powder.....	1925	1,071	5,367	748	4,131	United States.....	6,314
			1929	2,399	9,692	2,250	9,058	Germany.....	637
			1931	1,348	3,241	1,038	2,635	France.....	373
			1934	2,336	3,606	2,163	3,193	.....	.....
			1935	3,823	6,556	3,655	6,000	United States.....	9,051
			1937	2,830	7,430	2,581	6,314	Germany.....	471
		1938	4,073	9,785	3,912	9,051	France.....	222	

See notes at end of table.

TABLE 117.—Italian imports of commodities of which imports from the United States were valued at 3,000,000 lire or more in 1925 or 1929, or at 1,000,000 lire or more in specified years, 1931-38—Continued

Statistical No.	Tariff No.	Commodity	Year	Special imports from—				Principal suppliers in 1937 and 1938, by value	
				All countries (excluding Italian dependencies)		Continental United States ¹			
				Quantity	Value	Quantity	Value	Country	Value
2085	805	Cattle hides and skins, unfit for furriery, raw, green, dried, or pickled.	1925	<i>Metric tons</i> 32,276	<i>1,000 lire</i> 368,774	<i>Metric tons</i> 1,409	<i>1,000 lire</i> 16,200	<i>1937</i>	
			1929	27,574	301,441	741	8,005	Argentina.....	<i>1,000 lire</i> 27,624
			1931	28,555	134,019	255	1,149	France.....	14,311
			1934	36,692	110,640	117	345	Union of South Africa.....	5,901
			1935	30,566	102,599	142	446	<i>1938</i>	
			1937	13,953	80,704	504	1,750	Argentina.....	29,858
			1938	14,681	80,939			Netherlands.....	7,808
								Brazil.....	5,846
								<i>1937</i>	
								Germany.....	8,327
2092	806	Furskins, raw, green, or dried.....	1925	417	25,760	7	2,258	United Kingdom.....	3,600
			1929	257	32,503	40	3,993	Switzerland.....	1,307
			1931	212	20,089	2	1,310	<i>1938</i>	
			1934	789	69,134	33	4,709	United Kingdom.....	0,894
			1935	702	68,714	24	5,532	Germany.....	5,751
			1937	64	15,847	5	859	Albania.....	1,256
			1938	95	15,873	1	65	<i>1937</i>	
								Uruguay.....	1,667
								Germany.....	1,263
								United States.....	275
2096	809 (a) 1 (a)	Cattle and other large hides, whole or halves, split or shaved to an even thickness, mineral or mixed tanned.	1925	317	27,811	47	5,176	<i>1938</i>	
			1929	418	24,608	17	1,471	Uruguay.....	677
			1931	656	38,541	204	11,484	Germany.....	443
			1934	427	12,420	239	6,984	Switzerland.....	225
			1935	135	3,499	51	1,458	<i>1937</i>	
			1937	59	3,242	5	275	Germany.....	353
			1938	25	1,411	(¹)	8	United Kingdom.....	(¹)
								<i>1938</i>	
								Germany.....	278
								United States.....	8
2097	809 (a) 1 (b)	Cattle and other large hides, whole or halves, split or shaved to an even thickness, otherwise tanned (than mineral or mixed).	1925	120	6,906	3	139	<i>1937</i>	
			1929	213	10,594	84	4,619	Germany.....	278
			1931	197	8,911			United States.....	8
			1934	51	1,243			United Kingdom.....	1
			1935	20	391			<i>1938</i>	
			1937	8	354			Germany.....	278
1938	5	287	(¹)	8	United States.....	8			

2104	809 (b) 2 (a)	Calf, heifer and other small meat cattle or horse skins, whole or in halves, not separately listed, mineral or mixed tanned.	1925	677	107, 248	74	10, 708	Germany	1937	19, 310
			1929	1, 051	110, 992	261	27, 150	Austria	1, 422	
			1931	314	31, 457	11	1, 064	United States	1, 021	
			1934	100	7, 410	6	407	Germany	9, 944	
			1935	209	12, 324	30	1, 013	United States	632	
			1937	210	23, 701	12	1, 021	Netherlands	425	
2110	809 (d) 2 (a)	Goat, sheep, and other small skins, not separately listed (other than basins for linings), dyed, or not, etc.: Mineral or mixed tanned.	1925	172	18, 607	4	760	Germany	1937	3, 368
			1929	211	22, 617	17	2, 207	United States	952	
			1931	124	12, 033	21	2, 633	France	309	
			1934	132	9, 153	56	3, 820	Germany	3, 658	
			1935	98	6, 900	34	2, 289	United States	297	
			1937	35	5, 019	7	952	France	244	
2111	809 (d) 2 (b)	Otherwise tanned (than mineral or mixed tanned).	1925	473	33, 680	(¹)	74	Belgium and Luxemburg	1937	4, 567
			1929	409	28, 920	(¹)	94	Germany	4, 077	
			1931	380	15, 257	2	216	Austria	1, 931	
			1934	388	14, 863	42	3, 067	Germany	4, 405	
			1935	218	7, 507	12	640	United Kingdom	1, 372	
			1937	202	14, 597	11	1, 413	Belgium and Luxemburg	1, 318	
2115 (a)	811 (b) 1	Hat sweats	1925 ¹⁰	152	20, 696	50	7, 210	United States	1937	1, 804
			1929	153	17, 474	41	5, 612	United Kingdom	230	
			1931	97	8, 454	21	2, 679	France	82	
			1934	22	1, 364	11	961	United States	1, 255	
			1935	21	1, 468	11	966	Belgium and Luxemburg	620	
			1937	14	2, 121	11	1, 804	France	93	
2133 (b)	826 (a)	Rubber, crude: Solid	1925	(¹)	(¹)	(¹)	(¹)	British Malaya	1937	181, 970
			1929	(¹)	(¹)	(¹)	(¹)	Netherlands Indies	10, 293	
			1931	(¹)	(¹)	(¹)	(¹)	Ceylon	8, 781	
			1934	(¹)	(¹)	(¹)	(¹)	British Malaya	142, 256	
			1935	25, 512	85, 485	44	80	Netherlands Indies	19, 121	
			1937	21, 137	216, 512	348	2, 994	Ceylon	8, 804	
2155	834	Pneumatic tires and inner tubes, for vehicles, even reinforced with woven fabrics.	1925	1, 773	50, 698	92	2, 739	United Kingdom	1937	702
			1929	2, 501	43, 931	430	8, 848	Belgium and Luxemburg	470	
			1931	2, 353	29, 761	532	7, 017	Germany	265	
			1934	1, 289	7, 087	261	1, 539	United Kingdom	700	
			1935	390	2, 661	94	666	Germany	645	
			1937	180	1, 721	11	1, 752	United States	546	
1938	180	2, 506	29	546						

See notes at end of table.

TABLE 117.—Italian imports of commodities of which imports from the United States were valued at 3,000,000 lire or more in 1925 or 1929, or at 1,000,000 lire or more in specified years, 1931-38—Continued

Statistical No.	Tariff No.	Commodity	Year	Special imports from—				Principal suppliers in 1937 and 1938, by value	
				All countries (excluding Italian dependencies)		Continental United States ¹			
				Quantity	Value	Quantity	Value	Country	Value
2156	835	Transmission belts of rubber, reinforced with woven fabrics.	1925	Metric tons 64	1,000 lire 2,498	Metric tons 6	162	United States.....	1,125
			1929	101	2,905	35	958	Germany.....	997
			1931	87	2,231	22	565	France.....	202
			1934	167	2,791	59	984	United States.....	1,189
			1935	136	2,380	50	939	Germany.....	931
			1937	80	2,609	30	1,125	France.....	195
			1938	94	2,451	38	1,189	Sweden.....	127,724
2179	846 (b)	Chemical wood pulp (cellulose)	1925	139,136	241,757			Austria.....	97,913
			1929	196,357	252,338	1,019	1,522	Finland.....	59,421
			1931	172,261	172,287		968	Sweden.....	155,618
			1934	254,642	148,040	1,539	1,042	Finland.....	90,408
			1935	328,281	180,823	1,421	1,131	Germany.....	84,427
			1937	247,615	342,929	1,616	4,667	United States.....	2,120
			1938	264,164	390,740	1,258	2,473	Switzerland.....	352
2215	854 (c)	Manufactures of paper and pasteboard, not separately listed, other (than with ornamentations of silk, etc., but not of paper or cardboard).	1925	365	8,210	4	173	Germany.....	1,607
			1929	357	8,130	9	232	Austria.....	1,104
			1931	279	3,907	13	173	United States.....	816
			1934	260	2,629	11	182	Germany.....	2,120
			1935	798	2,828	607	670	United States.....	1,382
			1937	768	4,026	409	816	Switzerland.....	842
			1938	1,019	4,237	808	1,382	Germany.....	528
2304	888 (c)	Low leather shoes for adults	1925	Pairs 162,525	13,084	Pairs 42,319	3,179	United States.....	252
			1929	236,170	16,815	19,050	1,689	Switzerland.....	852
			1931	99,402	5,947	23,723	1,554	Germany.....	830
			1934	74,000	3,208	12,006	517	Czechoslovakia.....	407
			1935	54,595	1,946	5,803	192	Poland and Danzig.....	3,552
			1937	51,398	2,300	9,104	252	Hungary.....	2,896
			1938	57,008	2,524	8,108	195	Argentina.....	2,745
2445	918	Oats	1925	Metric tons 125,441	133,659	Metric tons 6,025	6,050	Argentina.....	4,431
			1929	69,380	54,957	6,522	5,470	Turkey.....	1,209
			1931	153,600	61,764	25	10	Czechoslovakia.....	607
			1934	176,402	49,891	23	5		
			1935	189,924	64,321	110	55		
			1937	22,237	15,440				
			1938	10,916	6,987	(9)	(9)		

2491.....	947 (a).....	Photographic films: Sensitized but not exposed.	1925	106	9,334	6	668	Germany.....	3,500		
			1929	135	11,356	34	2,829	United States.....	608		
			1931	170	13,310	57	4,214	Belgium and Luxemburg.....	370		
			1934	138	6,616	37	1,488	.....	K	
			1935	98	4,970	17	750	Germany.....	6,428		
			1937	67	4,649	8	608	United States.....	539		
			1938	70	7,646	7	539	Belgium and Luxemburg.....	458		
										1937	
										United States.....	1,554
										Germany.....	206
							France.....	199			
2496 (b).....	948 (b).....	Cinematograph films: Exposed—positive.	1925	(⁹)	(⁹)	(⁹)	(⁹)	United States.....	1,554		
			1929	(⁹)	(⁹)	(⁹)	(⁹)	Germany.....	206		
			1931	(⁹)	(⁹)	(⁹)	(⁹)	France.....	199		
			1934	(⁹)	(⁹)	(⁹)	(⁹)	.....		
										1933	
										United States.....	1,918
										United Kingdom.....	441
										France.....	265
										
										
2504.....	951.....	Rags, entirely of vegetable fibers, including waste paper for pulping if unsuitable for other uses.	1925	7,963	32,641	1,575	11,028	France.....	10,049		
			1929	24,531	31,363	2,470	8,564	United Kingdom.....	5,531		
			1931	13,696	8,904	163	258	United States.....	3,487		
			1934	22,016	13,791	3,520	4,347	.....		
			1935	10,330	11,216	2,137	3,156	France.....	4,979		
			1937	15,892	24,473	1,305	3,487	United Kingdom.....	4,123		
			1938	12,083	17,985	1,380	3,135	United States.....	3,135		
										1937	
										
										

¹ In 1925-34 United States comprised Alaska and the Virgin Islands (St. Croix, St. John, and St. Thomas); 1935-38 the United States did not include the noncontiguous territories (Alaska, Hawaii, Puerto Rico, etc.).

² Includes Alaska, Greenland, Miquelon, St. Pierre, Newfoundland, and Labrador.

³ Less than 500 lire.

⁴ Less than 0.5 metric ton.

⁵ Not separately classified.

⁶ Quantity not shown.

⁷ Sept. 25-Dec. 31, inclusive; only number reported for this period.

⁸ Sept. 25-Dec. 31, inclusive.

⁹ Includes returned Italian merchandise (32.9 metric tons valued at 2,360,000 lire).

¹⁰ Classified as "coal and coke and other mineral fuels, natural or carbonized," in 1925; Coal coke—separately classified beginning 1928.

¹¹ Included with "coal and coke and other mineral fuels, natural or carbonized," in 1925.

¹² Apr. 23-Dec. 31, inclusive.

¹³ Mar. 26-Dec. 31, inclusive.

¹⁴ Includes Netherlands West Indies, French West Indies, and United States Virgin Islands.

¹⁵ Apr. 17-Dec. 31, inclusive.

¹⁶ Includes a small amount of other articles.

Source: Compiled from official Italian trade statistics.

APPENDIX VI

VALUE, PRICE, AND QUANTITY INDEXES OF ITALIAN FOREIGN TRADE, AND INDEXES OF ITALY'S PRICE AND QUANTITY TERMS OF TRADE, 1925-38

The following pages present an analysis of the value, price, and quantity indexes of Italian foreign trade for the years 1925-38. The value indexes used were computed from the trade figures given in official Italian trade statistics; the price and quantity indexes were calculated by the Fascist Confederation of Industry in Rome and published in the official monthly *Bollettino Mensile di Statistica* of the Central Statistical Institute of the Italian Kingdom.¹

While, as appears from table 118 and charts X and XI, all indexes show marked changes during the period under discussion, price indexes changed more than the corresponding quantity indexes; variations in price consequently affected trade values more profoundly than variations in quantity. Price changes for imports roughly paralleled those for exports; quantity indexes showed a lesser tendency toward parallelism.

Import indexes.—After rising slightly in 1926, the price index for imports fell uninterruptedly until 1934; when it was barely one-third of the 1925 figure—a decline due in part to the revaluation of the lira in 1927 and, principally, to the collapse of world prices during the depression. Between 1934 and 1937, mainly because of the recovery in world prices of raw materials and foodstuffs, important factors in Italian import trade, the import price index was nearly doubled; in 1938, however, there was some decline.

TABLE 118.—Value, price, and quantity indexes of Italian foreign trade, 1925-38

[1925=100]

Year	Import indexes			Export indexes		
	Value	Price	Quantity	Value	Price	Quantity
1925.....	100.0	100.0	100.0	100.0	100.0	100.0
1926.....	98.8	100.5	98.5	102.1	105.5	96.8
1927.....	77.8	80.9	96.1	85.6	85.1	100.6
1928.....	83.7	74.7	112.9	79.7	77.8	105.5
1929.....	81.3	73.0	112.1	81.5	72.5	114.9
1930.....	66.2	63.2	103.7	66.3	60.6	109.3
1931.....	44.4	49.2	89.3	55.9	49.2	111.4
1932.....	31.6	39.1	80.0	37.3	40.9	91.1
1933.....	28.4	35.2	79.8	32.8	35.8	91.3
1934.....	29.3	34.0	85.3	28.6	33.0	86.5
1935.....	20.7	35.5	82.9	28.7	33.1	86.6
1936.....	23.1	43.2	52.8	30.3	37.3	81.3
1937.....	53.2	67.3	77.7	57.1	47.1	120.9
1938.....	43.0	64.0	65.7	57.2	48.2	117.6

Source: *Bollettino Mensile di Statistica*.

¹ It will be noted that for any given year the price index (for either imports or exports) multiplied by the corresponding quantity index does not give precisely the value index as a product, although in all cases the product is quite close to it. This is a result of the method (recommended by the Committee of statistical experts of the League of Nations) used in computing the two indexes. The price index, calculated by the Fascist Confederation of Industry, is an average of the prices of 562 import commodities and 450 export commodities, weighted according to the importance (on a quantity basis) of the individual commodities in the country's import or export trade; the quantity index is an average of the quantities of the same commodities weighted according to their prices in the base period. For additional details on the methods of calculation employed, see *Bollettino Mensile di Statistica*, September 1934, p. 803. No price and quantity indexes being available for the period before 1925, that year was chosen as a base for all the indexes considered.

CHART X

VALUE, PRICE, AND QUANTITY INDEXES
OF ITALY'S IMPORT TRADE

1925-1938

(1925=100)

INDEX
NUMBERS

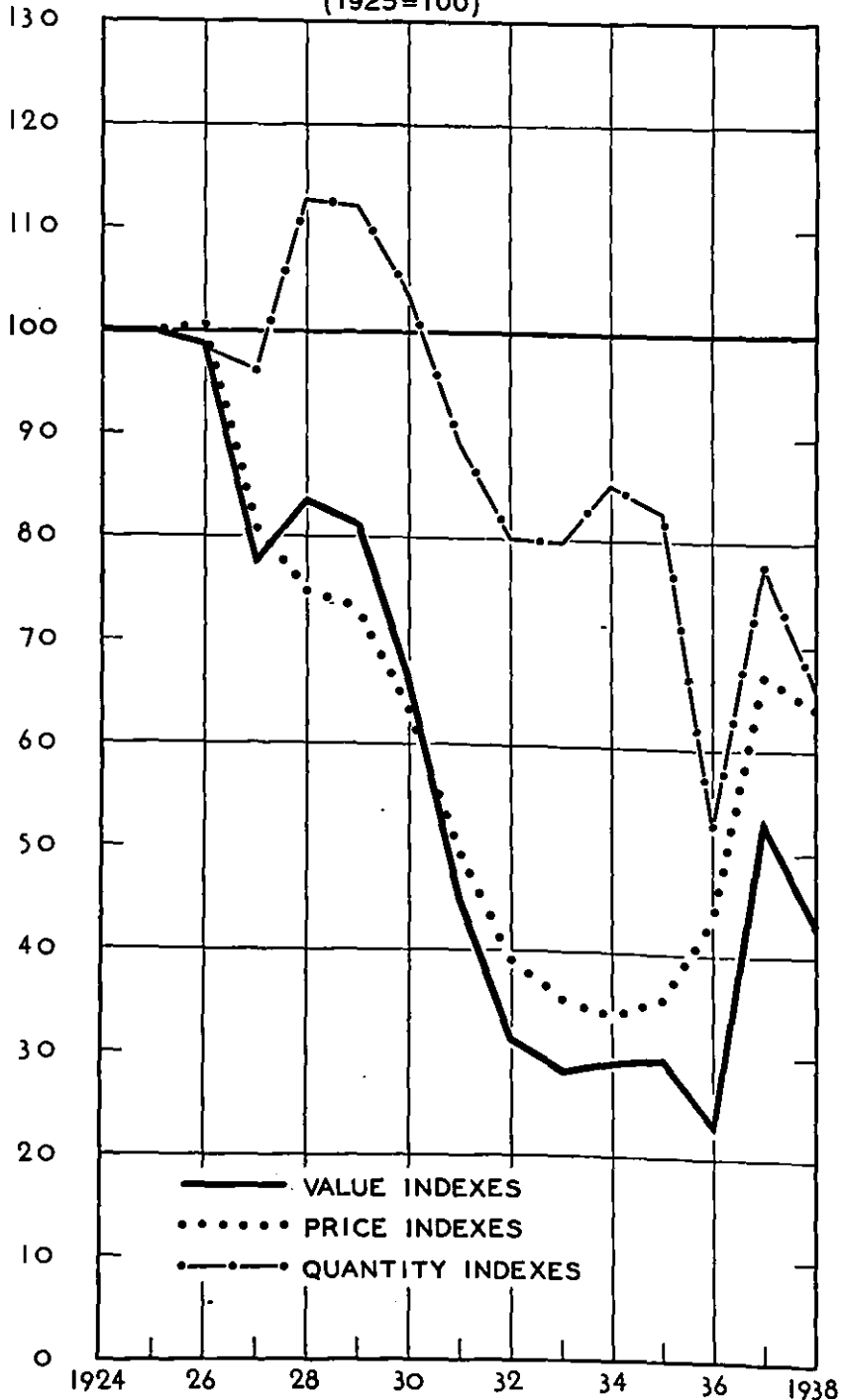
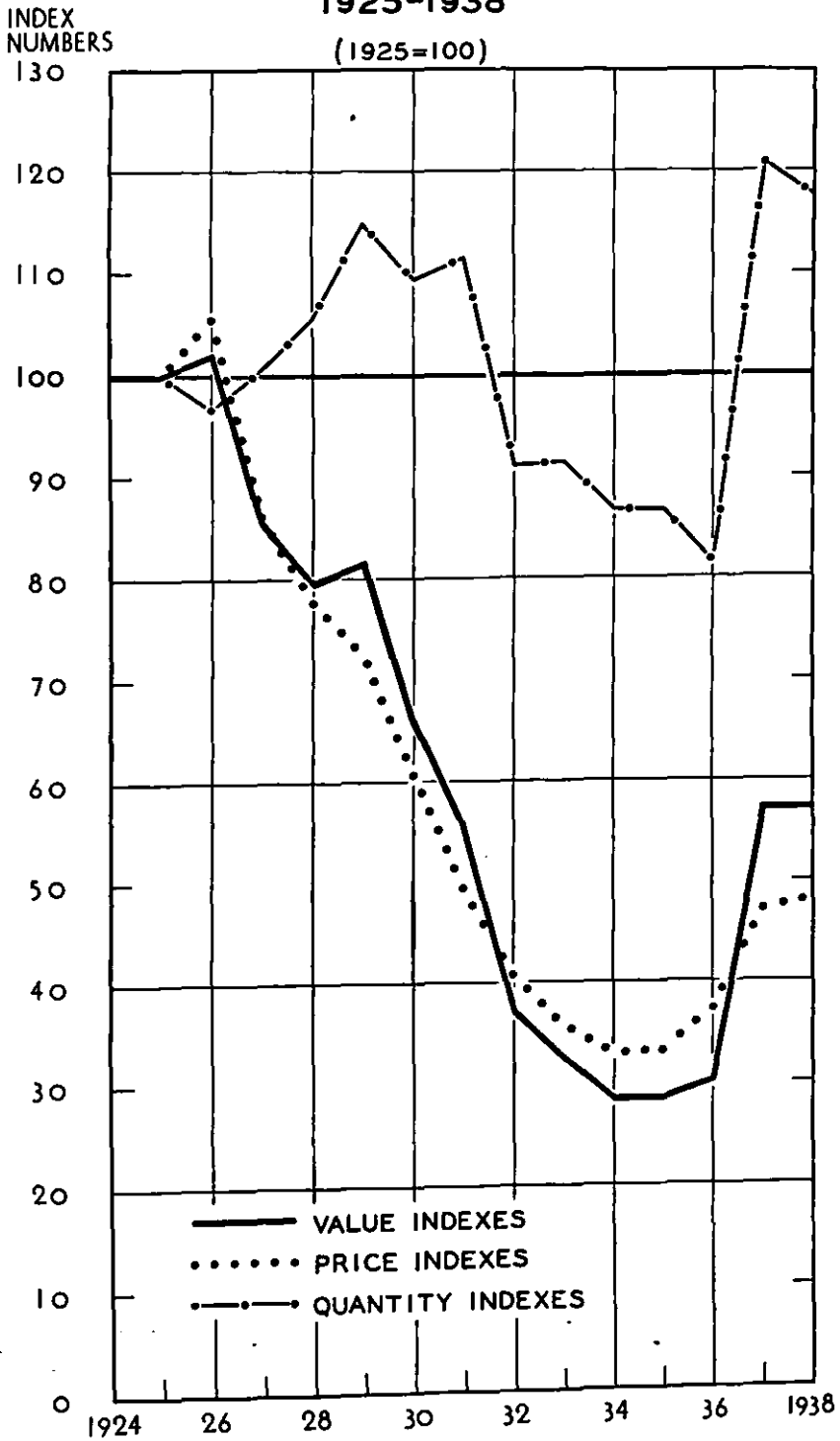


CHART XI
 VALUE, PRICE, AND QUANTITY INDEXES
 OF ITALY'S EXPORT TRADE
 1925-1938



Except for a pronounced drop in 1936 and a subsequent sharp rise, the changes in the quantity index for imports were considerably less marked than those in the price index; movements in a given direction, moreover, did not continue for such long periods of time. After an appreciable decline from 1925 to 1927 the quantity index reached a peak of 112 in 1928 and 1929, fell to about 80 in 1932 and 1933, and thereafter increased somewhat in 1934 and 1935. In 1936, because of League of Nations' sanctions and the import restrictions adopted by the Italian Government in an effort to improve the country's balance of trade, the index fell to 53, the lowest point for the entire period. Although in 1937 there was considerable improvement, the index still remained below the 1932-33 level. In 1938 another considerable decline took place and in that year imports in terms of quantity were less than two-thirds as great as they had been in 1925.

Since, as already stated, price changes affected import values decidedly more than changes in quantity, there was a rough parallelism between price and value indexes. The greatest departure took place in 1936, when the price index rose considerably while the quantity index declined so greatly that the value index was reduced to 23, its lowest point for the entire period.

In 1938, the last year for which figures are available, the price index for imports stood at 64, the quantity index at 66, and the value index at 43.

Export indexes.—Prices of Italian exports have varied even more markedly than those of imports. After an appreciable advance in 1926, there was a steady and marked decline until, in 1934 and 1935, the export price index stood at 33, or slightly below the corresponding index for imports. In 1936 and 1937 export prices rose sharply and advanced still further in 1938.

Unlike any of the other indexes, the quantity index for exports, after ranging from 100 to 115 during the period 1925 to 1931 and from 91 to 81 during the period 1932 to 1936, was higher in 1937 and 1938 than in the base year and considerably above its previous peak in 1929. These high figures were mainly due to large exports to Italy's newly acquired African possessions, a trade which, as was pointed out more fully in chapter IV of this report, represented in only very small measure the actual demand for consumption goods by the newly acquired colonial populations.²

Except for the two years 1937 and 1938, variations in the index of import values were largely determined by the marked changes in the price index; the movements of the two indexes, therefore, were roughly parallel, the lowest years for both being 1934 and 1935. In 1937 and 1938 the price and quantity indexes were both much higher than during the depression years; the value index was consequently doubled as compared with 1934 and 1935. In 1938, the last year for which data are available, the price index for exports stood at 48 (1925=100), the quantity index at 118, and the value index at 57.

Import and export indexes compared.—The rough parallelism in movement between import and export price and value indexes and the considerable disparity between the corresponding quantity indexes have already been pointed out. For both exports and imports the price indexes stood at their lowest figures from 1933 to 1935, while both the quantity indexes, too, were at that time much lower than they had been from 1928 to 1931. In 1937 and 1938 a wide disparity between the quantity indexes for imports and exports occurred (in 1938 the index for imports stood at 66, that for exports at 118), and, in 1938 especially, the value indexes were, consequently, far out of line.

Taken together, the value, price and quantity indexes give a graphic picture of the collapse of Italian import and export prices and trade values during the world depression. They also show the shrinkage which occurred in the physical volume of imports during the depression; the still further shrinkage in imports in recent years under League of Nations' sanctions and the Italian program of import restrictions; and the marked increase which took place in exports after the Ethiopian campaign—a result, largely, of greater exports to the newly acquired colonial possessions.

Additional, more precise comparisons between imports and exports as regards the movement of the price and quantity indexes may be made by the simple device of dividing the indexes into one another. The resulting percentages are presented in table 119 and, for convenience, are designated as indexes of the "price terms of trade" and "quantity terms of trade," respectively.

Price terms of trade.—The economic significance of the indexes of the price terms of trade may perhaps best be made clear by a hypothetical illustration. Let the foreign trade of Italy be imagined to consist of but two commodities: imports of raw cotton and exports of olive oil. Obviously, whenever the world

² See ch. IV, pp. ff.107.

price of raw cotton declines while that of olive oil rises, remains the same, or declines less, Italy gains, for more cotton than before can be obtained abroad with the proceeds of the foreign sales of a given quantity of olive oil. Conversely, if the price of raw cotton were to rise relative to that of olive oil, Italy would be worse off; more olive oil than before would have to be sold abroad to procure a given quantity of raw cotton. If for a series of years indexes of the price basis of this commodity interchange were computed by dividing the price of cotton, the import commodity, by the price of olive oil, the export commodity (the division could, of course, be made in the opposite direction), an advance in this index of the "price terms of trade" would be unfavorable to Italy and a decline in it favorable.

Dropping the assumption of only two commodities, it is clear that when prices of import commodities generally decline while prices of export commodities rise, remain unchanged, or decline at a lesser rate, a country's position in the international exchange of goods, its "price terms of trade", tend to become more favorable to it; if import prices rise relative to export prices, the price terms of trade will become less favorable, for more exports must be sold to procure a given quantity of imports.

An index of the price terms of trade for Italy has been computed by dividing the indexes of import prices, as shown in table 118, by those for export prices. The price terms of trade are, therefore, more advantageous for Italy when this index is low (i. e., when import prices are low as compared with export prices) and less advantageous when the index is high. (For the results of the computation see column 2 in table 119 and chart XI).³

The price data in table 118 show that in 1926 Italian import prices rose somewhat while export prices increased considerably more and that in 1927 and 1928, when the revaluation of the lira was completed and the currency stabilized, both import and export prices were reduced materially, and by about the same ratio. From 1926 to 1928 the price terms of trade were consequently more favorable to Italy than they had been in 1925—a smaller volume of exports having to be parted with to procure a given unit of imports. From 1928 to 1930 import and export prices both continued to decline, the decline in export prices, however, being more pronounced, very likely because of the price reductions made by Italian exporters in an effort to retain their foreign markets after the 1927 stabilization of the lira at a high gold value. As a result, during 1929 and 1930 the price terms of trade became less favorable to Italy.

TABLE 119.—Indexes of Italy's price and quantity terms of trade, 1925-38

[1925=100]

Year	Index of terms of trade		Year	Index of terms of trade	
	Price	Quantity		Price	Quantity
1925.....	100.0	100.0	1932.....	95.6	113.9
1926.....	95.3	98.3	1933.....	98.3	114.4
1927.....	95.1	104.7	1934.....	103.0	101.5
1928.....	96.0	93.4	1935.....	107.3	104.5
1929.....	100.7	102.5	1936.....	115.8	154.0
1930.....	104.3	105.4	1937.....	142.9	165.6
1931.....	100.0	124.7	1938.....	132.8	179.0

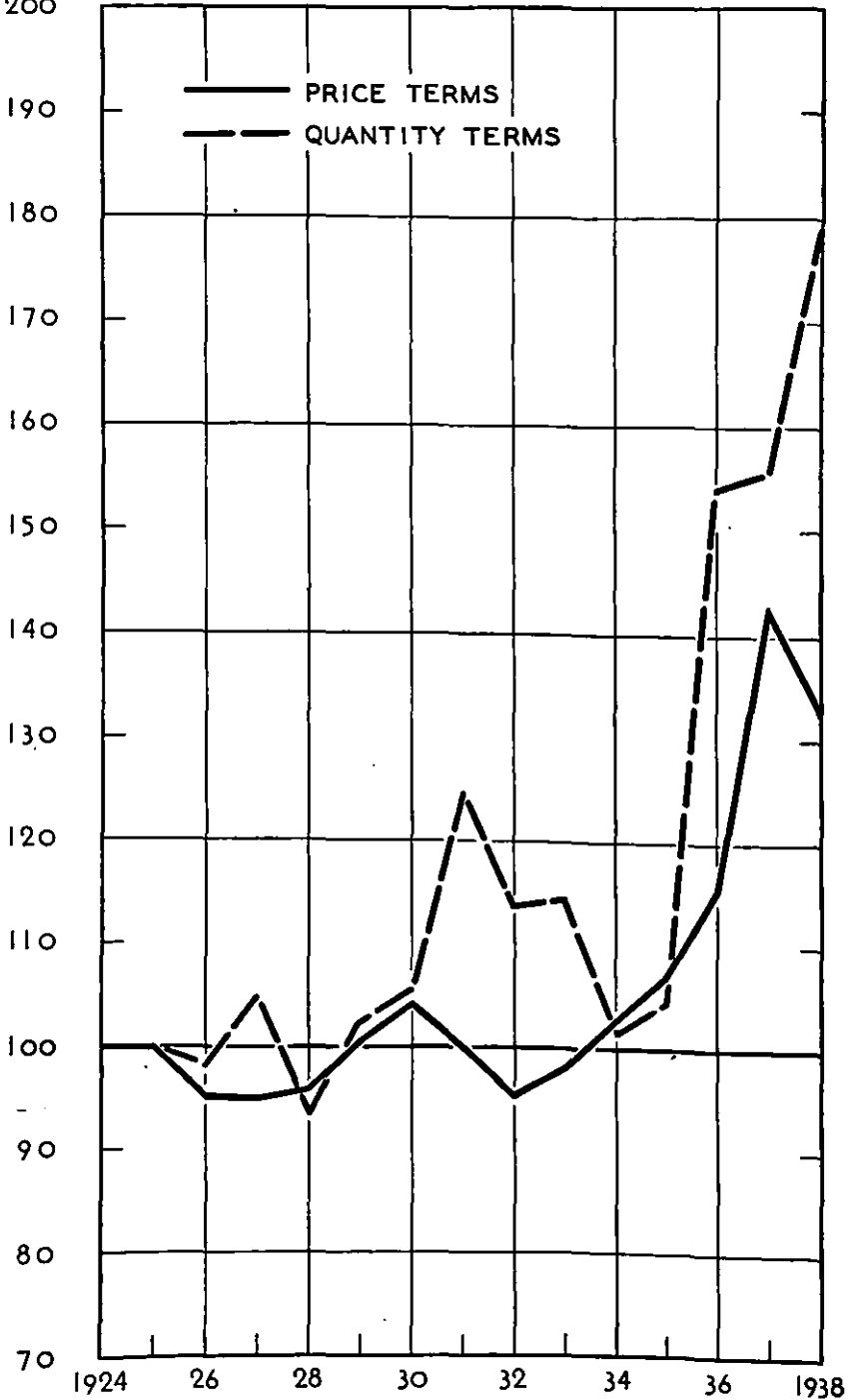
Source: Computed from data given in table 118 of this report.

³ Computation of indexes through which changes in the "terms of trade" are made apparent, was first suggested by Professor A. L. Bowley as early as 1893 in his *A Short Account of England's Foreign Trade in the 19th Century*, 1st Ed., 1893, p. 20, and in two subsequent articles in *Journal of the Royal Statistical Society*, 1897, Vol. LX, p. 437 and *Economic Journal*, 1897, p. 274.

Since then the concept of the terms of trade has found wide acceptance in the literature on international trade. As Professor Gottfried von Haberler, who gives a detailed discussion of it in his *Theory of International Trade*, 1936, p. 159 ff, points out, it was employed by A. Marshall (*Money, Credit and Commerce*, Bk 3, Chap. VI) who suggested (p. 161) "rate of interchange" as a possible alternative name, and by A. C. Pigou (*Essays in Applied Economics*, 2d Ed., 1930, pp. 149 ff.) who uses the term "the real ratio of interchange." Possibly the widest application of all, however, was given to the concept by Professor F. W. Taussig in his *International Trade*, 1927, Chaps. II, XI, XXI, etc. Professor Taussig speaks of "the barter terms of trade," distinguishes between "net" and "gross" barter terms, and presents computations of both for the United Kingdom, Canada, and the United States.

CHART XII
ITALY'S
PRICE AND QUANTITY TERMS OF TRADE
1925-1938
 (1925=100)

INDEX
 NUMBERS
 200



Between 1930 and 1934 the world depression brought about a collapse in the prices of raw materials and a consequent marked reduction in the level of Italy's import prices. Although export prices were also materially reduced, their reduction at first was less severe than that of import prices. During the two years 1931 and 1932, Italy's price terms of trade consequently showed a change for the better, the country being able to obtain a given unit of imports for fewer exports than before. After 1932 export prices fell at a more rapid rate than import prices and a deterioration in the price terms of trade took place. When, after 1934, world raw material prices began once more to rise, import prices rose much faster than export prices, with the result that between 1934 and 1937 the price terms of trade became more and more unfavorable to Italy: In 1937 the index stood 43 percent above the price relationship in the base year, 1925. In 1938 import prices declined while export prices showed a slight increase; the price terms of trade for that year, consequently, registered a change in Italy's favor, although they were still far less favorable for Italy than during either the predepression or the depression period.

The availability of quantity indexes of Italian foreign trade makes possible the computation of an index describing Italy's "quantity terms of trade."⁴ This index, shown in column 3 of table 119, was obtained by dividing the quantity indexes of exports by the corresponding quantity indexes of imports (a division which could, of course, have been made in the opposite direction). A rise in the index, therefore, indicates that exports have increased in quantity in relation to imports; a decline, that exports have decreased.

The significance of a change in the index of the quantity terms of trade in either direction is difficult to interpret—more difficult than that of changes in the price terms of trade. A rise cannot at once be assumed to be unfavorable on the ground that the country in question is having to send out more of its goods, for the increase may, for example, have been the result of a rise in capital exports, an occurrence which would not generally be regarded as adverse. For an accurate evaluation of the significance of any change in the quantity terms of trade, further analysis of the causal factors in the special case at hand is therefore essential.

Changes in the relative prices of import and export commodities may often play a major role in determining the direction in which the index of the quantity terms will move. When import prices rise relatively to export prices (i. e., when the index of the price terms of trade, computed in the manner here used, rises) means of foreign payment will tend to be made scarce and it may thus become necessary to seek a quantitative increase in exports to pay for required imports. In such a case the index of the quantity terms of trade will rise with the index of price terms. Should an increase in exports be difficult or impossible to realize and a reduction in imports be consequently resorted to, the index of the quantity terms will also rise.

That changes in Italy's price terms of trade have influenced changes in its quantity terms considerably is suggested by the rough parallelism of the two indexes as given in table 119: a parallelism less marked from 1936 to 1938 than before, chiefly because of the large exports in these years from Italy to its newly acquired African possessions.

Apart from the influence of price fluctuations, the principal factors which may cause changes in the quantity terms of trade are movements of gold and changes in the "invisible" items of the balance of international payments (principally receipts and payments for interest and dividends on investments, for emigrant remittances, for tourist travel and other services, and imports and exports of capital). As these items change in nature and magnitude, the flow of commodity trade will also change, sometimes very significantly. Large interest payments to foreign countries, or large payments for services, will tend to increase the size of a country's exports relative to its imports. Large receipts for these items will tend to increase imports relative to exports. Capital movements (loans, investments, and their repayment) in either direction will have a similar influence.

Without attempting to relate all changes in Italy's quantity terms of trade to the various causal factors at work from time to time, the more significant changes may be briefly described: From 1925 to 1930 the variations in the index of the quantity terms were within relatively narrow limits and corresponded roughly with variations in the index of the price terms of trade. In 1931 the index of the

⁴ These indexes are very similar to, though not identical with, the indexes of the "gross barter terms of trade" devised and widely used by the late Professor F. W. Taussig. Cf. F. W. Taussig—*Great Britain's Foreign Trade Terms after 1900*, in *Economic Journal*, March 1925, and *International Trade*, New York, 1927. Chaps. II, XI, XXI, *et seq.* For a critical discussion of Taussig's concept of the "gross barter terms of trade," see Jacob Viner—*Die Theorie des Auswärtigen Handels in Die Wirtschaftstheorie der Gegenwart*, Hans Mayer, Ed., Vienna, 1928, pp. 121 ff.

quantity terms rose very sharply, i. e., relatively much larger quantities of exports were being sent out. This change was probably due in part to a marked reduction, as compared with predepression years, in Italy's receipts from tourist travel and emigrant remittances. In 1932 the index of the quantity terms fell sharply; fewer exports were being parted with as compared with imports received. A major factor in this change was a decline in the prices of important import commodities, reflected in a decrease in the index of the price terms of trade. Little change in conditions appeared in 1933; in 1934, however, there was a marked decline in the quantity terms, notwithstanding a considerable advance in the index of the price terms of trade—a situation at least partly due to some revival in tourist travel.

In 1936 the index of the quantity terms of trade rose violently, exports increasing sharply in quantity, while imports decreased. The index remained high in 1937 and rose in 1938 to the extreme point of 179. Although from 1936 to 1938 the index of the price terms of trade was also much higher (less favorable to Italy) than during most previous years, other important causes contributed to the high figures of the index of quantity terms: Imports were held down by League of Nations' sanctions and by the drastic trade controls adopted by the Italian Government, while exports were increased by unusually large shipments of materials and supplies to Italy's newly occupied African territories. As was pointed out in the body of this report, prior to 1935 the value of Italy's exports to its then existing dependencies was less than 5 percent of the country's total exports, whereas from 1936 through 1938 the average proportion of exports to the Empire was more than 25 percent of the total. The bulk of this increase was due to the expansion of the colonial domain and to the heavy expenses of occupation and development rather than to greater consumption of Italian goods by the local population. If the quantity index for Italy's exports as given in table 118 could be computed for exports to non-Italian countries alone, omitting the dependencies, its figures for the years from 1936 to 1938 would be much lower than those shown. While exports from Italy to the colonies during these years were large, imports from them show nothing like a corresponding increase; had they increased, the rise in the index of the quantity terms of trade would have been much less marked.

In conclusion, attention may be called to the fact that for the period since 1934, when the intensive trade restrictions with which this report is particularly concerned were in force, the figures given in the preceding pages show clearly that both its price and quantity terms of trade have on the whole tended to become more and more unfavorable to Italy.

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