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JOURNAL OF THE ROYAL STATISTICAL SOCIETY.

JUNE, 1903.

STATISTICS of ITALY. *By* BOLTON KING.

[Read before the Royal Statistical Society, 17th March, 1903.

MAJOR P. G. CRAIGIE, C.B., President, in the Chair.]

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I SHOULD say by way of preface that any inquiry into Italian statistics is attended by special difficulties. In the first place, official statistics on some matters are infrequent or belated in their appearance. The "Annuario Statistico Italiano" is only published from time to time, and the latest issue of it dates from 1900; again, no census was taken between 1881 and 1901, and there are no detailed statistics of education later than 1895-96. In the next place, the official statistics are not always to be relied on, and sometimes conflict with one another. Lastly, in spite of the great mass of economic literature put out in Italy every year, there are comparatively few statistical inquiries of any value made by private societies or individuals. In spite, however, of these deficiencies, we have a mass of information that enables us to determine the more important figures with sufficient accuracy.

POPULATION.

(a.) *Growth of Population.*

The last census was taken in 1901. As I have mentioned, there was no census in 1891, so that we have to make comparisons with the figures of earlier censuses.

Years.	Population.	Per Cent. of Increase in Decade.
1871.....	26,801,154	—
'81.....	28,459,628	6·18
1901.....	32,475,253	6·83 (mean of two decades).

Comparative rates of increase and density of population in certain countries :—

Country.	Rate of Increase between 1891-1901 or 1890-1900.	Population per Square Mile, 1900-01.	Country.	Rate of Increase between 1891-1901 or 1890-1900.	Population per Square Mile, 1900-01.
Italy	6·8	293	France	0·7	190
United Kingdom }	9·8	557	Germany	11·8	270
			Austria-Hungary	9·9	170

Italy is thus a somewhat densely populated country, being exceeded among European countries only by Saxony, Belgium, Holland, Hesse, the United Kingdom, Baden, and Alsace-Lorraine. When it is remembered that one-third of the land is more or less unproductive mountain, that of the rest little is naturally fertile, and that large stretches are rendered nearly uninhabitable by malaria, it will be seen that the more fortunate portions of the country are

very thickly populated. Lombardy, excluding the Valtelline, has 437 inhabitants to the square mile, a proportion which is exceeded among European countries only by Saxony, Belgium, and England and Wales.

Birth and Death-Rates per 1,000 Inhabitants:—

Years.	Birth-Rate.	Increase or Decrease on Previous Quinquennium.	Death-Rate.	Increase or Decrease on Previous Quinquennium.	Excess of Birth-Rate over Death-Rate.	Increase or Decrease on Previous Quinquennium.
Average of 1873-77	37.13		29.72		7.41	
" '78-82	36.69	- 0.44	29.01	- 0.71	7.68	+ 0.27
" '83-87	38.24	+ 1.55	27.71	- 1.30	10.53	+ 2.85
" '88-92	37.22	- 1.02	26.49	- 1.22	10.73	+ 0.20
" '93-97	35.60	- 1.62	24.45	- 2.04	11.15	+ 0.42

The rates since 1881 were calculated on the estimated population, which proved by the census of 1901 to be below the real figures. For the two latter periods therefore, at all events, these rates are probably slightly below the facts. It will be noticed that the birth-rate tends to decrease slowly, and that there is a steady and rather rapid decrease in the death-rate, due to better sanitation. At Rome, which not long ago was notoriously unhealthy, the death-rate in 1900 was 19.1 per 1,000, which is below the death-rate of Paris or Vienna, and barely in excess of that of Berlin and London.

Average Birth-Rate per 1,000 Inhabitants (exclusive of Still Births) as Compared with that of other European Countries in 1893-97.

Country.	Birth-Rate.	Death-Rate.	Excess of Birth-Rate over Death-Rate.
Italy	35.6	24.4	11.2
England and Wales ...	28.8	18.6	10.2
France	22.4	21.2	1.2
Germany.....	35.8	21.9	13.9
Austria-Hungary	37.4	26.7	10.7

(b.) *Emigration.*

The thick population and the large excess of births over deaths, combined with the small development of industry, means a relative over-population. For two generations past there has, in consequence, been a great deal of emigration. A good deal of this is the temporary emigration of men who work for part of the year in Europe and North Africa, or who go to the Argentine for the harvest and return home afterwards. The official statistics do not

accurately distinguish this from the permanent emigration, but the following corrected figures are, I think, approximately accurate for the latter :—

Years.	Official Figures.*	Corrected Figures.	Corrected Figures per 1,000 of Population.
Average of 1887-91 ...	143,000	120,000	4·0
" '92-96 ...	138,000	100,000	3·2
" '97-1901	165,000	130,000	4·0

* "Bollettino dell' emigrazione, 1902." No. 8.

The permanent emigrants go, 28 per cent. to the United States of America and Canada, 44 per cent. to Brazil, 27 per cent. to the Argentine,¹ 1 per cent. to other countries (figures of 1893-97). But a deduction should be made for the Argentine, owing to a considerable proportion being "temporary" emigration. Quite recently emigration has tended to flow less to South America and more to the United States of America. In 1901, 122,000 landed at New York. The emigration to Brazil has been artificially stimulated by unscrupulous emigration agencies, a practice which the new emigration law is likely to check.

How large a proportion of European emigration comes from Italy will be seen from the following table (average of 1897-1901):—

Country.	Total Emigration.	Per Cent. of European Emigration.	Emigration to United States of America and Canada.	Per Cent. of European Emigration.	Emigration to South America.	Per Cent. of European Emigration.
Italy	130,000	21	36,400	12	91,000	67
United Kingdom	155,000	26	109,000	35	Very small.	—
Germany.....	23,000	4	19,400	6	1,300	1
Austria-Hungary*	72,000	12	67,700	22	2,300	2
Spain†.....	116,000	19	300	—	21,400	16
Other countries*‡	110,000	18	79,400§	25	19,500	14
Total	606,000	100	312,200	100	135,500	100

* Average of 1897-1900.

† Average of 1895-97.

‡ Estimated for Russia, France, Belgium, Turkey, Greece, Roumania, and Balkan countries.

§ Of which 54,000 from Russia.

|| No figures for Russia. Estimated for Portugal.

¹ This figure has been corrected since the meeting (*vide* Mr. Welton's criticism).—Ed.

(c.) *Migration into Towns.*

In connection with the movement of population, we find the same tendency to drift into the larger towns that is going on in other countries. Between 1881 and 1901

Rome has increased 54 per cent.	Turin has increased 32 per cent.
Milan " 52 "	Genoa " 30 "

Years.	Towns with Over 100,000 Population.			Towns Between 50,000 and 100,000 Population.			Towns Between 30,000 and 50,000 Population.		
	Num- ber.	Total Population.	Percent- age of Popu- lation of Country.	Num- ber.	Total Population.	Percent- age of Popu- lation of Country.	Num- ber.	Total Population.	Percent- age of Popu- lation of Country.
1881 ...	11	2,448,643	8·8	14	891,960	2·9	41	1,475,262	5·2
1901....	12	3,385,607	10·4	22	1,460,265	4·5	49	1,873,505	5·8

It will be seen that the greatest relative increase is in towns between 50,000 and 100,000 population; many of the busiest industrial towns of Italy belong to this category. It is probable that the use of hydraulic and electrical power is already beginning to check very large agglomerations of population, and is likely to do so still more in the future. No doubt, too, the absence of coal and iron fields tells in the same direction. It will be seen that agriculture remains by far the predominant occupation, nearly four-fifths of the population being resident in towns and villages with less than 30,000 population.

WEALTH AND INCOME.

(a.) *National Wealth.*

About 1891 Signors Pantaleoni and Bodio independently estimated the wealth of the country at 2,160,000,000*l.* Both based their estimate on the exchequer returns of succession duties (paid on all properties over 12*l.*) and duties on transferences by gift. Calculating the total transferences of property, and adding 25 per cent. for deficiencies in the returns, they multiplied the annual figures by 36, as representing the average length of life. In 1901 Signor Nitti put the wealth of the country, including public property, at between 2,600,000,000*l.* and 2,800,000,000*l.* He does not indicate his method of arriving at the figures, but apparently it was the same as that employed by Signors Bodio and Pantaleoni. In 1902 an anonymous writer in the "*Riforma Sociale*," again using the same method, puts the private wealth (on the figures of 1897-1901) at 2,057,000,000*l.*²

² Bodio, "*Di alcuni indici misuratori*;" Nitti, "*L' Italia all' alba del secolo xx,*" p. 26; "*Riforma Sociale*," 15th February, 1902, p. 127.

Public property (1899) amounts to :—

	In Million £
Property of State.....	186
„ local bodies.....	55
Railways belonging to State	48
Church lands fund	17
Property of charities	87
	—
	393
Deduct debt held by foreigners.....	45
	—
	348
	—

Something should be allowed for the very great number of small properties which do not pay succession duty. Taking these various estimates into consideration, it is probable that the total wealth of Italy is between 2,300,000,000*l.* and 2,500,000,000*l.*

(b.) *National Income.*

Any estimate of the income of the country must be very conjectural. It is impossible to calculate it from the income-tax returns, as these are, in a great number of instances, notoriously fraudulent. An estimate might be made by taking a percentage of the private wealth of the country. M. de Foville's estimate of the French income puts it at one-ninth of national wealth. In Italy it is probably rather higher (the rate of interest being higher), and may be put at one-eighth. On this assumption the above stated figures as to wealth will give an income of 287,000,000*l.* to 312,000,000*l.* I have attempted to arrive at the total by estimating the incomes of various classes (omitting the non-productive classes), but the materials are too meagre to allow of any certain results. So far as the figures have any value, they show a total income of 334,000,000*l.* Signor Nitti puts the income of the country at 320,000,000*l.*, but he does not state how he arrives at his total.

It will be seen that there is a fair agreement between the three calculations, and I am inclined therefore to think that 300,000,000*l.* to 320,000,000*l.* represents the national income with fair accuracy.

Average Income per Inhabitant in Various Countries:—

Country.	National Income.	Per Head.	Authority.
	£	£ s. d.	
Italy	320,000,000	9 17 1	Nitti, 1901.
United Kingdom	1,200,000,000	33 2 3	{ Giffen, 1885; and
France.....	1,000,000,000	26 3 4	{ De Foville, 1893.
Prussia	496,000,000	17 2 0	{ De Foville, 1893.
Saxony	67,000,000	20 7 0	{ Soetbeer, 1890.
Austria	239,000,000	10 0 0	{ Sachsische Stat. Bureau,
Norway	32,000,000	26 2 0	{ 1888.
			Inama-Sternegg, 1893.
			Kier, 1893.

(c.) Distribution of Wealth.

There are very few statistics which throw any light on the distribution of wealth among the various classes. Some calculations of my own, for which I can claim only approximate accuracy, give the income of the workmen and small peasants at about 142,000,000*l.*, which is 45 per cent. of the whole income of the country. Calculations based on the local family tax show that out of 10,000 heads of families, about 8,000 had an income below 3*l.*, and only 3 have an income above 2,000*l.* The great poverty of the lower middle class, which is hardly less than that of the working class, is a striking feature of the country.

NATIONAL FINANCES.

(a.) Debt.

The following figures show the increase of the debt³ :—

[000's omitted.]

Years.	Total Debt.	Interest.	Years.	Total Debt.	Interest.
	£	£		£	£
1871	323,618,	15,195,	1896	494,782, ³	23,798,
'81	406,958,	17,461,			
'91	479,188, ³	22,435,	1901	514,267,	23,187,

The debt steadily increased up to 1897: since then it has been slightly reduced by about 3,000,000*l.* In addition to the increase of debt, the State has alienated 11,446,000*l.* of property, a large proportion of which however belongs to the church lands, the produce of whose sale is chiefly appropriated to ecclesiastical purposes.

³ These figures do not include capital value of subsidies to railways under the law of 1888; they amount to about 25,000,000*l.*

The causes of the debt may be roughly summarised thus :—

[000's omitted.]		£
Debts taken over in 1860 from Piedmont } and the other Italian States..... }		90,000,
War of 1866, and military expenditure } incident to the attainment of unity ... }		50,000,
Railways		138,000,
Public works		63,000,
Other causes, chiefly the large army and } colonial enterprises		164,739,
		<hr/> 505,739, <hr/>

Comparison of Debt per Head and per 1,000,000l. of National Wealth in Various Countries.

Country.	Debt per Head.	Debt per 1,000,000l. of Wealth.	Country.	Debt per Head.	Debt per 1,000,000l. of Wealth.
	£ s. d.	£		£ s. d.	£
Italy	15 16 8	214,277	France.....	32 13. 3	140,242§
United King- } dom	16 3 9	67,112*	Germany† ...	11 12 3	?
			Austria‡.....	15 14 7	136,866

* Based on Sir R. Giffen's figures of 1885.

† Including debts of separate States.

‡ Austrian special debt, plus share of common debt of Austria-Hungary.

§ Based on M. de Foville's figures of 1893.

Average Price of 4 per Cent. (Nominal 5 per Cent.) Funds at Rome.

1871.....	62·83	1891.....	93·38	1899.....	100·83
'76.....	75·49	'96.....	93·20	1900	99·70
'81.....	89·58	'97.....	97·35		
'86.....	99·63	'98.....	99·46	'01.....	101·75

It should be noted that owing to the rise in the exchange, the prices have risen still more on foreign bourses. It must be remembered also, that in October, 1894, the interest was reduced from 4·34 per cent. to 4·00 per cent. About 3,000,000l. of debt passes every year from foreign into native hands. Only about 9 per cent. of the debt is now held outside the country.

(b.) Income and Expenditure.

[000's omitted.]

Years.	Income.	Expenditure.	Excess of Income over Expenditure.
	£	£	£
1871.....	38,647,	40,531,	— 1,884,
'81.....	51,120,	48,990,	+ 2,130,
'91-92	61,243,	62,758,	— 1,515,
'92-93	62,024,	62,555,	— 531,
'93-94	60,684,	64,442,	— 3,758,
'94-95	62,799,	64,005,	— 1,206,
'95-96	65,344,	67,962,	— 2,618,
'96-97	64,597,	64,961,	— 364,
'97-98	65,179,	64,801,	+ 378,
'98-99	66,352,	65,046,	+ 1,306,
'99-1900	66,860,	65,324,	+ 1,536,
1900-01	68,964,	66,971,	+ 1,993,
Total of years 1891-92 } to 1900-01	644,046,	648,825,	— 4,779,

I am unable to explain entirely the apparent discrepancy between the increase of debt and the figures of increase of expenditure over income in 1891-92 to 1900-01. It is partly due to a greater stock of bullion in the State's hands. It will be noticed that during the last few years there have been surpluses.

*Sources of Income in 1900-01.**

[000's omitted.]

	£	Per Cent of Total.		£	Per Cent. of Total.
Tax on land and buildings.....	8,099,	11·7	Tobacco monopoly....	8,059,	11·6
Income tax	11,382,	16·5	Salt monopoly	3,018,	4·4
Succession duty	1,525,	2·2	Lottery	2,617,	3·8
Stamps	7,404,	10·7	Posts and telegraphs	3,212,	4·6
Customs	10,033,	14·5	Railways	3,540,	5·1
State octroi.....	2,116,	3·6	Miscellaneous	4,212,	5·9
Excise	3,747,	5·4		68,964,	100·00

Some of these items show a certain, but no very great, tendency to expand, notably the excise on sugar, tax on buildings, and post office.

This natural expansion of the revenue accounts for 4,800,000*l.* out of the total increase of revenue between 1891 and 1901, which

* "Rendiconto generale consuntivo della amministrazione dello stato per l'esercizio finanziario, 1900-01."

equals 7,721,000*l.* The remainder of the increase is due to increased taxation, viz., the increase in the income-tax from 13·20 per cent. to 20·00 per cent. (subject to large deductions in certain categories), the increase of the corn duty from 5 lire per quintal to 7 and afterwards 7·50, and an excise on mineral oils, matches, gas, and electric light.

*Chief Heads of Expenditure in 1900-01.*⁵

[000's omitted.]

	£	£	Per Cent. of Total.	Per Cent. of Total Expenditure in United Kingdom (1898-99).
Expenses of collecting revenue and outgoings on salt and tobacco monopolies and lottery	—	6,070,	10	2
Debt	—	23,187,	34	23
Army and navy (including pensions)	—	16,278,	24	41
Public works: Railways	3,415,	—	—	—
Roads, harbours, &c.	1,794,	—	—	—
		5,209,	8	2
Civil services: Justice, police, prisons....	2,965,	—	(4)	(4)
Education	1,941,	—	(3)	(11)
Posts and telegraphs	2,633,	—	(4)	(11)
Other civil services	7,305,	—	—	—
		14,844,	22	31
Miscellaneous	—	1,383,	2	1
		66,971,	100	100

(c.) *General Remarks on Finances.*

The position is now much better than it was five years ago. There have been surpluses for four years; the funds have gone up considerably; the debt has been slightly reduced; there is some expansion of the revenue without fresh taxation. But the situation is still an anxious one for the following reasons:—

(1.) Additional expenditure is urgently needed in certain directions, especially in education, grants to local bodies to enable them to dispense with the local duties on food, and some public works (reclamation of waste land, irrigation, ports), to say nothing of the war against malaria and the phylloxera, improvements in the consular service, better pay of magistrates and civil servants.

(2.) It is impossible to increase taxation to any material extent, though something might be raised by an excise on wine, a more

⁵ "Rendiconto generale consuntivo della amministrazione dello stato per "l' esercizio finanziario, 1900-01."

effective assessment of income-tax, and a severer graduation of the succession duty.

(3.) More than this, it is becoming increasingly difficult for any government to remain in office without reducing or repealing certain taxes. The income-tax, though evaded to a very large extent, is high. The taxes on food are a terrible burden on the working classes. It is not likely that there will be any change at present in the customs duties, but there is an urgent demand that the octroi on food and the price of salt shall be reduced. The octroi on bread and flour has already been repealed last year, and Parliament is considering proposals to reduce the price of salt from nearly 1'8*d.* to 1'1*d.* the lb., and to remit the land-tax on very small properties.

Now all this means a return of deficits, unless there are considerable reductions of expenditure, and the only items on which substantial reductions can be effected are the debt and the army and navy. There is a reasonable hope that the expenses of the debt may be materially reduced before long. Last year 3,080,000*l.* funds were issued at 3½ per cent., and they now stand at about 99 at Rome. This means that it will probably soon be possible to convert the 4 (nominal 5) per cents. to 3½ per cents., which would save the country 1,600,000*l.* a year. This however cannot be effected at once, and meanwhile any real saving must be on the army and navy. There is no proposal to reduce the expenditure on the navy, but there is a strong demand that the cost of the army shall be reduced. How far this is possible depends on political considerations, into which I cannot enter here. But the following figures will illustrate the question.

[000's omitted.]

Years.	Expenditure on Army.	Expenditure on Navy.	Total.
	£	£	£
Average of 1891-95	11,556,	4,037,	15,593,
„ '96-99	12,785,	4,282,	17,067,
1900-01	11,483,	4,795,	16,278,

In 1900 the Government promised to consolidate the army budget at 9,560,000*l.*, exclusive of pensions (1,400,000*l.*) and the cost of troops on foreign service; but as a matter of fact the limit has not been strictly adhered to.

Relative Expenditure on Army and Navy in certain Countries.

Country.	Percentage of Total Expenditure Spent on Army and Navy.	Expenditure on Army and Navy per Head of Population.	Expenditure on Army and Navy per 1,000,000. of Income of Population.
		£ s. d.	£
Italy	24	— 10 0	50,868
United Kingdom } (1898-99)	41	1 1 6	36,723
France (1898-99)	29	— 19 10	38,700
Germany (1898-99) ...	19	— 14 5	—

(d.) Railways and the State.

Most of the Italian railways have been built at a cost to the State of about 200,000,000*l.* In 1891 the commercial value of those which are State property was put at 48,000,000*l.*, which equals twenty years' purchase of:—

	£
Net returns in 1891.....	1,680,000
Free and reduced fares and rates to advantage of State	400,000
Probable increase of returns in near future.....	320,000
	<hr/>
	2,400,000*
	<hr/>

* "Annuario statistico italiano," 1900, p. 673.

The very striking difference between their cost and present value is due very largely to the building of many unremunerative branch lines (often built as an indirect form of political bribery), and partly, probably, to contracts having been given at excessive figures, also in part for political reasons.

Some 72 per cent. of the lines are the property of the State, and were leased in 1885 for sixty years to three private companies, both parties retaining the right to denounce the agreement at the end of each period of twenty years. The agreement contains very complicated terms, under which the State makes certain subventions to the companies, and in return takes a certain proportion of the profits and the right to reduced or free charges for army transports, mails, &c. The following table gives approximately the State's balance-sheet in 1897:—

*Balance Sheet in 1897.**⁶

[000's omitted.]			
<i>Dr.</i>	£		<i>Cr.</i>
To subsidies to railways, &c.	4,936,	By share of traffic receipts, &c.	4,394,
„ superintendence.....	56,	„ taxes on traffic	777,
„ interest on capital outlay....	4,990,	„ income and land taxes.....	900,
		„ estimated value of free } or reduced charges }	400,
			<hr/>
		Balance—Loss	6,471,
			3,511,
	<hr/>		<hr/>
	9,982,		9,982,
	<hr/>		<hr/>

* “*Annuario statist. ital.*, 1900,” pp. 673, 676, and 677. No later figures of sufficient accuracy are available. For the estimated value of free or reduced charges I have taken the figures of the assessment of 1891, but Signor Bodio put them in the same year at 1,600,000*l.* The amount of income and land tax is estimated on the only published figures, but must be regarded as approximate only.

The present mixed system of State and private control seems to unite most of the disadvantages of both systems. Public opinion in Italy is at present much exercised as to whether the State should denounce the contracts for 1905 (which must be done this year, if at all), and whether in the event of denunciation the State should offer to lease the lines again or take their exercise into its own hands.

LOCAL FINANCES.

The local debt at the beginning of 1899 (provinces in 1896) was :—

	£
Communes	48,198,000
Provinces.....	6,594,000

54,792,000 = £1 13*s.* 8*d.* per head of population.

In 1877 it stood at 34,235,000*l.*, so that the increase in twenty-two years has been 60 per cent.

⁶ This balance sheet now contains later figures than those submitted to the meeting.—ED.

The sources of income are (1899) :—

[000's omitted.]

	Rates.	Octroi.	Property.	Grants from State.	Other Sources.	Total.
	£	£	£	£	£	£
Communes	5,362,	6,351,	2,019,	253,	3,599,	17,584,
Provinces	3,472,	—	95,	*	626,	4,193,
Total.....	8,834,	6,351,	2,114,	253,	4,225,	21,777,

* The published returns do not distinguish these.

The expenditure is :—

[000's omitted.]

	Police.	Sanitation, Cemeteries, Markets.	Lighting.	Roads and Rivers.	Educational.	Poor Relief.	Other Expenses.	Total.
	£	£	£	£	£	£	£	£
Communes	1,072,	1,603,	679,	2,941,*	3,197,*	1,714,*	7,368,	18,574,
Provinces	208,	11,	—	1,708,	232,	1,141,	879,	4,179,
Total	1,280,	1,614,	679,	4,649,	3,429,	2,855,	8,097,	22,753,

* Less grants from provinces.

Notes on Local Finance.

1. The chief sources of income are the rates and the octroi. The rates are on the same assessment as the land tax, and legally may not exceed one-half of it, but as a matter of fact do exceed the half in two-thirds of the communes. The assessment is very unequal and out of date, so that it is impossible to say what the rates amount to in the £ of real value of the land. The octroi on bread and flour has been recently abolished, but it still continues on most articles of food. In the larger communes, before its abolition on bread and flour, it amounted on the average to 16s. 6d. per head, and at Genoa to 36s. Before the repeal of the bread octroi, 14 per cent. of the total octroi was levied on bread and flour, 18 per cent. on meat, and 36 per cent. on spirituous liquors. It was calculated a few years ago that at Turin a very poor family paid 2·4 per cent. of its income to the octroi, while a very wealthy family paid 00·19 per cent.⁷

⁷ "Il municipio di Torino e il partito socialista," p. 42.

2. The communes and provinces pay the whole expense of sanitation, lighting, and other local services, almost all the poor relief, about nine-tenths of the roads, about two-thirds of the police, and nearly two-thirds of education. It will be seen that the grants from the State are very small, though they will in the future be increased by nearly 1,000,000*l.* to compensate the communes for the loss of the octroi on bread and flour.

3. Municipalisation of public services has made a certain amount of progress in recent years. The following table gives the number of communes in which each service has been municipalised up to the end of 1901 :—

Water	151	Special sanitary services	3
Gas	15	Funeral transports	12
Electric lighting.....	24	Ice	4
Baths	12	Fisheries	1
Washhouses	20	Mills	1
Slaughter houses	171	Bakeries.....	2
Electric trams.....	1	Supply of chemists' drugs	2
Irrigation	3	Vine nurseries	2

The Bill now before the Senate permits not only all these services, except irrigation, fisheries, mills and bakeries (unless thought necessary to prevent artificial rises in the price of bread), but also permits bus and apparently cab services, telephones, street bill-sticking (with or without a monopoly), nurseries of all kinds of fruit trees, and—most important of all—the production and sale of hydraulic and electric power. Any existing concession may be bought up after five years from its date of commencement on payment of the value of the plant and compensation for its estimated profits during the remainder of the period of the concession.

INCIDENCE OF TAXATION (NATIONAL AND LOCAL).

It is probably impossible to determine with any exactness what proportion of taxation falls respectively on the rich and poor. I have attempted to estimate it approximately from the figures of 1898-99, but I do not give these figures as being more than an approach to the facts.

A. Taxation falling on the Propertied Classes (i.e., all above the Status of Workman or Poor Peasant).

[000's omitted.]			
£		£	
One-half tax on buildings	1,771,	One-fourth lottery (less ex- penses)	339,
Income tax (less what falls on workmen)	11,452,	One-third State octroi	701,
Succession duty	1,467,	One-fourth local octroi on articles of general con- sumption	1,175,
Stamp duties	5,440,	Four-fifths local octroi on meat and articles not of general consumption	1,322,
One-fourth customs on corn and other food	750,	Two-fifths rates on build- ings, family tax, &c.	1,899,
Customs on articles not of general consumption	500,	Other local taxes	419,
One-third excise	654,		
„ tobacco (less cost of production)	2,002,		
One-fourth salt (less cost of production)	631,		
			<u>30,522,</u>

B. Taxes falling on Workmen and Poor Peasants.

[000's omitted.]			
£		£	
Income tax on 10,000 workmen	32,	Two-thirds State octroi	1,403,
Half tax on buildings	1,771,	Three-fourths local octroi on articles of general con- sumption	3,524,
Three-fourths customs on corn and other food	2,250,	One-fifth local octroi on meat and articles not of general consumption	330,
Two-thirds excise	1,309,	Three-fifths rates on build- ings, family tax, &c.	2,847,
„ tobacco (less cost of production)	4,006,		
Three-fourths salt (less cost of production)	1,894,		
Three-fourths lottery (less expenses)	1,020,		
			<u>20,386,</u>

C. Taxes falling on Land and Agriculture.

£	
Tax on rural land	4,275,000
Rates on land	5,325,000
Local tax on cattle	609,000
	<u>10,209,000</u>

Summary.

	£	Per Cent. of Total.
Taxes falling on propertied classes	30,522,000	36
„ „ working „	20,386,000	24
„ „ land	10,209,000	12
„ „ general community	14,209,000	17
Revenue from State and communal property, posts and telegraphs	9,132,000	11
	<u>84,458,000</u>	<u>100</u>

The bulk of the taxes on land fall upon the poor, so that they probably pay about one-third of the taxation of the country, and, owing to the extreme sobriety of the people, a small proportion of this is for intoxicating liquors. Signor Flora⁸ calculated, in 1898, that they pay 54 per cent. of the taxation, basing his estimate on the following figures:—

	£	[000's omitted.]	£
Land tax and income tax	15,720,	of which one-fifth	= 3,840, on less well-to-do.
Tax on buildings....	3,520,	„ four-fifths	= 2,720, „ tenants.
Indirect taxation and lottery.....	27,360,	„ „	= 21,920, „ less well-to-do.
Taxes on trade (stamps, &c)....	7,840,	„ one-tenth	= 760, „ poor.
	<hr/> 54,440,		<hr/> 29,240,

He does not include local taxation, and apparently he sometimes includes taxation that falls on the lower middle classes. I am inclined to think that his estimate is too high.

It must be remembered that taxation also affects the poor indirectly, inasmuch as the protective system raises the cost of most articles of food and clothing.

RELATION BETWEEN TAXATION AND THE INCOME OF THE COUNTRY.

The total amount of taxation raised by the State and local bodies, less revenue from property (1899-1900), is 83,528,000*l.* Assuming that the income of the country is 320,000,000*l.*, 26.1 per cent. of it goes in taxation.

Percentage of Income that goes to Taxation (including Local Taxation) in certain Countries.

Italy (1893-1900)	26.1
United Kingdom (1899-1901).....	12.2
France (1899-1900)	17.7

Land-tax and rates are 50 per cent. of the assessments, but these are low, and the burdens on land probably represent on the average 20 to 25 per cent. of its real annual value. According to Signor Valenti, they amount on the average to 16 per cent. of the rentals, but owing to the great inequalities of assessment, vary from 3 to 40 per cent.⁹

A working man, who drinks no wine, probably pays between 10 and 20 per cent. of his income in taxation; Signor Nitti thinks that he pays about one-third, but I believe that his estimate is too high.

* "Riforma Sociale," 15th April, 1898, p. 333.

⁹ "L' Italia agricola alla fine del secolo xix," monografia vi, p. 6.

TRADE AND INDUSTRY.

(a.) Trade Expansion.

The industries of the country have expanded very rapidly during the past five years, after a long period of stagnation. Between 1870 and 1880 both imports and exports increased by about one-half. Between 1880 and 1887 imports increased somewhat, but exports remained stationary. After the rupture of the commercial treaty with France in 1887, both imports and exports showed a serious decline. Since 1897 there has been a steady and rapid revival.

[Millions of £'s.]

Years.	Imports.	Exports.	Total.
Average of 1888-97	48	39	87
1898.....	56	48	104
'99.....	60	57	117
1900.....	68	53	121
'01.....	68	55	123

Imports and Exports per Head in Certain Countries (1900).

Country.	Imports per Head.			Exports per Head.			Total.		
	£	s.	d.	£	s.	d.	£	s.	d.
Italy	2	2	4	1	13	10	3	16	2
United Kingdom	12	11	5	8	10	4	21	1	9
France.....	4	11	6	4	4	5	8	15	11
Germany	4	17	3	3	14	8	8	11	11
Austria-Hungary	1	11	0	1	16	6	3	7	6

The figures of certain imports and exports¹⁰ show how closely this expansion of trade is connected with the revival of industry :—

Years.	Imports of Raw Materials.		Imports of Half-Manufactured Materials.		Exports of Manufactured Articles.		Exports of Half-Manufactured Articles.	
	Total.	Per Cent. of Total Imports.	Total.	Per Cent. of Total Imports.	Total.	Per Cent. of Total Exports.	Total.	Per Cent. of Total Exports.
	Mln. £'s.		Mln. £'s.		Mln. £'s.		Mln. £'s.	
Average of 1892-94	17	36	8	16	5	13	14	33
Average of 1898-1900	23	38	12	20	11	21	18	34
1901	26	38	14	20	12	22	20	37
Increase between 1892-94 and 1901	9 = 53%	—	6 = 75%	—	7 = 140%	—	6 = 42%	—

¹⁰ Fontana-Russo, "I trattati di commercio," pp. 148 and 151; "Statistica . . . di importazione e di esportazione, 1901."

Imports of Certain Articles necessary to Manufacture.

Years.	Raw Cotton.	Iron and Steel.	Machinery.	Coal.
	Thousands of quintals.	Thousands of quintals.	Thousands of quintals.	Thousands of tonnellate.
Average of 1892-94	1,052	2,444	223	4,099
„ '99-1901	1,295	3,995	500	4,895

Exports of Certain Manufactured Articles.

Years.	Cotton Yarn.	Cotton Stuffs.	Silk Thread.	Silk Waste.	Silk Stuffs.	Machinery.
	Thousands of quintals.	Thousands of quintals.	Thousands of quintals.	Thousands of quintals.	Thousands £'s.	Thousands of quintals.
Average of 1892-94 ...	8	29	61	25	800	14
„ '99-1901	78	141	86	19	2,714	36

Goods Traffic on Mediterranean and Adriatic Railways.

	Tonnellate.
Average of 1892-94	13,395,000
„ '97-99	16,814,000

Horse Power of Force Employed in Industry.

	H.P.	H.P.
Average of 1887-89		156,680
1899. { Steam	364,019	
{ Electricity generated by steam	25,000	
{ „ „ water power....	75,581	
		464,600

*(b.) Position of Staple Industries.**Silk Industry.*

Silk is the most important Italian industry, both for the production of raw silk and its manufacture. Italy is by far the most important European country for producing silk, giving 55 per cent. of the European production, and 19 per cent. of the world's production. The value of the raw silk is put at 12,000,000*l.* It is also the most important European country for its manufacture. As a silk market, Milan has for some years past outstripped Lyons, and in 1901 nearly 27 per cent. more business was done there than at Lyons. The total amount of the silk taken to the mills is estimated at 82,500 cwt. of home production, and 59,000 cwt. imported. The reeling mills contain about 60,000 reels. The number of spindles has been put as high as 1,600,000, but I am told that the Silk-mill Owners' Association of Milan puts them at 700,000. Little dyeing is done in the country, and silk thread is for the most part sent abroad

to be dyed, and re-imported. Up to the last few years almost all of it was woven abroad, but of late the weaving industry, both for pure and mixed silk goods, has advanced faster than any branch of the trade, and, as we have seen, the exports of silk stuffs have increased 339 per cent. in eight years. The number of power looms is put at 8,000, and of hand looms at 6,700. The whole production of silk stuffs was valued in 1892 at 2,200,000*l.*, and in 1900 at about 4,000,000*l.* The number of operatives in the whole silk industry is about 180,000.

Exports of all kinds of Silk Thread and Stuffs and Raw Silk.

	£		£
Average of 1892-94	12,920,000	Average of 1899-1901	19,720,000

Cotton Industry.

The cotton industry has recently expanded from small beginnings, till it is now almost as important as the silk industry. Its produce was estimated at 2,000,000*l.* in 1876, at 7,000,000*l.* in 1885, and in 1899 was, in spite of the fall in prices, about 12,000,000*l.* The value of the exports has increased from about 1,400,000*l.* previous to 1898, to nearly 3,000,000*l.* in 1901. The number of spindles has increased from 900,000 in 1880 to 2,111,000 in 1900, and they are of greatly improved quality. In 1898 they produced about 220,000,000 lbs. of yarn. The quality of yarn has greatly improved. A few years ago the average quality was 16, now it is 40, and a good deal is produced as fine as 70 to 140. In 1900 there were 60,000 power looms, producing 535 million yards of stuffs, while the numerous hand looms still existing turned out 21 million yards more. A good deal of stuff of fine quality is manufactured now. There were in 1900, 146 spinning mills, 407 weaving mills, 80 printing mills, and 68 for both spinning and weaving. About 135,000 operatives are employed. The trade is in a very prosperous condition, and it is said that many mills are earning from 12 to 18 per cent. dividends, though according to the figures of the Association of Cotton Millowners of Milan, raw cotton costs $\frac{1}{4}$ *l.* per lb. more at Milan than at Liverpool. It is remarkable that the industry has grown of late years more rapidly than in France, though coal and machinery are cheaper there, taxation relatively less, and protective duties higher; in Italy, however, wages are considerably lower. The trade has completely conquered the home market, and its exports are now considerable. These go chiefly to the Levant and South America, but they are said to compete successfully with

English goods at Paris, and it is reported to be notorious that large English firms buy Italian stuffs for export.¹¹

Years.	Imports of Raw Cotton.	Imports of Cotton Yarn.	Imports of Cotton Stuffs.
Average of 1885-87	Thousands of lbs. 163,240	Thousands of lbs. 13,640	Thousands of lbs. 30,140
„ 1899-1901	284,900	1,276	4,818

Years.	Exports of Cotton Yarn.	Exports of Coloured Stuffs.	Exports of Printed Stuffs.
Average of 1888-89	Thousands of lbs. 739	Thousands of lbs. 1,183	Thousands of lbs. 38
„ 1899-1901	17,160	21,758	3,036

Wool Industry.

While the cotton and silk industries are prospering, the wool industry stagnates, in spite of heavy protective duties. The causes would appear to be to some extent the general substitution of cotton for woollen goods and the difficulty of meeting rapid changes of fashion, but to a much greater extent a want of enterprise. The quantity of wool manufactured in the country has declined from about 29,000,000 lbs. on the average of 1895-97 to 26,000,000 lbs. on the average of 1898-1900. The large imports of woollen stuffs show how far the industry is from conquering the home market. The exports of woollen stuffs have, however, increased from an average of 572,000 lbs. in 1892-94, to 1,386,000 lbs. in 1899-1901. The total production of the industry was valued in 1894 at about 4,000,000*l.* 30,000 operatives are employed.

Mines.

Except for sulphur, these are very unimportant, and their whole production is under 3,500,000*l.* There is no coal and only a small quantity of inferior combustibles, as anthracite. There are probably fairly rich deposits of iron in Elba and North Lombardy, but the cost of coal has hitherto checked their development. It is probable that the substitution of electric smelting, which is now beginning to come into use, will allow fresh pits to be opened.

Production of Chief Minerals in 1898.

	£		£
Sulphur	1,615,000	Iron	109,000
Zinc	482,000	Anthracite, &c.	99,000
Lead	288,000	Copper	85,000

The sulphur industry in Sicily appears to be recovering from its depression.

¹¹ Consular Reports, "Trade and Agriculture of Lombardy for 1901," p. 8.

Iron and Steel Industry.

This industry has been very heavily protected, in the hope that Italy might make itself independent of other countries in the production of armour for ships of war, cannon, and small arms. So far the policy has been successful, and excellent war material appears to be turned out by the works at Terni and Savona. Otherwise the industry shows few signs of life, except perhaps in the building of steel-plated vessels at Genoa and its neighbourhood, and in the production of railway material. Under 13,000 men were employed in it in 1898; the whole produce is probably worth not more than 2,700,000*l.*

Imports of Pig Iron, &c.

	Tons.		Tons.
Average of 1892-94.....	157,000	Average of 1899-1901....	194,000

Imports and Exports of Iron and Steel Rails, Plates, &c.

	Imports.	Exports.
	Tons.	Tons.
Average of 1892-94	83,000	689
„ '99-1901	245,000	2,400

Total Production of Smelting Works of all kinds of Minerals, Iron and Steel.

	£		£
Average of 1896-97	8,600,000	Average of 1900-01	12,400,000

Engineering Industry.

There are some promising signs here, and some excellent work is done by a few firms, such as the Tosi firm at Legnano for boilers and electric plant, and the Pirelli firm at Milan for electric wire and other apparatus, the latter producing about 500,000*l.* worth in the year. Both these firms won gold medals at the Paris Exhibition in 1900. Generally, there may be said to be a good deal of activity in the manufacture of boilers and electric apparatus, but little in other departments. Italian agriculturists complain that there is not a decent plough of home make, and the whole production of machinery probably stands much where it did in 1890, viz., at about 4,000,000*l.* worth. In the meantime the imports of machinery are large and increasing.

Chemical Industry.

The manufacture of chemicals shows a considerable expansion in one department, viz., phosphates and sulphate of copper for agricultural purposes, the increase on which is nearly 1,000,000*l.* in six years. Quite recently, large works have been erected to manufacture

caustic soda and carbide of lime by electricity, but the great bulk of soda and potash salts is still imported. The total production of the chemical industries was worth about 1,500,000*l.* on the average of 1896-97, and 2,500,000*l.* on the average of 1900-01. Over 7,000 workmen are employed.

Shipbuilding and Shipping.

Great efforts have been made since 1885 to stimulate shipbuilding by bounties, but they have been slow in taking effect. Since 1897, however, the industry has been very active. (The bounties are now substantially reduced.)

Construction of Steamships.¹²

Years.	Tonnage of New Steamships.	Value.
		£
Average of 1892-96	1,600	52,000
„ 1900-91	47,300	1,130,000

There has been a great falling off in the construction of sailing vessels, from about 70,000 tonnage a year in 1874-76, to 5,000 in 1898.

Italian Shipping in 1901.¹²

	Number of Vessels.	Tonnage.
Steam	471	418,000
Sailing.....	5,337	565,000
Total	5,808	983,000

Italy comes sixth among the countries of the world in the tonnage of its mercantile marine, being inferior to the United Kingdom, the United States, Germany, Norway, and France, to the last country only to a very slight extent.

Genoa is now the most important port of the Mediterranean, having outstripped Marseilles. In 1900 its imports and exports exceeded 36,000,000*l.*

(c.) *General Conditions of Industry.*

Motor Power.

Italian industry is still at a great disadvantage from the cost of coal: all has to be imported. The average annual importation in 1899-1901 was 4,895,000 tons. The average cost per ton at port of

¹² Information supplied by Signor Bodio.

delivery in 1901 was 1*l.* 4*s.* 5*d.* Thus the country is under tribute for it to the extent of 6,000,000*l.* to 8,000,000*l.* a year, and every industry worked by steam is handicapped. But the country is not likely to be for long in dependence on foreign coal to so great an extent. The "white coal" of electricity is rapidly superseding it as a motor power. Italy is relatively the richest European country in water power available for generating electricity. The potential quantity of water power in the natural falls of the country has been variously estimated from the data in possession of the Government at 2,162,764, 2,642,040, and 2,653,967 h.p. Signor Nitti is of opinion that by constructing artificial falls this could be increased to over 5,000,000 h.p., while another expert puts it at 8,000,000 to 10,000,000 h.p.¹³ At present this enormous power has hardly been tapped. The amount of electric energy generated from it is now about 400,000 (of which, in 1899, 75,581 went to industrial purposes), but it is rapidly increasing. The installation at Vizzola on the Ticino is the largest in Europe, and conveys a force of 23,000 h.p. to the factories of the neighbourhood, and other generating stations for 37,000 and 30,000 h.p. respectively are about to be made. Electricity is now largely used in the Lombard textile mills and other factories; several short railways are worked by it, and it is under consideration for adoption on some of the trunk lines; there are many electric tramlines: nearly three times as many towns are lighted by electricity as by gas; it is used in steel and lead works, for smelting iron, and in chemical industries. At Piediluco del Velino 21,000 h.p. are generated for the manufacture of carbide of calcium, and at Terni 10,000 for the steel works there.¹⁴ It requires no great stretch of imagination to foresee a time when half the towns on the slopes of the Alps and Apennines will be busy industrial centres, thanks to the abundant supply of cheap motor power. A supply from the falls of Tivoli may convert Rome into a great industrial city.

Proposals have been made to nationalise this water power, which, in point of law, already belongs to the State. But the enormous outlay required for its utilisation would appear to be an insuperable obstacle. It would probably be much wiser for the State to grant concessions of water power at a small rental as at present (2*s.* 5*d.* per year for every h.p.), and with less red-tapeism than now, but with stringent conditions as to the technical construction of works, and as to the price at which energy is to be sold to the consumer. It has already been mentioned that the bill now passing through Parliament to regulate municipal services, allows municipalities to produce and sell electric power.

¹³ Nitti, "*La città di Napoli.*"

¹⁴ Information supplied by Signor Bodio.

Industrial Capital.

The paid up capital invested in banks, railways, tramlines, steamship companies, and various industrial companies in 1897 (banks in 1899) was, according to the official figures:—

[000's omitted.]

	Banks.	Railways, Trams, and Steamships.	Industrial Companies.	Total.
	£	£	£	£
Italian Companies	23,920,	30,554,	18,036,	72,510,
Foreign „	—	3,265,	14,888,	18,153,
Total	23,920,	33,819,	32,924,	90,663,

but the figures of many foreign companies are not included, and it is probable that the total should reach nearly 100,000,000*l.* Probably foreign capital is invested in some Italian companies, but there are no data to show to what extent. It has been estimated that foreign capital invested in the country, including the funds, is between 70,000,000*l.* and 80,000,000*l.* It is mostly German and Swiss, and, to a less extent, English and Belgian. The large investments of French capital have been mostly withdrawn since 1887.

Discounts and Advances in 1899 (Co-operative Banks in 1898).

[000's omitted.]

	Discounts.	Advances.	Total.
	£	£	£
Three note-issuing banks	112,280,	17,906,	130,186,
Co-operative banks	23,841,	9,125,	32,966,
	136,121,	27,031,	163,152,

There are no available figures for private banks, but assuming that their discounts and advances are in the same ratio to capital as those of the three principal banks,¹⁵ they will amount to 65,000,000*l.*, making a total for all banks of 228,000,000*l.*

The amount of money passing hands at the clearing houses in 1899 was:—

	In millions of lire.
At Genoa.....	646
„ Milan.....	550
„ Florence, Turin, Rome, Leghorn	238
	<u>1,434</u>

¹⁵ Statistics published between 1887 and 1890, but since discontinued, show that in Lombardy the sums advanced by private banks were about twice as large as those of the principal banks, but their business has much contracted since then.

Interest on Capital.

The Italian State borrows at from 3·53 ($3\frac{1}{2}$ per cent. at 99) to 3·88 (4 per cent. at 103). Some municipalities apparently can borrow at about the same rate. With regard to interest on mortgages, the figures of the People's Banks show that they vary very widely; practically they are never at less than 4 per cent., and often exceed 7 per cent.; as a rule they run between 5 and 7 per cent. in North Italy, and are in the majority of cases over 7 per cent. in the South. The following figures show the interest on advances and discounts at the People's Banks in North Italy:—

	Below 5 per Cent.	5—6 per Cent.	6—7 per Cent.	Over 7 per Cent.
Loans.....	7·87	43·98	42·13	6·02
Discounts	13·82	41·87	39·84	4·47

In South Italy three-quarters are at more than 7 per cent. Somewhat higher rates are as a rule charged by private banks; but it is probable that 5 to 7 per cent. may be taken as the ordinary rate in North Italy. Signor Maggiorino Ferraris has estimated that money for commercial purposes in the country as a whole generally pays between 6 and 9 per cent. The following table shows the value of shares and debentures in certain large companies at 17th March, 1903:—

Bank or Company.	Nominal Value.	Actual Value.	Proportion of Actual to Nominal Value.
	£	£ s. d.	
Southern Railway 3 per cent. } debentures	20	14 - -	70·0
Bank of Italy ordinary shares	36	38 - 5	105·6
Credito Italiano	20	22 5 7	111·4
Mediterranean Railway } ordinary shares	20	19 - 5	95·1
Southern Railway ordinary } shares	20	28 - -	140·0
General Steamship Com- } pany ordinary shares	20	17 11 7	87·9
Lanificio Rossi ordinary } shares	40	58 - -	145·0

Note.—Later figures are given here than those put forward at the meeting.—ED.

Almost all shares have risen greatly in value since 1896, when they were still affected by the severe crisis of 1893-94; the average rise, from such figures as I have at hand, being about 7 per cent. in the case of debentures, and about 20 per cent. in the case of ordinary shares. The rise in their value points to an increase of capital seeking investment. It has been said that in the last few years

money has been withdrawn from the funds and savings banks for investment in commercial and industrial shares ; but this does not seem probable, since the price of Government stock mounts steadily, and the deposits in savings banks have increased by 12,000,000*l.* since 1890. It would appear therefore that there is a large increase of capital in the country, whether it comes from native savings or from an influx of foreign capital.

Cost of Labour.

Taking the average wages of certain typical classes of workmen in 1900, and putting Italian wages at 100, we find the wages in certain other countries are in the following proportions¹⁶ :—

Class of Workmen.	Germany.	France.	England.
Boilermakers	97	129	210
Masons	127	156	290
Carpenters	113	133	255
Women in textile factories	127	190	227

Since 1900, however, wages have risen considerably in Italy, perhaps on an average from 10 to 20 per cent. Assuming that they have risen 15 per cent., they are now from 5 to 10 per cent. higher in Germany, 25 to 35 per cent. higher in France, and 120 to 130 per cent. higher in England.

Hours of work are :—

- 8 to 10 in mines.
- 9 „ 10 in railway workshops.
- 10 „ 11 in engineering shops and the bulk of industries.
- 9 „ 12½ in textile factories.

The new Factory Act limits women's work to 12 hours.

Efficiency of Labour.—The Italian workman requires more superintendence than an Englishman or German ; but he is sober and intelligent, and quick to adapt himself to new methods and new machinery. Some employers prefer native workmen to Swiss or Germans. It has been estimated that in the cotton industry an Italian operative, with his or her longer hours of work produces as much in the day as an English operative. In 1891 Signor Bodio¹⁷ gave the following comparative statistics for cotton-spinning :—

	Italy.	England.
Number of operatives for a given } quantity of spindles	12	7½
Wages of same	12 <i>s.</i> 2½ <i>d.</i>	13 <i>s.</i> 5½ <i>d.</i>
Production per spindle per hour.....	0·025 lb.	0·031 lb.

¹⁶ English wages taken from Bowley ; French from de Foville ; German from Lavollée, de Foville, and others.

¹⁷ Bodio, “ Di alcuni indici misuratori.”

AGRICULTURE.

(a.) *Distribution of Land.*

We have no recent official figures as to this. Various calculations place the number of proprietors at between 4,500,000 and 5,000,000.¹⁹ But a great many of these properties are too small to yield a living; about eight out of nine have an annual value of less than 3*l*. An estimate of the different agricultural classes (excluding children under 8), made by Signor Spadoni in 1895, gives the following figures²⁰ :—

Cultivating their own lands	1,325,879
Métayers	1,635,339
Farmers on annual tenancies or leases	401,643
Agricultural labourers.....	5,000,000

Proprietors cultivating their own lands include a certain number of large or middling proprietors cultivating through bailiffs, but for the most part they are small proprietors (the great majority in hilly or mountain districts). Their number is probably increasing, and in some districts there is a good deal of land-hunger. The number of métayers remains pretty stationary, though in some districts there is a tendency for landlords to take their land into their own hands, often re-instating the métayers as bailiffs or foremen. The farmers on annual tenancies or leases include two widely differing classes, the large capitalist farmers of the Po valley and parts of the south, and the small rack-rented, miserably poor small farmers. The agricultural labourers are probably increasing rapidly. It may be mentioned that the exhaustive inquiry about to be made by the *Società Umanitaria* of Milan will give us much fuller information than we possess at present as to the numbers and economic position of the agricultural classes in North Italy.

(b.) *Mortgages and Rentals.*

In 1898 mortgages amounted to 391,743,000*l*. Probably two-thirds at least of these were on rural land, and assuming that the average interest is 7 per cent., the annual charges amount to 18,247,000*l*., or about 11·3 per cent. of the total annual production of the land. Of recent years there has been a slight tendency for the total of mortgages to decline.

According to the estimates of Signors Bodio and G. Mazzini, the total rental is about 60,000,000*l*.²¹ Something must be deducted from this for town rentals, but to a much smaller extent than would be the case in England.

¹⁹ Lucio in "La conquista delle campagne" (Milan, 1896).

²⁰ Spadoni, "Della mezzadria" (Macerata, 1893).

²¹ "L' Italia agricola alla fine del secolo xix," monografia vi, p. 5.

(c.) *Agricultural Produce.**

Description of Produce.	Years to which Figures Relate.	Acreage. [000's omitted.]	Quantity. [000's omitted.]	Value. [000's omitted.]	Yield per Acre.	Price. ^a
Wheat	1896-98	{11,345, (1895)}	{14,696, qrs.	£ 34,367,	11½ bus.	£ 2 8 8 qr.
Maize	"	5,000,	9,106, "	11,709,	19 "	6 12 4 ton
Oats	1891-95	1,112,	2,406, "	1,982,	18 "	1 0 6 qr.
Barley	"	750,	1,032, "	1,076,	11½ "	1 0 10 "
Rye	"	354,	516, "	644,	11½ "	1 4 11 "
Rice	1896-98	500,	1,865, "	2,490,	42 "	8 8 10 ton
Peas, vetches, &c....	1891-95	500,	1,238, "	801,	{ (peas) 22½ "	{ —
Beans	"	1,000,	2,750, "	1,795,	22½ "	—
Hemp	"	250,	2,200, bus.	2,325,	6½ cwt.	1 11 0 cwt.
Flax	"	160,	{ flax 450, " seed 402, qrs. }	795,	{ 21½ " 20 bus. }	{ 1 13 10 " —
Potatoes	1900	500,	3,800, tons	8,000,	7½ tons	2 9 6 ton
Vines	1896-98	^b 8,511,	^c 659,186, gals.	29,697,	^d 77 gals.	— 11½ gal.
Olives	" {	{ 2,550, (1895) }	{ 5,693, bus. }	7,752,	—	2 5 6 cwt.
Oranges, lemons, &c.	1897-99	100,	4,200, mln. fruits	{ ^d 2,190, ('96-98) }	{ 42,000, fruits }	—
Chestnuts	1891-95	1,017,	6,600, cwt.	1,710,	—	—
Fruit....	—	—	—	^e 3,000,	—	—
Vegetables	—	—	—	^f 5,000,	—	—
Sugar beet	1899	26,	^g 427, tons	347,	16 tons	—
Silk cocoons	—	—	816, cwt.	6,649,	—	—
Tobacco.....	1896-98	12,	116, "	236,	9½ cwt.	—
Meat	1883	—	—	22,988,	—	—
Bones	"	—	—	300,	—	—
Hides	"	—	—	1,872,	—	—
Wool.....	"	—	—	^h 1,400,	—	4 0 0 cwt.
Cheese	1895	—	1,466, cwt.	ⁱ 3,500,	—	2 16 0 "
Butter	"	—	314, "	^j 1,400,	—	4 15 0 "
Other dairy products	"	—	338, "	^j 1,000,	—	—
Poultry and eggs	—	—	—	^k 4,000,	—	—
Other produce ^l ...	—	—	—	2,000,	—	—
				161,025,		

* Chiefly from " *Annuario Statistico italiano* " and " *Notizie sull' agricoltura in Italia.* "

^a Prices, except in the case of barley and rye, are the declared prices for export. It will be found that these are higher than the quotients obtained by dividing the quantities by the values. This is what one would expect, as exported produce is above the average, and an addition must be made for transport to the port.

^b The acreage is now estimated at 10,000,000. On a good deal of it, however, other crops, especially wheat, are grown among the vines.

^c Estimated produce in a good season put now at 880,000,000 gallons.

^d Probably an over-estimate. In 1897-99 the average exports of fruit, essences, peel, and juice was 1,366,000*l*.

^e My own estimate. The exports are about 1,800,000*l*.

^f My own estimate, and probably too little. The consumption of vegetables is very great.

^g Probably more now, as the industry is expanding very rapidly.

^h Probably less now.

ⁱ I have estimated the value at less than the declared export value.

^j My own estimate.

^k My own estimate. The exports of poultry and eggs average 2,312,000*l*.

^l Lees of wine, shumach, flowers, saffron, aniseed, hops, liquorice, manna, sesame; also milk, if I am right in understanding this not to be included in the returns of "other dairy products."

Acreage under Principal Crops in Certain Countries.

[000's omitted.]

Country.	Average of	Wheat.	Maize.	Other Cereals.	Vines.	Potatoes.	Sugar Beet.
Italy	Various years	11,345,	5,000,	2,716,	8,511,	500,	26,
United Kingdom	1900-01	1,823,	—	6,352,	—	577,	—
France.....	1898-1900	17,099,	1,370,	17,332,	4,322,	3,801,	717,
Germany.....	1898	4,864,	—	32,920,	289,	7,609,	1,078,
Austria-Hungary	1898-1900	11,094,	7,081,	22,058,	1,251,	4,236,	768,

Numbers of Live-Stock in Certain Countries.

[000's omitted.]

Country.	Years.	Horses.	Mules and Donkeys.	Cattle.	Sheep and Goats.	Pigs.
Italy	1890	720,	1,300,	5,000,	8,700,	1,800,
United Kingdom	1900	2,000,	?	11,455,	31,054,*	3,663,
France.....	1900	2,903,	261,	14,520,	21,737,*	6,740,
Germany	1892	3,836,	6,	17,555,	16,680,*	12,174,
Austria - Hungary {	Austria, 1890	3,856,	58,	15,382,	12,653,*	10,880,
gary	Hungary, 1895					

* Goats not enumerated.

(d.) Notes on Condition of Agriculture.

1. *Agricultural revival.*—In a good many districts of Northern Italy there has been during the past ten years a very marked agricultural revival, which is raising the small farmers and small proprietors from indigence to comparative comfort. This revival may be attributed to—

(a) improved methods of agriculture—rotation of crops, use of chemical manures, better stock, better machinery ;

(b) the introduction of co-operation—co-operative dairies, agricultural syndicates, village banks, and, in a few cases, co-operative wine factories ;

(c) the general quickening of rural life, owing to better education, conscription, intercourse with the towns, temporary migration, the labour and co-operative movements ;

(d) the excellent agricultural teaching given by the itinerant teachers of agriculture ;

(e) the adoption of scientific methods in combating malaria and vine diseases, and the prevention of damage by hail through the use of *cannoni grandinifughi*.

2. *Wheat* still remains the chief crop of the country, and its acreage shows small signs of decrease. The average annual production of it was :—

	Hectolitres.		Hectolitres.
1870-74	50,898,000	1889-94	44,596,000
'79-84	46,562,000	'85-99	44,062,000

The yield per acre is very low— $11\frac{3}{4}$ bushels—and it seems to be decreasing ; but it is partly due to the common practice of growing vines and other fruit trees among the wheat. In the better farmed districts the yield per acre is increasing fast, and often reaches 30 to 40, or occasionally over 60 bushels. Wheat is protected to the extent of 13s. 6d. per quarter ; but it is a common opinion among experts that the main effect of the duty is to encourage bad cultivation. It has been grown at less than 16s. a quarter, and it has been estimated that it can be normally grown with fairly good cultivation at less than 1l. Signor Valenti has collected evidence which tends to show that even at present it costs 22s. 8d., exclusive of rent. Other calculations, however, tend to show that in Lombardy and Tuscany, with a yield of 15 to 25 bushels to the acre, it costs (including rent and profit) 25s. to 35s.²² The normal price of imported wheat (less duty) is 30s.

3. The *wine trade* has, during the last two years, suffered from a severe crisis, as in France and Portugal. Good seasons, partial recovery from the phylloxera, and better stocks, have led to a great increase of production, which has flooded the market :—

	Hectolitres.
Average production in 1870-74	27,539,000
„ '79-83	36,760,000
„ '89-93	30,868,000
„ 1902 (estimated).....	40,000,000

There are only two effective remedies :—(1) to increase the exportation, which fell greatly after the rupture of the French commercial treaty, and has not recovered its position. To do this, Italian vine-growers must improve and standardise the quality of their wine :—

	Hectolitres.
Average exports of wine in 1873-77	362,000
„ '83-87	2,489,000
„ '88-92	1,566,000
„ '95-97	2,139,000
„ '98-1901 ..	2,038,000

²² Virgili, "Il problema agricolo," p. 282 *et seq.*; "L' Italia agricola, &c.," monografia xi, pp. 11 and 12.

(2) to increase the internal consumption, which is at present per head 35 per cent. less than in France. This can be encouraged by reducing or abolishing the heavy octroi duty, but more effectually by a general rise in the purchasing power of the community.

4. The most promising branch of Italian agriculture is in *dairy and poultry produce*. The exports of these have expanded very rapidly.

[In quintals. 000's omitted.]

	Cheese.	Butter.	Eggs.	Poultry.	Total.
Average exports of 1889-91	58,	33,	158,	57,	306,
„ '99-01	110,	63,	342,	91,	606,

making an increase in ten years of nearly 100 per cent.

Their total value in 1901 was 3,634,000*l*.

The improvement in cheese and butter is mainly due to the large development of co-operative dairies.

(e.) *Irrigation, Reclamation, Afforestation.*

Italy is the historic country of *irrigation*, and, especially in the Po valley, it has been carried to a high pitch of perfection. Irrigated land is used for rice, and still more for artificial grasses. The *marcite* of Lombardy, by dint of repeated croppings, bear 6 to 9 tons of hay to the acre.

	Acres.	
Land already irrigated....	4,124,000	= 8.2 per cent. of cultivated area
Other land capable of } irrigation	3,453,000	= 6.9 „ „
	7,582,000	15.1

Reclamation.—There is a great extent of land, often of great natural fertility, which is uncultivated, owing to its liability to be flooded, and to malaria.

	Acres.
Land reclaimed between 1860-99	765,000
„ in process of reclamation	956,000
Other land which is reclaimable (about)	1,000,000
	2,721,000

The discovery of effective means of combating malaria is likely to bring much land into cultivation without any great expense in reclamation.

Afforestation.—The great destruction of woods during the last century has seriously affected the climate, intensifying droughts, increasing the violence of storms, and in certain districts inducing a flow of muddy soil which has submerged the vegetation. There are still about 10,000,000 acres of woodland, or about 14.28 per cent. of the whole area of the country, but this is insufficient or too unequally distributed. A little has been done towards re-afforestation. Between 1867 and 1899, 50,000 acres have been re-afforested by the State and local bodies, at a cost of 206,000*l.*, and over 6,000,000 young trees are annually distributed from the State's nurseries. A drastic Bill to preserve the forests is now before Parliament.

WAGES, FOOD, &C.

(a.) *Wages and Salaries.*

The wages of certain classes of workmen per diem in 1880-1900 were:—²³

Class of Workmen.	Extreme Range.				Usual Rates.			
	s.	d.		s.	d.		s.	d.
Boiler-makers, fitters, smiths	1	2½	to	5	7		2	5 to 3 7
Founders	1	7	„	6	5		2	5 „ 4 0
Enginemmen ..	1	5	„	4	9½		2	2½ „ 2 9½
Masons	1	2½	„	5	0½		2	0 „ 2 5
Carpenters	1	2½	„	5	7½		2	0 „ 2 9½
Cotton operatives	1	3	„	2	6½		1	2½ „ 2 0
Wool „	—	9½	„	3	7½		1	6 „ 3 0
Miners	1	0½	„	3	7		1	2½ „ 2 3
Unskilled labourers	—	11½	„	4	0		1	2½ „ 2 0
Agricultural labourers—								
Regular	—	4	„	1	4		—	8 „ 1 2
Casual { winter	—	1½	„	—	9½		—	5 „ — 9½
summer	—	5	„	1	7		—	9½ „ 1 7
harvest	2	0	„	4	0		2	0 „ 2 5
Women—								
Silk operatives	—	5	„	1	7		—	6 „ 1 0½
Cotton „	—	6	„	2	5		—	9½ „ 1 4
Wool „	—	6	„	2	0		—	8½ „ 1 3½
Agricultural labourers	—	5	„	—	9½		—	5 „ — 7½

Since 1900 wages have risen very considerably in many trades, and especially among the agricultural labourers. I have not sufficient data to give precise figures as to the rise, but in very many cases it represents an addition of 10 to 50 per cent.

²³ Collected from a large number of sources.

In estimating annual wages, it must be remembered—

(a) that piece work is common, and in some industries it means an addition of 15 to 60 per cent. on the day wage.

(b) that there is still a certain amount of Sunday labour, and wages must in these cases be estimated on a seven days' basis. On the other hand, a casual agricultural labourer works and is paid for only 240 to 270 days in the year.

(c) that many women operatives in mills have free lodgings and meals below cost price. The agricultural labourer, too, often has perquisites.

The income of the lower middle classes is very small :—

The maximum salary of an elementary school teacher is 53*l.* for a man and 42*l.* for a woman. A clerk in the ministry of education has 80*l.* to 160*l.*, in the prefect's offices 24*l.* to 38*l.*; a stationmaster has 66*l.* to 200*l.*; a foreman engineer in a large shop earns, as a rule, 3*l.* to 3*l.* 12*s.* a week.

A small farmer's income probably seldom exceeds 26*l.* a year.

(b.) *Food.*

The estimated average annual consumption per head of certain articles of food is :—²⁴

Wheaten flour.....	264 lbs.	Salt	11 lbs.
Maize flour	145 „	Olive-oil	12 „
Rye and barley flour, and rice	30 „	Wine.....	20 gals.
Meat	30 „*	Coffee	14 ozs.
Sugar	5 „	Tobacco.....	19 „

* Variously estimated at 25, 27, and 39 lbs.

It will be seen that the total amount of flour consumed is 439 lbs. An Italian soldier is allowed 746 lbs. of wheaten bread and macaroni, representing about 615 lbs. of flour.

The only data I know of showing what proportion of a workman's income goes in the purchase of food, is in two budgets of agricultural labourers, which give 59 and 66 per cent. respectively.²⁵

The following table gives the average prices of food in 1896 (a) without duty, (b) after paying customs duties, (c) after paying both customs duties and local octroi at Genoa (this is abnormally high):—²⁶

²⁴ "Annuario statistico italiano," pp. 550—61.

²⁵ "Critica sociale," 1st October, 1901.

²⁶ Flora, *op cit.*, 347. The nearest equivalents in farthings are given.

	(a.)	(b.)	(c.)	Increase per Cent. of (c) on (a).
	<i>d.</i>	<i>d.</i>	<i>d.</i>	
Bread per 4 lbs.	4½	7½	8½	80
Macaroni per lb.	1½	2½	2½	57
Maize flour..... „	1	1½	1½	54
Rice..... „	1¼	1¾	2	63
Beef „	5	5½	6½	26
Bacon „	9	10¼	11½	28
Lard „	4	4½	4½	10
Butter..... „	10½	11	11½	10
Inferior cheese „	6¾	8	9	30
Milk per quart	3¼	3¼	4¼	26
Eggs per lb.	5	5	5½	9
Coffee „	10	16¾	17½	75
Sugar „	1½	6¼	6¼	303
Salt per 10 lbs.	1	19	19	1,900
Olive oil per lb.	4½	5	5½	27
Wine per gallon	10¾	19¼	24	120
Paraffin per lb.	¾	3	3¼	337
Soap „	2¼	2½	3	42

The following average prices obtained at Milan in July, 1902 :—²⁷

Wheat..... 41s. 10d. per qr.	Butter 9·09d. per lb.
Bread 7·45d. „ 4 lbs.	Eggs 7·2d. „ doz.
Pork 9·09d. „ lb.	Wine (cheapest) 1s. 3½d. „ gal.

The following average prices obtained at Rome in 1899 :—²⁷

<i>d.</i>	<i>d.</i>
Flour 1·9 per lb.	Butter 18·2 per lb.
Macaroni 3·4 „	Cheese 7·2 „
Rice 2·4 „	Eggs 4·3 „
Lamb 4·4 „	Coffee 19·2 „
Pork 4·8 „	Sugar 7·2 „
Lard 5·3 „	Olive oil 7·2 per pint
Potatoes 0·5 „	Soap 1·9 „ lb.
Chestnuts 3·9 „	

These prices include the local duties (which have since been repealed on bread and flour). The duties vary very much. In the smaller “open” communes their incidence is light, and prices therefore rule considerably lower there.

Salt, which is a government monopoly, costs 1·8d. per lb.; the present ministry proposes to reduce it to 1·1d. per lb.

It will be seen on the whole that bread, flour, coffee, and sugar are considerably dearer than in England; rice, lard, butter, and cheese are about the same; and fresh meat and eggs are cheap.

²⁷ Consular Reports; municipal statistics of Milan.

It may be noted that maize bread or polenta is more used than wheaten bread among a large proportion of the peasants of the North (not so much in Piedmont), whereas in the South wheaten bread is generally used, except in very poor districts, where rye or barley bread takes its place. Among the more prosperous peasants in Piedmont and the Centre there is a fair consumption of eggs, meat, and poultry. Cheese of various kinds is largely consumed, and in the South a good deal of fruit. Vegetables of many kinds, especially leguminous vegetables, tomatoes, and onions, are everywhere much used. These with rice or macaroni, and a little lard or oil, are the constituents of the *minestra* or mash, which is a standing dish once a day at least in most Italian households.

THRIFT AND LABOUR MOVEMENTS.

(a.) *Co-operative Societies.*

There are no exact statistics of Italian co-operative societies, except for people's banks, building societies, and agricultural syndicates; but the following figures are probably approximately correct.²⁸ The National League of Co-operative Societies is at present engaged in collecting complete statistics as to productive, distributive, and labour societies.

Class of Societies.	Number.	Membership.	Capital.
			£
People's banks and <i>casse di prestiti</i>	687	381,000	4,200,000
Village banks and <i>casse operate</i>	1,050	95,000	25,000
Co-operative dairies	750	37,000	40,000
Agricultural syndicates	300	60,000	30,000
Other agricultural societies	40	3,000	45,000
Productive societies	100	10,400	111,700
Labour societies	350	65,000	45,000
Distributive societies	2,250	400,000	1,400,000
Building societies	63	15,000	504,000
Insurance societies	100	20,000	100,000
Total	5,690	1,086,400	6,500,700

The following are the only available figures as to business done:—

People's banks (1898). Loans and discounts, 34,000,000*l.* Deposits, 15,500,000*l.*

Village banks (1900). Loans, perhaps 700,000*l.*

²⁸ "Banche popolari, 1898 (Ministero di agricoltura); Micheli, "Le casse rurali;" Bassi, "Le latterie sociali in Italia;" "Dodicesimo congresso dei cooperatori italiani;" reports of agricultural syndicates, &c.

Agricultural syndicates (1901). Sales 800,000*l.* to 1,000,000*l.*
The Federation sold 160,000*l.*

Distributive societies (1901). 625 societies (probably the large ones) sold 10,421,000*l.*

Insurance societies (1899). The largest of these had policies for 880,000*l.*

(b.) *Savings Banks.*

The totals for 1899 were—

	Number.	Depositors.	Deposits.	Average Deposit.
			£	£ s. d.
Private banks	404	1,630,000	57,200,000	35 1 7
Government bank	1	3,664,000	25,120,000	6 16 9
Total	405	5,294,000	82,320,000	15 10 11

In 1901 the deposits had increased to—

	£
Private banks	60,684,000
Government bank	28,800,000
	<u>89,484,000</u>

The Savings Bank of Lombardy is the largest in Europe, and at the end of 1902 had 595,000 depositors and 24,900,000*l.* deposits.

The interest on deposits is 2·76 per cent. in the Government bank; in private banks it is as a rule 3 per cent., but occasionally as low as 2½ or 2¼.

About 12,000*l.* a year are invested in the Government bank by school children.

(c.) *Friendly Societies.*

The friendly societies, though they have been the parents of most of the co-operative societies and savings banks, are comparatively weak. We have no complete statistics later than 1894, when there were 6,725 societies, with about 1,000,000 members. In 1897 the registered societies numbered 1,168, with 187,000 members and 720,000*l.* capital. There are probably now, registered and unregistered, 8,000 societies, with perhaps 1,200,000 members and 4,000,000*l.* capital.

(d.) *Trade Unions.*

Up to 1901 there were very few trade unions, but during the last two years they have spread with extreme rapidity. Their membership is fluctuating, and the figures given of them must be

taken as only approximately correct. A report to the Socialist Congress in September, 1902, gave—

80 Chambers of Labour (urban), with 350,000 members
1,293 Peasants' Leagues „ 240,000 „

to which must be added other unions not affiliated to the chambers of labour. Another estimate of last November puts the membership of federated unions at 479,000. It is probable that the total number of trade unionists is about 600,000. Twenty-seven trades, including the peasants, have federated their unions.

Between 1st January, 1901, and 31st March, 1902, there were 1,844 strikes (of which 660 were agricultural), involving 438,000 persons. 1,098 were favourable to the workers, and 732 were unfavourable, the remaining 14 not being classified.²⁹ There are no more recent official figures, but the returns collected by Signor Schiavi give 410 strikes for 1902, of which the settlements of about half were favourable to the men. The reduction in the numbers from those of the previous year are due to the better organisation and the federation of many unions, the formation of defensive unions by the employers, and the restraining influence of the Socialists.³⁰

EDUCATION.

(a.) *Cost of Education.*

The cost of education in 1899 was :—

	Elementary.	Higher.	Total.
	£	£	£
State	500,000	1,174,000	1,674,000
Provinces	15,000	217,000	232,000
Communes	2,623,000	574,000	3,197,000
Total	3,138,000	1,965,000	5,103,000

The published figures do not distinguish accurately what proportion of the State grants goes to elementary and higher education respectively. There are no figures as to the cost of voluntary schools, which take about 11 per cent. of the children; it may be put roughly at 400,000*l.* The income of educational charities is probably about 150,000*l.* Thus the total cost of elementary education is 3,688,000*l.*, or almost exactly 2*l.* per child in attendance.

²⁹ "Stato di previsione della spesa del ministero dell' interno per l'esercizio finanziario 1902-03."

³⁰ "Riforma Sociale," 15th February, 1903.

(b.) Illiteracy.

In 1896 the percentage of illiterates among recruits was 36. In 1901 the percentage of all ages in provincial chief towns (with 3,673,000 inhabitants) was 31 per cent. It is probable that the percentage for the whole country is between 40 and 50 per cent., but it varies very much in different parts. In some districts of the South it is probably over 70 per cent. In the rural districts round Mantua it is estimated at 25 per cent. It is probable that among children and young people in the North it is under 10 per cent., and among the same ages in some of the large towns, as Milan and Bologna, it is very small indeed.

(c.) School Attendance.

School attendance is nominally compulsory between 6 and 12, but it is very inadequately enforced. The official figures as to attendance are curiously discordant: but the most probable figures give for 1895-6 the number attending school at 1,830,000, or 74 per cent. of those of school age.³¹ In six provinces of the North it was over 94 per cent. There are no figures showing average attendance, but it is certainly low, at all events in the rural districts.

Percentage of Population Attending School in 1895 in certain Countries.

Italy	8.2*	Prussia	15.6
England and Wales	17.7	Spain	10.5
France	16.0		

* According to other official figures 9.3. "Annuario statistico italiano," 1900, pp. 216-18.

(d.) Secondary and University Education.

The attendance at secondary schools in 1896 was:—

Class of Schools.	State Schools.	Private Schools.	Total.
Gymnasiums	25,244	34,334	58,578
Lyceums	10,945	6,744	17,689
Technical schools*	24,205	13,100	37,305
„ institutes*	8,425	1,518	9,943
Normal Schools	19,033	5,119	24,152
Other secondary schools	8,340	—	8,340
Technical and art schools and } conservatoires	3,920	35,621†	39,541
Secondary boarding schools	6,108	38,974	45,082
Total	106,220	135,410	241,630

* "Technical" only in name; really modern sides.

† Many of these are subsidised by the State, and are partly under government control.

³¹ "Supplemento al n. 47 del bollettino ufficiale del ministero dell' Istruzione pubblica."

The twenty-one Universities had 21,665 students in 1895, of whom 132 were women. The number attending the different faculties was:—

Philosophy and literature	1,355
Law.....	6,750
Mathematics and science	2,675
Medicine and pharmacy	10,835

POOR RELIEF, &C.

(a.) *Relief by Public Bodies.*

There is no poor law, properly speaking, in Italy; but public grants are made both to infirmaries and hospitals for the sick poor, and to refuges for the non-able-bodied. Every commune is bound to furnish medical attendance free of charge, and, if it likes, medicine also, to all the poor, though the law is not always observed. The provinces have to maintain pauper lunatics, and the provinces and communes conjointly have to maintain foundlings. In 1902 there were 40,791 non-able-bodied paupers in the *ricoveri*, which are the only equivalents of our workhouses. Begging is nominally illegal, and there is little of it now in many districts. Prosecutions for begging (on the average of 1897-99) were 42·06 per 100,000 inhabitants, but in the South prosecutions are very rare.

Expenses of Public Bodies in Poor Relief in 1899.

	£
State	54,000
Provinces	1,141,000
Communes*	1,714,000
	<hr/> 2,909,000

* A few communes provide medical attendance free of charge for all the inhabitants.

The communal and provincial charges are distributed as follows (figures of 1899):—

[000's omitted.]

	Pauper Lunatics.	Medical Relief.	Grants to Hospitals and Refuges.	Foundlings.	Out-door Relief.	Miscellaneous and Unclassified.
	£	£	£	£	£	£
Provinces	573,	—	78,	248,	—	242,
Communes	—	771,	300,	218,	160,	265.
Total	573,	771,	378,	466,	160,	507,

(b.) Charities.

The relief of the poor falls mainly on the charitable institutions of the country, which, rich though they are, are quite unequal to the task.

Endowments of Charities.

[000's omitted.]

	Hospitals.	Orphan-ages.	Foundling Hospitals.	Relief of Poor.*	Refuges for Non-Able Bodied.	Committees of Charities.
	£	£	£	£	£	£
Endowments in 1880	24,988,	12,549,	1,835,	15,614,	4,719,	2,617,
New endowments 1881-98....	4,144,	1,280,	16,	1,115,	1,586,	846,
Total	29,132,	13,829,	1,851,	16,729,	6,305,	3,463,

	Asylums.	Various Institutions.	Dowries.	Educational.	Religious Purposes.	Various Purposes.	Total.
	£	£	£	£	£	£	£
Endowments in 1880	766,	510,	2,453,	4,331,	1,138,	4,386,	75,906,
New endowments 1881-98....	6,	603,	135,	1,552,	23,	485,	11,791,
Total	772,	1,113,	2,588,	5,883,	1,161,	4,871,	87,697,

* A portion of some of these is for religious purposes.

Income of Charities.

	Official Figures for 1880.	Estimated Figures for 1898.
	£	£
From property	3,618,000	4,300,000
„ grants by public bodies, } donations, &c.	1,790,000	1,500,000
	5,408,000	5,800,000

It is worth mentioning, for comparison, that the gross income of endowed charities in England and Wales (independently of voluntary subscriptions) was estimated, in 1877, at about 2,200,000*l.*

The gross income in 1880 was thus distributed:—

	£
Taxes and expenses of management	1,547,000
Religious purposes	257,000
Charity and education	3,604,000
	<u>5,408,000</u>

It is probable that, owing to better management, the first item has decreased since then.

(c.) *Monts de Piété.*

The following are the figures of 1896 :—

Number	555	Number of pledges in year	6,513,458
Value of property	2,879,000 <i>l.</i>	Total sum advanced	4,153,000 <i>l.</i>
Income	414,000 <i>l.</i>	Average of pledge	12 <i>s.</i> 9 <i>d.</i>
Expenses	300,000 <i>l.</i>	Deposits	1,560,000 <i>l.</i>

Some of them, by taking deposits and advancing money on loans or discounts, approximate to co-operative banks.

(d.) *National Insurance against Accidents.*

The figures for 1902 were :—

Number of cases compensated	30,401
Total paid in compensation	104,000 <i>l.</i>

			£	s.	d.
Cases of death	301	Average sum paid	131	16	5
„ permanent disability	1,103	„	34	10	5
„ temporary „	28,997	„	—	17	4

Under the amending Act of 1902, its benefits will be extended to a much larger number of workmen, and compensation will be increased in certain classes of accidents.

(e.) *National Old Age Pension Fund.*³²

Under the voluntary law of 1898, 85,000 persons were insured in December, 1902, as against 43,000 at the same date in 1901, being an increase of 42,000 or 97 per cent. in the year. Of these, 15,000 insurances have been effected in consequence of official propagandism for the fund; the remainder are apparently due to the efforts of friendly societies and savings banks. The fund amounts to 701,000*l.*, of which 53,000*l.* has been paid in by insured working men, the remainder being contributed mainly by the State, and to a smaller extent by thrift societies. Any working man or woman, or domestic servant, or member of certain specified categories belonging to the lower middle classes, may insure himself. The annual payments may vary, at the option of the insurer, between 4*s.* 9*d.* and 4*l.* a year. The State contributes an equal annual

³² Publications and private information from the office of the *Cassa nazionale di previdenza*.

bonus to every insured person, which varies according to the funds available, and in 1902 was 8s.; it also credits each insured person with 4·2 per cent. on his payments. The pension may commence at any age between 60 and 65 at the option of the annuitant. A person commencing to insure at 20 years old, and paying 9½*d.* a month, and agreeing to forfeit his payments to the fund if he dies before pension age, will obtain a pension of at least 4s. a week at 60 or 7s. 2*d.* at 65, and should the added quotient remain at its present figure, he will have considerably more. It is worth noting that an annuitant in the English Post Office, making the same payments, will have 1s. 6½*d.* a week at 60, or 2s. 6*d.* at 65, or not much more than one-third of the Italian figures.

CRIME AND IMMORALITY.

The following figures give the number of persons who were reported for criminal offences per 100,000 inhabitants³³ :—

Years.	Murder and Manslaughter.	Assaults.	Robbery with Violence.	Larceny.	False Pretences.	Forgery and Embezzlement.
Average of } 1887-89	13·82	296·70	6·68	331·09	50·22	31·91
Average of } 1897-99	12·01	280·86	10·81	417·53	39·56	75·63

Years.	Offences Against Morality.	Libels.	Resistance to Police and Public Authority.	Other Criminal Offences.	Minor Offences.	Total.
Average of } 1887-89	15·50	164·68	41·09*	293·53	613·90	1859·15
Average of } 1897-99	23·87	271·84	51·11*	423·15	1009·80	2616·22

* This includes many semi-political offences which would not be criminal under the English law.

N.B.—The crimes included under larceny and false pretences include some offences previously classified under other headings.

It will be noted that in all classes of crime, except murders and assaults and false pretences, the numbers have increased. In North Italy the number of the more serious crimes is much smaller than in the South. Figures per 100,000 in 1897-99 :—

³³ “*Statistica penale giudiziaria per l’anno 1899;*” “*Annuario statistico “italiano.”*”

Province.	Murder and Manslaughter.	Assaults.	Robbery with Violence.	Theft.	Offences Against Morality.	Total of all Crimes, Less Minor Offences.
Piedmont	5.29	125.34	6.50	249.00	10.08	824.51
Lombardy	2.75	144.41	5.37	303.89	11.83	922.86
Calabria	20.82	595.67	9.78	607.52	44.31	2826.75
Sicily	27.50	365.78	30.73	512.41	48.83	2199.19

It must be remembered that the above tables of figures refer to persons reported for offences; out of these, on the average of 1895-97, 68.6 per cent. were brought to trial, and out of those brought to trial, 46.0 per cent. were convicted. Thus out of the total number of persons reported for crimes, only 31.5 per cent. were convicted. Of these 50.9 per cent. were punished by fine (more than half by fines of less than 8s.). 80 per cent. of those tried for minor offences were punished by fine.

Signor Bodio gives the following comparative statistics of crime for 1888:—

Number of Persons Convicted per 100,000 Inhabitants in Certain Countries:—

Country.	Murder and Manslaughter.	Assaults.	Thefts, Excluding Field Thefts.
Italy	8.42	225.99	71.28
England	0.38	—	133.38
France	1.46	71.62	114.79
Germany	0.80	154.70	177.36
Austria	2.16*	288.33	—

* Cisleithan Austria only.

I am inclined to think, however, that these figures, except for murder and manslaughter, must be accepted with caution, owing to the varying classification of crimes in different countries.

Drunkenness is comparatively rare in Italy, especially among the peasantry. Persons tried for drunkenness (on the average of 1897-99) were 43.70 per 100,000 inhabitants; in Sicily it was as low as 10.07. Signor Bodio gives the following comparative statistics of deaths from alcoholic poisoning:—

*Deaths per Million in Certain Countries from Alcoholic Poisoning on
Average of 1887-89.*

Italy	14	Belgium.....	52
England.....	51	Sweden	65
Prussia	26		

Illegitimate births are comparatively few. Precise figures cannot be given, as official statistics include illegitimate births and foundlings under one heading. The percentage of both these together was 6·5 of the total number of births on the average of 1895-97. Even this figure is misleading, as the Italian law classifies as illegitimate all children born of parents married with the religious rite only. There are a large number of these; and the number of children born out of wedlock is probably very small.

The number of legal separations of marriage is 1·22 per cent. of married couples. There is no divorce, but a Bill now before the Chamber proposes to legalise it in certain cases.

ELECTORATE.

The franchise is given to all who pay 15*s.* 10*d.* in direct taxes, to farmers paying a rent of 20*l.*, and to householders paying a rent varying from 6*l.* in villages to 16*l.* in large towns. Persons who cannot read or write are disfranchised, but apparently the writing qualification is satisfied by the claimant signing his name. Owing, however, to the large number of illiterates, and the fact that the rental qualification excludes the great bulk of labourers, the number of voters is comparatively small.

Percentage of Population having Votes in certain Countries.

Italy	7	Germany	20
Great Britain	16	France	27

Percentage of Voters recording their Votes.

Election of 1892	59·23	Election of 1897	61·91
„ '95	63·44	„ 1900	58·28

The number who record their votes is reduced to some extent by the Papal veto, which forbids Catholics to take part in elections, and to a greater extent by temporary emigration, indifference, and lack of political organization.

It is impossible to give with precision the votes given to different political parties, as not a few candidates are of too undecided politics to be classified. The most reliable statistics for the elections of 1897 and 1900 give the following results³⁴:—

	Elections of 1897.	Elections of 1900.	Gain or Loss.
Conservatives.....	} 994,083	{ 663,418	} - 58,967
Liberals			
Extreme Left			
	214,057	333,945	+ 119,888

³⁴ "Riforma Sociale," 15th August, 1900.

The votes given to the Extreme Left may be approximately subdivided thus :—

Radicals..... 92,000 | Republicans 82,000 | Socialists 160,000

How uncertain is the division of parties is shown by the fact that soon after the elections of 1900 a Liberal government took office, and have, with the support of the bulk of the Extreme Left, commanded since then a large majority of the Chamber.

CONCLUSION.

Perhaps I may conclude with a few general remarks on the economic prospects of Italy. I think we have warrant for large hopes. The mass of Italians, especially in the north and centre, start with very fine natural qualities—great industry, sober and thrifty habits, and an alert intelligence, quick to adapt itself to new conditions. For centuries these qualities had no opportunity of bearing fruit. Misgovernment impoverished the country and cribbed the people's energies. Illiteracy allowed their native intellect little scope. And to come to the special facts of later years, so long as coal was the only motive force, a country without coal was necessarily at a disadvantage. So long, too, as industry remained in the domestic stage, there was little chance for working-class combination, whether for thrift or to increase wages. All this is passing now. A great industrial expansion is spreading through the North, and touching here and there the Centre and the South. The country has discovered a treasure-house of unknown wealth in the water power of its rivers. It is coming to the front in scientific discovery, especially in electricity. It is developing an artisan class, which probably yields for worth to that of few countries. Agriculture, still the chief mainstay of the country, is having its revival too ; and both in town and country the wealth of the nation must be rapidly increasing. Meanwhile both country and parliament are facing social problems with skill and resolution. Until the productiveness of the country increased, there was little prospect of improvement for the masses. But now, with the advance in productiveness, there is an improvement in distribution too. The vitality of the many-sided co-operative movement, the unrivalled private savings banks, the more recent labour movement, unparalleled in Europe for the rapidity of its growth, prove what the lower-middle and working classes are doing for themselves. Since the accession of the present King, government, and parliament, so long a bye-word, have been doing their part well ; and Italy, a few years ago almost the last among European countries in its social legislation, promises before long to be among the first.

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DISCUSSION *on* MR. BOLTON KING'S PAPER.

MR. T. A. WELTON, F.C.A., said the paper was one for which they ought to be obliged to the author; it traversed an enormous field, and would set them thinking on a great number of subjects, but the subject was too large to make it possible for the author to deal exhaustively with all the elements. The first point he wished to touch upon, by way of criticism, was with reference to the increase of population in England and Wales, which happened to be 12.1 per cent. for the ten years ending 1901, and not 9.8 as stated; but that figure might have been put in for the United Kingdom, the increase in Ireland being much slower than on this side of the Channel. Another point had reference to the under-estimation of population upon the birth- and death-rates. Since it appeared that the population had been under-estimated, the ratios computed ought therefore to be reduced, instead of being increased. He had not tested the figures of the birth- and death-rates, but he rather thought that the average excess of births over deaths in England was not so much below the Italian rate as was here represented. Coming to the question of emigration, he noticed that the ingredients of the 100 per cent. given in the paper added up to more than the proper 100. The table as to emigration was, perhaps, the most interesting in the whole paper, and the information it gave as to Italian and Spanish and Russian emigration showed movements of the deepest interest. As in former times he had taken an interest in this subject, he could safely say that on it alone a valuable paper might be written. Concerning the table respecting "crime," it might be remarked that it was very difficult to steal anything where there was nothing to steal; and it followed that, in countries like Italy and North Wales, where there was very little wealth, theft was a comparatively small element, and it should be borne in mind that it did not follow that because in England we were enormously wealthy and offered a greater field for depredators, and had consequently more thieves, we were any worse than other people.

MR. E. W. BRABROOK, C.B., observed that the extension of thrift in Italy of late years appeared to have been remarkable. They all knew that Italy had long set them an excellent example with regard to the system of co-operative banks, which had flourished there to an extent they had not attained in this country, and he observed from the paper that Italy had also succeeded in setting them an example with respect to the establishment of a system of old age pensions. It was something to have such an example set in a country where the means of the industrial classes

were relatively not great. It was not surprising that the growth of friendly societies in Italy had not been so rapid as might have been expected, but the accumulation of funds by such institutions would necessarily be more slow there than in a country where wages were higher, and it was possible to put away relatively large sums. But for this he did not think the Italians were to be blamed, because they were ahead of us in the direction of co-operative productive societies, co-operative banks and savings banks, the progress of which bodies appeared to have been remarkable, having regard to all circumstances.

Mr. R. F. CRAWFORD said he should like to express his appreciation of the immense amount of work Mr. Bolton King had put into the paper. A point that had occurred to him in reading it was the lowness of wages of the working classes generally, and particularly of agricultural labourers, and the relative dearness of food. Then there was the large amount of taxation that fell upon the working classes. According to one of the tables, 20,000,000*l.* out of a total of 50,000,000*l.* fell on the workmen and poor peasants. In view of these figures, he found it difficult to agree with the author that the statistics indicated the prospect of so much prosperity as Mr. King appeared to think. In this connection a report had recently been issued, in which one of His Majesty's representatives in Italy called attention to the depressed condition of agriculture in that country, and to the heavy burden of taxation on the labouring classes. He would be glad, however, if Mr. King could explain how it was that the deposits in savings banks had increased so largely, in spite of the low standard of wages, the dearness of food, and the heaviness of taxation.

Mr. H. W. WOLFF disclaimed any intention to criticise Mr. Bolton King's paper, which he considered admirable, but said that he thought that some supplementary figures which he had collected might be found of interest. He had, indeed, a very much larger number than he could presume to bring before the meeting. Some of his figures differed a little from those given by Mr. King; others would fill up some gaps. As regarded population, M. Bodio claimed that credit should be given to Italy for 3,000,000 Italians temporarily in foreign countries. M. Bodio put the annual figures of those who ought to emigrate at from 200,000 to 300,000. In 1901 the number was 533,215, but to more than half of these later, according to M. Bodio, emigration was temporary only. In 1902 the figures dropped to about 300,000, and more than a third of these were reported temporary. Of the 200,000 emigrating, as a rule to America, North and South, about 75,000 came back. M. Bodio complained that it was the best people who left the country. The feeling in Italy was that a certain number of persons must emigrate, probably about the number that actually do, but they were nevertheless making efforts to provide for growing numbers in the country. Thus a serious attempt was now to be made to reclaim part of the *Agro Romano*, and to make it habit-

able, and this was expected to provide accommodation for about 280,000 people. The national wealth of Italy had, indeed, grown remarkably, but he thought that in developing it statesmen had begun at the wrong end. They had brought up their consols and paper money to par, but had neglected the poor and needy, increasing in this manner the prosperity of the State rather than that of the nation. Nevertheless there had been striking progress, on which Italians must be congratulated. Thus, since 1872, railway traffic had nearly trebled. The goods traffic, indeed, had more than quadrupled, having grown from 6,000,000 tons to 25,000,000 tons per annum. The kilometres worked had increased from 6,377 in 1871, to 15,696 in 1897; the kilometre per passenger from 1,614,000,000 in 1886 to 2,571,000,000 in 1899. There were 3,107 kilometres of steam trams now at work. The figures given by Sir James Rennell Rodd, in the last blue book, as relating to the national debt, did not quite agree with those of Mr. Bolton King. Sir Rennell Rodd put the debt at 515,971,000*l.* at the end of January, 1898, and now at 512,049,000*l.* This showed a diminution of four millions sterling. Sir Rennell, however, pointed out that there was an accumulated deficit of past years not taken into account, which now stood at 13,372,000*l.* In 1898, however, there had been as much as 16,440,000*l.* At present there was nearly 470,000,000*l.* of regular public debt, and in addition there was 42,000,000*l.* of special debt administered by the Treasury. The charge of interest on the two now stood at twenty-three millions sterling. Again, Sir Rennell Rodd put the repayment from abroad as amounting in four years to 27,800,000*l.*, but added that this source was now exhausted. According to that, the Italians must have bought back the bulk of their consols that had gone abroad. M. Ghio said that in five years 450,000,000 lire of capital invested in such manner as returning consols had been absorbed, and he put that down as additional savings. It should not be forgotten in this connection, that in Italy, consols had not been driven up as they were here by compulsory purchases on behalf of savings banks. In Italy the balances of the Post Office savings bank were, by preference, laid out in loans to local bodies, and, at present they were represented not only by 382,700,000 lire in such loans, but also by nearly 500,000,000 lire in State paper. Some 643,000,000 lire were laid out in rentes. The growth of savings bank deposits was very considerable, and it deserved to be remarked that the Post Office savings bank seemed to be growing in favour, though it paid less interest than the other Italian savings banks, which were for the most part exceedingly good. He had noticed just the same thing in France, where the same conditions prevailed. The object of those who framed the legislation on this point was to make the Post Office savings bank an overflow receptacle only. They desired the bulk of the savings to go into co-operative societies or into ordinary savings banks. In 1895 the Post Office savings bank only took about one-fifth of the national savings. In the year 1900 the figures for ordinary savings banks were 1,465,000,000 lire, and for the Post Office savings bank

657,000,000 lire. For 1901 Sir Rennell Rodd put the Post Office savings bank rather lower than Mr. Bolton King, at 758,500,000 lire. Italy had been rightly congratulated upon the growth of its national income. But it deserved to be remembered that such growth was very largely due to the poverty of the people, because they had had to import such a mass of corn to feed them. In 1901 there was 74,300,000 lire duty paid on imported corn, and in 1901-02 it was very nearly the same figure, 69,700,000 lire, and it was rather a disgrace that Italy, which after all was an agricultural country, should require to import so very much corn from abroad. However, in spite of a recent improvement of agriculture, which was really something surprising, and due chiefly to the remarkable activity of the agricultural *consorzi* and co-operative societies, the yield per acre remained in Italy deplorably small. The co-operative societies and syndicates had done real good work: they had not only organised very happily common purchase and common sale of agricultural produce, but had also taken in hand agricultural education with remarkable success; they had taught people how to farm. Some time ago the people were wholly ignorant of the value of artificial manure or of agricultural machinery. Now there was a large and growing resort to these things. The effect could be traced in the increased crops; but still the yield was remarkably small. M. Bodio put the yield of wheat at 10·85 hectolitres per hectare from 1870 to 1887; from 1888 to 1896 at 9·75 hectolitres—therefore less. Valenti put it at only 8 hectolitres for Italy in general in 1897. On the other hand, according to Valenti, the figures for other countries were:—Hungary, 10·90; Austria, 10·95; Great Britain, 26·10. Ghio put the yield in Italy at 11 hectolitres, and ours at 31·6, but that was for a later date. Taxation was undoubtedly heavy: it pressed on the poor, and raising the cost, reduced the consumption of commodities. For salt, for instance, they paid in Italy 35 lire per quintal, to 10 in France and 15 in Germany; for petroleum, 48 lire in Italy, to 13 in Austria and 7·50 in Germany; for coffee, 130 lire in Italy, to 89 in Austria and 50 in Germany; for sugar, 72 lire in Italy, to 38 in Austria, 25 in Germany, and 36 in France. In Austria the consumption per head was 14·5 kilogrammes of salt, in Italy it was only 6·5. The figures for petroleum were 6·1 kilogrammes in Austria, 9·8 in France, and 16·9 in Germany, and only 2·2 in Italy; and so it went on. The consequence was, that where an English working man's family was calculated to pay only 6 per cent. of its income in taxes, an Italian's was bound to pay 23 per cent. A deplorable result, more particularly of the small consumption of salt, by reason of its dearness, was a terrible mortality from pellagra, and he did not think that had decreased very much. The poor had nothing but polenta to feed upon, and that was often made of very bad maize. That produced pellagra. In addition to deaths from pellagra there was a monstrous tale of mortality from tuberculosis arising from the same cause in the second generation. As to the increase in industrial labourers' wages, that also was rather interesting. In the small trades wages had increased pretty well, but in the

large, in which machinery was employed, and in large workshops, the increase had been trifling. No doubt in rural occupations wages had risen, but that he attributed mainly to the vigorous efforts of the labourers' societies called *braccianti*, and lately the *leghe di miglioramento*. It deserved to be noticed that in some respects the character of agricultural occupation had changed. In Piedmont and Lombardy land had become very much sub-divided. Elsewhere speculating farmers had crowded out the small holders, who were too distressed to hold their own. These larger farmers, as a rule, made a fair living, being supposed to net 10 per cent. on their capital. The landlord also netted a fair rent. It was the people at the bottom of the scale who were made to pay for all. Under the effect of the creation of larger farms by smart men of business, no doubt agriculture had in some districts improved. Thus he had, among others, the following figures for the Mantovano, a district thus affected. In 1877 there were in that district only 27,700 hectares of pasture; in 1899 50,000, with nearly three times the old yield. In 1877 they had 35,000 hectares of vineyards; in 1899, 75,000. In 1877 they had 70,000 head of cattle; there were now 110,000; dairy produce stood at 1,000,000 kilos. in 1877, and now at 3,500,000. The use of artificial manure was in 1877 nil, now it was 400,000 quintals per annum. The employment of machinery was nothing then; they now had 400 mowers, 900 drills, and 800 horse-rakes at work. In connection with the poor nourishment of the people, it might surprise them to hear that he had actually found 58 families with but one cow amongst them. However, that was not reckoned as a hardship. These people were well off. The fact was that, according to their habits, only children received milk, and they only in cases of illness. The pressure upon the poorer peasantry was painfully shown, among other evidences, in the number of forced sales and evictions occurring for arrears of rent, which the poor people were unable to pay. There was one case on record in which a small holding had been seized for 16 centeimi (about three halfpence) of arrears. Between 1874 and 1879 these sales amounted to 4,700, at the rate of about a thousand per annum. In 1881 there were 12,500, and in 1887 10,656. In 1889 the number rose to 22,415. He expressed entire agreement with Mr. Bolton King's concluding remarks, in which he warned Italians against this optimism, in the consideration to which they were doubtless inclined. All was now going well; the national credit had gone up, and the belief prevailed that things must go on in this way. However, in spite of a *rente* at par, they were not out of the wood yet and, in Mr. King's words, there remained plenty of cause for anxiety.

Mr. C. ROZENRAAD said that as one who had taken an active part in the Italian loan for the abolition of the forced currency, and as one who had been in business relations with Italy for twenty-three years, and as a member of the Executive Council of the Italian Chamber of Commerce, he hoped he might be allowed to make some remarks. In the first instance, he differed entirely from Mr. King

in what he had said about emigration, because he had before him official figures, bringing up the emigration for 1901 to 251,000, as against Mr. King's figure of only 165,000. Then they had as temporary emigration 281,000 persons, while Mr. King put it at only 130,000. Again, in reference to the allegation of a decline of Italian emigration to South America, he would say that, according to the same official statistics, from 1890 to 1901 600,000 Italians went to the Brazils and 600,000 to the United States; 400,000 to the Argentine Republic and 15,000 to Uruguay.

Mr. King, in speaking of the debt of Italy, had not said a word of the loan of 29,000,000*l.* sterling for the abolition of the forced currency in Italy, which was concluded in 1881 by Messrs. Baring Brothers, C. T. Hambro and Son, the Banque d'Escompte de Paris, the Credite Mobilier Italien, and other banks. Previous to that time Italy experienced all the drawbacks of the forced currency which was inaugurated in 1866, at the time of the war with Austria, and lasted seventeen years. During that time the premium on gold was subject to violent fluctuations. In 1866 it rose to 20 per cent., and stood in 1879 between 8 and 12 per cent. These fluctuations naturally weighed heavily upon the country, and introduced an element of uncertainty into all transactions, checking the development of production and trade. The resumption of specie payments on the 12th April, 1883, which financiers at home and abroad had thought so rash, succeeded admirably from the beginning. It was the decisive operation of the abolition of the forced currency which led to the discovery of the enormous progress made by the young kingdom in every direction. Italy, dazzled by the astounding progress of its public wealth, became less and less prudent, was anxious to have an army and navy worthy of a great power, embarked in colonial enterprise,—in a word went ahead too fast. The situation formerly so brilliant, became worse and worse, especially after the tariff war with France, which was followed by a financial war with that country, by a building crisis, and last, not least, by the fall of the Banca Romana and other banking institutions. Of all this, and of the measures taken by the Italian Government to restore confidence, to improve the financial situation, the fiduciary circulation, and the reorganisation of the Italian issue banks, Mr. King's paper did not say a word, although he could have found all particulars in his (Mr. Rozenraad's) book on Italian finance, which was in the Society's library. Mr. King quoted the prices of Italian stock in Rome, but, curiously enough, there was only a small market for Italian stock there. Paris was the principal market, and it was the price of Italian stock in Paris that acted as the barometer in regard to the tendency of the Italian rentes. He called attention, too, to a slip on the part of the author in speaking on p. 220 of a *fall* in the exchange instead of a *rise* in the exchange. He should, of course, have said a fall in the foreign exchanges. Mr. King also said, on p. 220, "it must be remembered that the interest was reduced from 4·34 per cent. to 4 per cent." But it was not correct to state the fact in that way. What happened was, that the Govern

ment, constantly in need of money, decided to raise the income tax, which until then had been 13'20 per cent., by another 20 per cent., so that the net income on the 5 per cent. rente was reduced from 1st January, 1895, from 4'34 to 4 per cent. Then, with regard to income and expenditure, Mr. King only gave the budget figures for 1901, though, in fact, those for 1902 had been obtainable since November. Now, Mr. King said, "there would probably be a tax on wine," but wine was the one article which the Italians would never tax, because it represented really the prosperity of a large portion of the country. On the contrary, they insisted that countries which taxed imported wines should reduce them as far as possible in favour of Italian wine. Mr. King was right when he said with respect to the same budget, that "there was no proposal to reduce expenditure on the navy, but there was a strong demand that the cost of the army should be reduced." Not only in Italy, but everywhere in Europe, the burden of the armed peace had become so serious that the people were protesting in some countries, like Austria, Italy, and Germany, against a tax on the food of the people. Mr. King was not correct in his explanation of the excess of income over expenditure. According to official figures there was, in the last three years, a total excess of income over expenditure of 212,000,000 lire, roughly speaking, 8 millions sterling, with which Italy had built new railways at a cost of nearly 3½ millions, paid off a million of debts, paid the cost of the Chinese expedition, and left in the Treasury another 3½ millions. The balance sheet of the Government¹ given in the paper was for 1897, but much later figures were available. Since 1897 much had happened, and the condition of things had vastly improved, and it would only be fair to give the latest figures available. When Mr. King said that the cost of the railways were 200 millions sterling, or 5,164,000,000 lire, he should have added that the average had been 311,654 lire per kilometre, and that the railway receipts were 5,282 lire per kilometre. That corresponded to a rate of interest of 1'70, which showed that the railways were not in a splendid condition, and that the rate of interest obtained was not very large. Though Mr. King gave only the figures of trade extension for 1901, those down for 1902, and even those to the beginning of 1903, were available, all showing a great expansion of Italian trade. It was not correct to say that the rupture of the commercial treaty with France took place in 1887: it took place on the 15th December, 1886. He was equally wrong to say that both imports and exports showed a serious decline. That was only true of the trade with France prior to the signature of the new treaty of commerce between France and Italy on the 21st November, 1898, and since that time there had been a great improvement. Thanks to the energetic efforts of Milan, Turin and Genoa to secure fresh outlets, a steady and rapid revival of trade had taken place, and in this

¹ This refers evidently to the railway accounts quoted in the paper (see p. 225), where later figures are now set forth.—ED.

direction Italy was admirably assisted by the Italian Chambers of Commerce abroad, notably by that of London. Thanks to those energetic efforts, the rates of the foreign exchanges had fallen considerably, and the premium on gold had practically disappeared. Coming next to the construction of steamships, a most important point, there was a serious mistake in the addition. The figure should be not 6,808, but 5,808. Mr. King gave only the number of vessels to 1901, but he (the speaker) had the figures to 1902, and, moreover, Mr. King's figures were not correct. The figure he himself had for 1901 was not 471 vessels, but 486 vessels, and the total tonnage shown did not appear correct.

In regard to the author's remarks on savings banks, the cotton industry, the clearing house figures, and on the discounts and advances of the three note-issuing banks, the same criticisms applied; the figures given were from years ago, while those for 1902 were already available. Then Mr. King was wrong in stating that the large investments of French capital had been mostly withdrawn since 1887. On the contrary, when the treaty of commerce was signed between France and Italy, France, wishing to show her financial strength and desirous of obtaining more influence in Italy, had invested millions and millions in Italian securities, contributing materially to the increase of the capital of two of the principal banking institutions, the Banca Commerciale and the Credito Italiano. These credit institutions, originally created with German and Swiss capital, though not referred to by Mr. King, were of great material importance. Their shares were quoted at a very high premium, and they enjoyed great confidence, and the only complaint that was made in Italy was that there was no English bank. There would be a great opening for such an institution. Not only is Italy doing a large business with England, but everywhere in Italy there are large colonies of English people, and as Germany finds it profitable to have two banks in Italy, England, so intimately connected with that country, would find it still more advantageous to have a bank there. Mr. King had referred to the mortgage of rentals, but he had not spoken of that great and progressive institution the Credit Foncier of Italy, which had been established with the co-operation of English and German firms of high standing, and was doing very useful and profitable work. Notwithstanding the severe crisis in 1893, it had constantly increased its volume of business, and given higher and higher dividends, and it certainly deserved mention. Considering the strength and intimacy of the political relations between Italy and England, it was desirable that the figures sent out on the authority of the leading Statistical Society of the world should be correct and up-to-date, or it might create amongst a people so susceptible as the Italians a most unfavourable impression. The only thing as to which he agreed entirely with Mr. King was in the passage at the end, where he said that a few years ago almost the last among European countries in its social legislation, she promised before long to be among the first. He agreed entirely that if the Italians followed a wise and prudent policy both at home and abroad, continued their efforts to secure

fresh markets—abstaining from colonial enterprises, such as contributed to the crisis of 1893—if, in a word, they tried to remove the last obstacles which counteract the expansion of trade and clash with the welfare of the country—he was convinced that Italy, that great nation and friend of England, would certainly reach a situation worthy of her history and of her traditions, and become one of the leading commercial nations of the world.

The PRESIDENT, in proposing the vote of thanks to the author of the paper, said they had to thank Mr. Bolton King very much for bringing such a varied mass of figures before them on such a very interesting subject as that of the progress and revival—if he might say so—of the economic and political position in Italy. It was evident Mr. King had taken a great deal of trouble in collecting from many sources these statistics, and he would probably think after one or two of the speeches they had just heard, that had he been a little less ambitious and not exposed so very large a front to the fire of detailed criticism, he would have had a somewhat more easy task in reply. The fact was that in dealing with the varied and not always harmonious statistics of a great and growing country such as Italy, it was inevitable that some joint might be found in their harness through which the shaft of criticism might pierce. With reference to some at least of the tables he was disposed to agree with Mr. Rozenraad, that later data might with advantage, if only this were possible, be added, perhaps, by way of note, where they illustrated a new or confirmed a suggested conclusion. In that Society they were desirous, above all things, of ascertaining, however, not only the most recent but the most accurate and comparable data. In mitigation of some of the criticisms of the last speaker therefore he might, perhaps, add that it was not always well in a statistical survey to seize the very latest current data offered by telegrams or newspaper notices, or even special trading information, but sometimes, and even at the risk of being a little less up to date, to wait until the final figures for completed years were revised, weighed, and authoritatively issued. This revision of Government figures usually took a little time, and in some respects he feared the Italian official data were falling further behindhand. They had to congratulate themselves on having had a very good debate. For his own part, he confessed he would have been glad to have heard some explanation with regard to some of the figures quoted as to agricultural production. The low yield of wheat there shown was remarkable, but still it could be explained. The yield of potatoes given for 1900 suggested an abnormally high rate of production. That something like $7\frac{1}{2}$ tons to the acre over all Italy could be produced, on the average, was startling, if true. This estimate was well in excess of the yield in this country, and vastly above that of France. Again, the latest strictly official figures he had himself seen only related to the year 1895, but he noticed the produce of some crops had been brought down in the paper to later dates. It might be that there, as in other countries, rough estimates were made of the gross yield of certain crops, without verification of

the most recent acreage, and consequently even official data might show great blunders in the acreage rate of production, such as they had recently seen in Belgium.

Mr. BOLTON KING, in reply, said that the President had already anticipated him in what he had to say as to some of the figures not being up to date. Where Government statistics were published, he had abstained from using unofficial figures, such as some of those which Mr. Rozenraad had quoted. For instance, the imports and exports of last year were still unpublished.² Two speakers had criticised the figures with regard to emigration, but, as the paper stated, the figures given were the figures of permanent emigration, and did not take into account temporary emigration. These figures were taken from Signor Bodio's report, published towards the end of last year, and were the most recent official statistics. With regard to the national debt, Sir James Rennell Rodd was quoted as giving a different figure, and he thought that was extremely probable, for he had never been able to find two official statements as to the national debt in Italy that agreed. He had gone to the source most likely to be accurate, viz., the published accounts for the years 1900-01, presented to the Chamber of Deputies. He demurred altogether to Mr. Rozenraad's statement that Paris was the chief market for Italian securities. Few of them were now held abroad, and the prices at Rome were those commonly quoted. With regard to what Mr. Rozenraad had said as to the excess of income over expenditure, the cost of new railways and the Chinese expedition was expenditure as much as the cost of the army and the civil services. In saying that wine would never be taxed in Italy, Mr. Rozenraad must have forgotten the proposals to levy the excise on wine now before the country, and the fact that there was already a heavy octroi on wine. The figures of the savings banks for 1901, which had been criticised, had been given him by Signor Bodio; so, too, had the figures as to Italian shipping, but he acknowledged the error in addition. The discrepancy in tonnage referred to might be due to a confusion between *tonnellate* and English tons; he had given the latter. With regard to what Mr. Welton had said as to the errors in the estimated birth- and death-rate, the official figures made the birth-rate slightly below and the death-rate slightly above the facts,*not both below the facts, as he had stated in his paper. With regard to the yield of potatoes, he thought the Chairman was probably right in thinking that it was put too high, but the figure was official, and was published in the book prepared by the Ministero d'Agricoltura for the Paris Exhibition. One of the general questions raised was the yield of wheat. It was, of course, very small. This was due partly to drought and to the common practice of growing vines and fruit trees amongst the wheat. But some of the causes were remediable, and he had instanced ignorance of better methods and unwillingness to adopt them. The duty on corn was chiefly

² In consequence of the printers' strike at Rome, they are still unpublished on 23rd April.

responsible for the latter. It was not the interest of the large growers to raise big crops, and he did not think it likely that there would be any great increase in the average yield of wheat until the corn duty was abolished. Another general question was the condition of the masses of the people. It was true that their wages were still very low, that food was dear, and that an excessive proportion of income went in taxation. But if they compared the condition of the people with what it was ten or twenty years ago; still more, if it were compared with a generation ago, there was no doubt that there had been a very considerable improvement. Wages had certainly risen very much in the last two years. He should rather dispute Mr. Wolff's statement that the increase of wages had taken place in the small and not in the large industries. He thought that if they examined the detailed lists of trade disputes in the last three years, such as those collected by Signor Schiavi, they would find that there had been great increases of wages in the large industries as well as in the small, though most of all in agriculture. As to what had been said about pellagra, he understood that pellagra was now known to be due not to the want of salt, but to the use of unripe or damaged maize; at all events, it was not the scourge it was represented to be. The number of deaths due to it was less than a tenth of those from malaria, and the disease was decreasing. The figures as to forced sales of land were somewhat misleading. The great majority of forced sales took place in Sardinia, and in one or two districts of the South. They were mostly of very small properties, and hardly touched the real peasant proprietor. Even where sales had taken place, the proprietor was often allowed to retain possession on a tacit understanding that he would not be disturbed.