Leisure-time Activity and Industry

1. Tourism

The development of the road network and means of communication in the fifties was not solely a function of industrialization but also of tourism. In 1957 and 1958 more than two thirds of incoming highway and motorway traffic was accounted for by tourists, and the trend was a rapidly growing one. Tourist arrivals by air were also increasing swiftly, though air travel still accounted for only a modest share of overall arrivals.[1]

Regardless of the means of transport chosen, however, Italy was certainly not new to sizable tourist inflows. The balance of payments had relied in the past as well on tourism. Between 1923 and 1938, despite the the crash of 1929 and the renewed depression of 1936 provoked by economic sanctions against Italy for the aggression against Ethiopia, tourism alone covered 41 per cent of the country's trade deficit. Naturally, therefore, the *Review* traced the evolution of this major industry.

In 1937 more than 5 million foreigners visited Italy; in 1938, with the Czechoslovakian crisis, 4 million; and even in 1939, the year the war broke out, 2.5 million.[2] After the war and the uncertainties of its immediate aftermath, foreigners went back to visiting Italy: 1.6 million in 1948 and over 3.4 million in 1949. These were not all members of the occupying armed forces, though the latter's numbers were considerable. The bulk of entrants were Swiss (nearly half the total in 1948 and over a third in 1949), but tourists also came from many other countries in and outside Europe.[3] The length of their stays was no more than 3 or 4 days, on average, in 1949, and the inflow of foreign exchange was estimated at 80 billion lire that year.[4] The flow of tourists augmented steadily in the years that followed.[5] Nearly 5 million came in 1950, 5.5 million in 1951 and over 6 million in 1952.[6] The main national groups continued to be Swiss, Germans, French, Americans, Austrians, British, and so on, though, as the war receded into the past, the number of those from the rest of the world (South America, Africa, Asia, Oceania) increased.[7] The rapid rise in numbers translated only slowly into increased foreign exchange earnings, as the average length of stay declined.[8]

[1] In 1958 arrivals were as follows: by rail, 3,796,229; highway or motorway, 10,731,142; sea, 238,544; air, 520,918. F. Fazio, "Movement of tourists in Italy", *Review*, XIII, 4 (July 1959), p. 415.

[2] G. Mariotti, "Tourism in Italy", *Review*, IV, 5 (September 1950), pp. 379-80.

[3] *Ibid.*, p. 382.

[4] *Ibid.*, p. 380.

[5] Arrivals grew as follows: 7,681,870 in 1953, 9,327,512 in 1954, 10,786,018 in 1955, 12,664,960 in 1956, 14,629,020 in 1957, and 15,287,837 in 1958. Fazio, "Movement of tourists", p. 413.

[6] M. De Vergottini, "Italy's balance of payments", *Review*, VIII, 2 (March 1954), p. 142.

[7] *Ibid.*, p. 143. F. Fazio "Foreign travel in Italy in 1957", *Review*, XII, 2 (March 1958), p. 172.

[8] De Vergottini, "Italy's balance", p. 142; Fazio, "Foreign travel", p. 176.

The increase in tourism obviously had an impact on the hotel industry, which had to adapt to burgeoning demand. Between 1949 and 1957 the number of hotels and pensions rose from 20,063 to 29,857, while the number of rooms increased by more than 75 per cent to 395,000. The number of beds more than doubled, that of bathrooms tripled, and the construction and modernization of hotels and pensions continued apace. The 1960, Olympics were awarded to Rome, while expectations from the formation of the Common Market were high. In fact, no part of the hotel industry failed to record gains: the number of luxury hotels rose from 38 to 56; that of first-class hotels, from 216 to 391; second-class hotels increased in number to 1,380 and third-class to 3,908. The number of *pensions* also rose, from 13,000 to about 15,000.[9] The foreign-exchange inflow from tourism increased steadily; with the payments surplus on this item reaching 201 billion lire in 1957 and 257 billion in 1958.

Alongside foreign tourism came an increasingly substantial flow of Italian tourists, testifying to the steady rise in living standards.[10] The real turning point came in the early sixties, however, with inflows from Western Europe and North America. The tourist boom reflected these countries' buoyant industrial and economic growth, expanding employment, rising living standards, increased leisure time, and the great advance in communications and transportation. In the five years from 1960 to 1965, receipts from tourism in the 18 countries of the OECD rose from $4.7 billion to $7.42 billion. In the European Community alone, they went from $1.854 billion to $2.947 billion, and in Italy from $643 million to $1.035 billion. Italy alone thus received over a third of all EEC tourism. Meanwhile, travel abroad by Italians generated an outflow that rose from $95 million to $209 million.[11]

The new dimensions of the tourist trade combined with international competition to turn the sector into a veritable industrial-scale activity, requiring investment and care and consequently calling on government for appropriate policy responses. The appointment of a minister for tourism recognized the need for various kinds of action: greater responsibility on the part of the administrative apparatus, reinforcement and upgrading of tourist services, new methods for studying its components and factors (market research, surveys to elicit tourists' reasons for choosing Italy, etc.). Above all, the industry needed rational planning of projects plus massive promotional campaigns abroad. The need was for the modernization and expansion of the hotel sector in line with the requirements of mass tourism shifting rapidly from place to place; the location and opening of new tourist districts, even for the simple purpose of redistributing tourist flows among the regions, higher targets to be achieved through the creation of special incentives; an increase in such amenities as camp-sites, camps, youth hostels;

[9] *Ibid.*, pp. 177-78.
[10] Fazio, "Movement of tourists", pp. 419-21.
[11] *Ibid.*

action to broaden the range of tourists coming to Italy. Tourism by working people was to be encouraged through specialized agencies, trade unions and social, security agencies. Further measures included lengthening the traditional tourist season, possibly with a staggering of summer vacations; incentives for residential tourism, for which the South seemed especially well suited; the exploitation of spas; promotion of Italy's historical and artistic heritage to the best advantage; and protection of the environment and the landscape. The minister set the goal of bringing 31 million foreign tourists to Italy in 1970, arguing that, on the basis of the 1965 inflow, this target would not be difficult to achieve.[12]

The hub of the industry was the hotel sector. Hotel and *pension* categories were still governed by Law 975 of 18 January 1937, which laid down the requirements for each class. As tourism expanded, however, reform and amendment became necessary. Law 326 of 21 March 1958 consolidated the many initiatives that had sprung up in the meantime, with recognition of general hotels, hotels for young people; campgrounds for tourists with tents, trailers and campers, tourist villages, vacation homes, and motels. Law 869 of 20 June 1962 specified that motels must be located on major highways a certain distance from cities and must be equipped to provide lodging, meals, garaging, repairs and fuel for vehicles, a lobby and a restaurant, hygienic and sanitary services and fire extinguishers.[13] Italy was a latecomer in the motel sector. In 1967 there were only about a hundred, 29 of them belonging to the Automobile Club of Italy, 37 to AGIP, the national petrol distribution chain, and the rest to private owners. Some rivalled even the best hotels. The Motel AGIP in Milan, with 500 beds, was the biggest in Europe, followed by the AGIP facilities in Rome, Florence, Gela, and Palermo, each with 200 beds. The ACI motels were smaller: that in Rome had 161 beds; that in Salto di Fondi, 121; Cirella di Diamante, 104.

The network of tourist villages built by private companies or such tourism-oriented agencies as Touring Club Italiano was expanded in the mid-sixties by the Valtur organization, created with the involvement of banks, insurance companies, Alitalia, ACI, and others in order to construct villages in good locations in Apulia, Calabria, Lucania and the Alps, not to mention Greece, Morocco, Tunisia, Egypt and Malta, for relatively protracted stays. Each village was to have around 600 beds in individual bungalows or cottages or in small units to be sold on particular terms; Valtur would provide the administration and services.[14]

As another minister for tourism recognized, these initiatives showed the steadily quickening interest of entrepreneurs in the tourist business. Investment now amounted to between 100 and 120 billion lire a year, making Italy one of the world's leaders in this regard, notwithstanding the already substantial

[12] A. Corona, "Italian tourism situation and prospects in the next five years", *Review*, XX, 2 (March 1966), pp. 116-24.
[13] M.Del Viscovo, "Evolution of hotels and motels in Italy", *Review*, XXI, 2 (March 1967), pp. 120-25.
[14] *Ibid.*, pp. 133-36.

dimensions of the country's tourist facilities.[15] Government encouraged investment, with subsidized construction of an additional 32,000 beds in the South under Law 717/1965, plus 12,000 beds in the economically depressed and mountainous areas of the Centre and North, under Law 614/1966. Further incentives brought the number of new beds in the two zones to 94,000 and 62,800 respectively. Law 326/1968 then extended the subsidies to the entire country for the construction of a further 113,000 beds, 55,000 in hotels and 58,000 in other types of accomodation.[16] At the end of 1970 the OECD reported that Italy was the European leader in terms of beds, and second only to the United States worldwide.[17]

With the creation of statutory regions in April 1972, pursuant to Law 1211 of 28 December 1971 and Presidential Decree 6 of 14 January 1972, bureaucratic responsibility for the tourist and hotel industry was devolved from the ministry to the regional governments, which were also required to promote tourism and protect regional assets of value for tourism. Inspection and classification of hotels, the organization of local tourism, travel agencies, events, subsidies, etc., were thus all transferred to the regions. The central government was still responsible for opening and running tourist representative and information centres abroad or at the national borders and the promotion abroad of tourism in Italy. This was accomplished through ENIT, the Italian National Tourist Agency, founded in 1919 and acting in cooperation with the various ministries with powers relating to tourism, the railroads, CIT (Compagnia Italiana Turismo), the Institute for Foreign Trade, ENI, IRI, Alitalia, Finmare, and others.

Even before the central government lost so many of its powers in the sphere of tourism, however, it did not spend large sums on promotion. The allocated expenditure came to just 0.21 per cent of tourist-industry revenues, at a time when Greece spent 5.06 per cent, Czechoslovakia 4.37 per cent, Israel 4.31 per cent, and so on.[18] Italian state spending on behalf of tourism was quite modest, when it should have been stepped up in order to prevent a further decrease in Italy's share of global tourist flows. This was all the more necessary because tourism in other countries was expanding faster than in Italy. Total world tourist visits rose from an index of 100 in 1963 to 195 in 1971; in Italy, the gain was only to 143.[19] Presumably the relative decline in tourist inflows to Italy was related to the onset of political protest movements and trade-union actions, not to mention episodes of political terrorism. The tourist flow, in any event, began to contract,

[15] G.B. Scaglia, "Features of a tourist development policy in Italy", *Review*, XXIII, 6 (November 1969), p. 501.
[16] V. Del Gaudio, "Problems and prospects of Italian tourism", *Review*, XXIII, 6 (November 1969), p. 510.
[17] F. De Marinis, "Tourism in Italy on the eve of the expansion of the EEC", *Review*, XXVI, 5 (September 1972), p. 385.
[18] *Ibid.*, pp. 380-83.
[19] *Ibid.*, p. 390.

and in 1974 the number of arrivals was the lowest in a decade.[20] Meanwhile, from 1959 to 1975 the average annual growth of domestic tourism outstripped that of foreign tourism.[21]

2. Handicrafts

The tourist trade involved not only hotels and restaurants, bars and cafés, tobacconists, stationery stores, the postal system, spas, travel agencies, transportation, motor-vehicle fuels, garages, motor mechanics, hairdressers, laundries, and the like, but also Italian handicraft production. The latter was a growth sector, comprising a variety of industries ranging from ceramics and pottery to glass and ironwork, from mosaics to marble and other stonework, from alabaster to copperware, bronze and pewter, brass and nickel silver, enamelware and gold and silversmiths.[22]

Some of these activities were carried on everywhere in Italy. Pottery, for instance, was a very commonly practised craft, with a respected tradition in a number of places.[23] This craft was found in the North, the Centre and South, and the major islands, with typical local combinations of style, form and colour. Particularly famed were the ceramics of Marinoni, Antonibon and those of Bassano, Treviso, Vicenza, Este and Monticello; the Faenza ware of Romagna; those of Marche (Pesaro, Urbino, Urbania); Doccia in Tuscany; Deruta in Umbria; the amphorae and "cannate" of Pontecorvo in Lazio; those of Vietri sul Mare (Salerno); Capodimonte porcelain (Naples); the terra cotta of the Caserta and Avellino districts; those of Castelli and elsewhere in Abruzzo; Grottaglie and other towns in Apulia; the terracotta, tiles and ceramics of Calabria; and those of Sicily and Sardinia.[24]

Wrought iron, a traditional product, was made very widely throughout the country: gates, doors, chains, locks, grates, fences, balconies, balustrades, lamps, candlesticks, lanterns, etc., almost always elegantly hand-crafted.[25]

Gold and silver (rings, bracelets, necklaces, chains, pendants, earrings, brooches, candlesticks, trays, silverware, cameos, picture frames, tableware, religious articles) were worked in an infinite variety of forms, but always with the exceptional taste and aesthetic sense of Italy, in almost all regions. Sometimes the product used precious metal alone: solid or filigree, engraved, embossed or press-forged; sometimes there was the addition of hard or gem stones, or enamel,

[20] L. Guantario, "Tourism in Italy: its situation, problems and progress", *Review*, XXII, 1 (January 1978), pp. 42, 45.
[21] *Ibid.*, p. 46.
[22] M. Moretti, "Dimensions and quality of handicrafts in Italy", *Review*, XXV, 3 (May 1971), pp. 220 *et seq.*
[23] *Ibid.*, pp. 220-24.
[24] *Ibid.*, pp. 222-24.
[25] *Ibid.*, pp. 228-30.

coral, cameos, shells, etc. Valenza Po, Como, Vicenza, Florence and Arezzo, Naples and Torre del Greco, San Giovanni in Fiore, Trapani and other localities were all known as leaders in one line or another.[26]

Handmade copperware was less common, the main products being pitchers, pots and pans, braziers, basins, plates, and other kitchenware, sometimes engraved. This trade was concentrated mainly in mountain towns in the Alps and the Apennines, but workshops and small factories also flourished in other parts of the country.[27] The same applies to bronze, pewter, brass and nickel silver, except that each of these metals was worked exclusively in one or more regions of central and northern Italy.[28]

Glass, mosaics, alabaster and marble were even more concentrated geographically. Although extraordinarily transparent glassware (vases, glasses, bowls, etc.) was made in Tuscany, decorated glassware in Umbria and Lazio, window glass and stained glass for churches in Lombardy, the heart of the glass trade remained Venice, with the island of Murano. This was the centre that had enchanted John Ruskin, Oscar Wilde, Gabriele D'Annunzio and so many others with the fascinating, scintillating elegance of its coloured glass.[29] The main centres of mosaic production were in the Veneto, especially Spilimbergo, and in Emilia-Romagna, Tuscany and Latium.[30] Alabaster was a particular specialty of Tuscany.[31] Marble and other stonework was found in central and northern Italy, plus Apulia and Campania. The output of stone quarries was not uniform in value and could not be put to all uses. Some stones were good only for the building industry, others were suited to other purposes, including sculpture and, in the case of onyx, jewelry.[32] These stone products (tables, statuettes, ornaments and figurines) were a good tourist attraction. Exports of virtually all art and craft products rose rapidly: from 45 billion lire in 1954 to 55 billion in 1955, 70 billion in 1956 and 94 billion in 1957. Purchases of such goods by foreigners in Italy amounted to some 20 billion lire in 1958.[33]

The growth of arts and crafts production was sustained by legislation. Law 1418 of 15 December 1947 authorized the creation of Artigiancassa, the Fund for Credit to Artisanal Enterprises; Law 949 of 25 July 1952 empowered a number of agencies to extend credit to artisans for the purchase of machinery and equipment to modernize their operations.[34]

[26] *Ibid.*, pp. 232-33.
[27] *Ibid.*, pp. 230-31.
[28] *Ibid.*, p. 231.
[29] *Ibid.*, p. 225.
[30] *Ibid.*, p. 226.
[31] *Ibid.*, p. 227.
[32] *Ibid.*
[33] M. Florio, "Economic panorama of Italian arts and crafts", *Review*, XIII, 5 (September 1959), pp. 481-83.
[34] These initial acts were followed by Law 626 of 31 July 1954, Law 525 of 19 December 1956, Law 5 of 11 January 1957, Law 634 of 29 July 1957, and Law 232 of 8 March 1958, to cite but the first of a long series.

This legislation prompted a substantial flow of credit to the production of arts and crafts, enabling many small enterprises to specialize, purchase new machinery and equipment, adopt more effective production techniques to meet the changing requirements of the marketplace.[35] So far we have mentioned only a part of Italy's artisanal enterprises, ignoring all those engaged in mechanical engineering, optics, woodworking, clothing, personal services (barbers, hairdressers and the like). The number of such enterprises was enormous. In 1977 there were 306,928 firms engaged solely in the production of articles used in residential building; those engaged in working on clothing products numbered 196,221; mechanical engineering and optics, 191,554; wood and new materials, 127,336; hairdressers and barbershops, 105,820. Other branches comprised some 300 different types of activity, yet they represented scarcely a fourth of the entire sector.[36]

3. Publishing

Another business that developed rapidly following the war was publishing. The output of scholarly and literary books took some time to regain and surpass prewar levels. In 1938 a total of 9,736 volumes had been published. Publication plunged during the war, and even in 1947 no more than 5,500 works were printed. In 1948 the industry's output rose to 7,592 titles, and in 1949 to 10,054. From 1950 to 1955 there was a dip, with new titles numbering between 8,000 and 9,000 yearly. The 10,000-book mark was passed in 1956, though production still had its ups and downs: over 13,000 volumes in 1956, 12,000 in 1957, 11,000 to 12,000 in 1958 and 1959,[37] then rising gradually to 14,000 in 1962.[38]

By number of titles published, Italy ranked fourth or fifth, depending on the year, in the later fifties and early sixties. The leader, of the sixteen countries considered, was the United Kingdom, with West Germany second, but together the two Germanies outstripped Britain.[39] In 1964 Italy was fifth in the European Economic Community, to which Britain did not yet belong. When judged by the ratio between titles and population, Italy was behind the Netherlands, Belgium, France and West Germany.[40]

This substantial output was not, as in other countries, the work of just a few large publishing houses. Italy's large number of new titles (excluding reprints, new editions of school books, encyclopedias and scientific treatises) was the work of some 500 publishers.[41]

[35] F. Parillo, "Evolution and pattern of credit to artisan enterprises", *Review*, XIII, 5 (September 1959), pp. 495-509.
[36] M. Germozzi, "Craft industry in the Italian economy today", *Review*, XXXII, 4 (July 1978), pp. 204 *et seq.*
[37] Gentile, "The Italian publishing industry", *Review*, XVIII, 5 (September 1964), p. 333.
[38] *Ibid.*, p. 332.
[39] *Ibid.*, p. 335.
[40] *Ibid.*
[41] *Ibid.*, p. 331.

Enrico Gentile traced the changes, over time, in the type of volumes published. In 1938 the leading category was legal books, followed by novels. After 1946 the largest group was almost always books on politics, economics, and social topics. There were also an increasing number of children's books, art books, and volumes of poetry, however, and a fairly high, constant level of production of books on religion, theology, philosophy and pedagogy, as well as school books in general.[42] Gentile found that, in terms of circulation, 43 per cent of Italian books were school books, another 43 per cent were represented by literary works (novels, poetry, essays, etc.), and 14 per cent scientific and technical works.[43] The value of publishing output rose along with the number of works, from 65 billion lire in 1961 to 72 billion in 1962 and 80 billion in 1964.[44] Despite this, Gentile complained of the small size of the Italian reading public by international standards. Per capita spending on books was only half that in France and West Germany, a third of that in Britain; without even considering the extensive, well-organized and well-used networks of public lending libraries in those and other Western countries.[45]

As elsewhere, books were sold through the network of bookshops. In 1964 these numbered 4,200, compared with 3,463 before the war. However, only 170 were large and another 570 medium-sized stores, while the remaining 3,500 were small outlets, including some news-stands and department stores authorized to sell books. The increase in the number of points of sale was not a characteristically Italian trend. The book trade was expanding everywhere – in Europe, the USA, Japan – in response to economic and social transformation.[46]

In addition to the domestic market, the import-export trade in books was significant. Gentile noted, as a point in favour of Italian culture and publishers, that "all the faculties of legal, medical, exact and moral sciences and all the university libraries abroad make sure of securing all Italian publications of this kind".[47] Italian exports consisted mainly of general books and pamphlets, art and children's books, art reproductions, dailies and periodicals, calendars, maps, etc. Italy ran a trade surplus in this business that amounted to 12.5 billion lire in 1962 and 15.5 billion in 1963. For books alone the surplus came to 3 billion lire in 1963 and nearly 2.5 billion in 1963.[48]

The publishing industry continued to rise in the years following, recovering quickly after the recession of 1964-65. In fact, its consumption of paper began to rise again, reaching 1,646,767 tons in 1973, or 40.16 per cent of the nation's total paper output. This represented an increase of 565.75 per cent since 1950.

[42] *Ibid.*, pp. 332 *et seq.*
[43] *Ibid.*, p. 336.
[44] *Ibid.*, p. 334.
[45] *Ibid.*, pp. 334-35.
[46] *Ibid.*, p. 337.
[47] *Ibid.*, p. 335.
[48] *Ibid.*, pp. 338 *et seq.*

Of this consumption, 6.42 percentage points were accounted for by daily newspapers, 10.19 points by periodicals, and 23.54 points by books and various other publications. Paper consumption for cultural uses was now 45.61 per cent higher than in 1966; for periodicals the gain was 24.15 per cent, for books and sundry other publications 83.35 per cent.[49]

4. The paper industry

As noted, the expansion of publishing helped the growth of the paper industry. Italian paper production increased nearly eightfold between 1950 and 1973, from 537,553 to 4,100,289 tons. Growth slowed during the international recessions of 1952 and 1958 and the downturn of 1963-64, and above all between 1966 and 1973, with that epoch's bitter union conflicts, which brought the growth rate abruptly down from 14.3 per cent in 1966 to 4.6 per cent in 1968. The rate rose again to 13.79 per cent in 1969, but output suffered an actual contraction of 5 per cent in 1971 before recovering to growth of 10.71 per cent in 1972 and 14.61 per cent in 1973.[50] The ratio between consumption and output rose to a peak of 98 per cent in 1956, then declined to 86.9 per cent in 1963 before going back up to 97.4 per cent in 1970, and slipped slightly in the next two years before dropping more significantly in 1973 to 93.8 per cent.[51]

The industry underwent continuous transformation. Once war damage had been repaired, papermakers rationalized processes and enlarged plant. Paper mills rose in number from 556 in 1951 to 640 in 1961, while their work force increased from 37,681 to 44,738. Employment in the paper industry then dipped to 43,696 in 1971, as more highly skilled positions reduced the requirement for unskilled workers.[52] Meanwhile, the industry was experiencing concentration. In 1950 paper firms with more than 10 workers numbered 256; a figure which rose to 366 in 1961 and 403 in 1965 but then declined to 381 in 1970. Between 1965 and 1970 20 papermakers with fewer than 100 workers went out of business, while those employing more than 500 increased in number from 17 to 20. This meant that the industry began to centre a few large enterprises, some of them vertically integrated, which accounted for the bulk of paper output, flanked by a myriad tiny firms. Firms with between 100 and 500 employees accounted for 43.2 per cent of the industry's work force and those with over 500 employees for another 28.3 per cent.

This pyramidal type of organization supplied a demand that came mainly from large industrial or publishing firms, some of which were part-owners of the papermakers themselves. The market was a totally free one, however, and

[49] E. Cirla, "Situation and prospects of the paper industry in Italy", *Review*, XXVIII, 3 (May 1974), pp. 223-24.
[50] *Ibid.*, p. 223.
[51] *Ibid.*, p. 227.
[52] *Ibid.*, p. 223.

with the abolition of all intra-EEC barriers to trade in paper from 1 July 1968, customers were free to seek the best price-quality combination anywhere they wished. The Italian paper industry moved to bring plants up to the most modern standards, so as to withstand foreign competition.

In 1974 Italy produced about 87 per cent of its mechanically-processed wood pulp and 80 per cent of semi-mechanically-processed pulp, some 40 per cent of the lumber for which was imported, as was 10 per cent of chemical pulp, i.e. cellulose. More than 60 per cent of Italian paper production used imported chemical pulp as feedstock. Much of the paper industry was thus externally dependent, and bore both transport costs and a foreign-exchange risk. Industry spokesmen accordingly called for a maximum effort to augment the output of all varieties of lumber, by planting pines, poppies, birches, willows, etc. in floodplains, marshy areas, abandoned land, and so on. Because reforestation takes years to produce results, it was suggested that the industry could resort to surrogates,[53] such as waste paper and straw. Italian technicians and engineers, in fact, had been very successful in renovating the production process, adapting foreign technology to Italian needs and obtaining excellent results in making paper both from wood pulp and from recycled paper and other materials.[54]

At the time, waste paper was already being recycled on a large scale. In 1973 Italy used 1,281,979 tons of waste paper, 874,420 tons being collected domestically and 407,359 tons imported. Much more could have been done in the collection of paper and cardboard waste, however, and it was pointed out that in that same year 3,700 tons a day of waste paper, cardboard and packing materials had gone unutilized, or 1,350,792 tons in the year. This was the equivalent of 6 million cubic metres of wood, valued at 108 billion lire. There were calls for a campaign to mobilize public opinion and involve government and semi-governmental agencies, especially in small and medium-sized cities, for differentiated refuse collection. Special plants were constructed to recover fibrous materials and other materials useful in papermaking. One factor in the campaign was that the production of wood and cellulose was unable to keep pace with the growth in consumption, which put pressure on prices. By early 1974 cellulose had doubled in price since 1967 and showed no signs of leveling off. Comparable increases affected all the other raw materials that could serve as feedstock for paper production.[55]

To supply the volume of paper consumed, including the requirements of packaging and other industrial uses, Italy had to rely on imports. At the same time, part of Italy's output of paper was exported. Until 1974 the overall balance in this sector was never in surplus.[56] The need for imports was not the result of insufficient productive capacity but of a lack of raw material. Given the inevitable

[53] *Ibid.*, pp. 219-20.
[54] *Ibid.*, p. 216.
[55] *Ibid.*, pp. 221-22.
[56] *Ibid.*, p. 227.

continued growth of consumption, the problem was to move without delay to increase the output of feedstocks.[57]

5. Printing and paper-making machinery

The increased production of paper stimulated the manufacture of machines for paper production and for printing. This industry consisted of some 200 firms with 7,000 workers, located mainly in Piedmont and Lombardy as well as in the Veneto, Emilia and Latium, but nowhere in the rest of Italy.[58] Though there were some large firms, the bulk of the industry consisted of smaller, sometimes family-run, operations with limited growth potential. In any case, most specialized in particular lines of activity. The machinery and equipment manufactured ranged from typesetting and graphic-reproduction machinery to printing, binding, and papermaking machinery. Essentially, the industry supplied the production needs of the various users of paper and the various forms of graphic reproduction. Many firms specialized in machinery for a single narrow productive sectors, which explains why there were so many small businesses. Press machinery (such as rotary presses) was manufactured exclusively by the large firms, however.[59]

Production increased, in varying degree, in all specialty branches. Between 1959 and 1966 the production of printing machines increased by 66 per cent; of papermaking machines, by 18.2 per cent, despite the impact of the 1964-65 recession on this sector. Luckily the contractions of some firms were offset by the advances of others. From 1966 onwards, the expansion was general and virtually all plants were in active use, although the pace of activity was less buoyant than before the recession. Both sectors still had considerable unutilized capacity.[60] Thus plant expansion was considered inadvisable; the view being that, despite the sharp increase in the country's consumption of paper and other graphic articles, the outlook for the next few years was for stagnation if not decline in the Italian market for printing and paper products. Only exports could provide additional outlets for the paper and printing machine industry, and in fact exports did grow.

About a third of Italy's exports in this sector went to other EEC countries: in order of magnitude, to France, Belgium, the Netherlands, and West Germany. Some 17 per cent went to the EFTA and Scandinavian countries, 15 per cent to the rest of Europe (notably Spain), 10 per cent to the United States, and the rest to Canada, Central and South America, Japan and East Asia, Australia, North Africa and so on.[61] Taking 1964 as the base year, except for Switzerland, Italy was the

[57] *Ibid.*, p. 226.
[58] D. Cattanco, "The Italian industry of printing and paper converting machinery", *Review*, XXI, 6 (November 1967), p. 486.
[59] *Ibid.*, p. 487.
[60] *Ibid.*, p. 489.
[61] *Ibid.*, p. 490.

Western country whose exports grew most rapidly.[62] After 1966 exports to Eastern Europe and Latin America reversed a downtrend and achieved renewed growth.[63]

There was a direct correlation between exports and firm size. Those producing press machinery, which, as noted, were the largest firms in the industry, exported some 55 per cent of their output[64]; this ratio was unmatched by other types of machinery.[65] Nevertheless, all types of machinery were exported, and increasingly so. Yet industry spokesmen did not fail to call for improving the organization of export sales, in which the smaller companies, in particular, displayed shortcomings. They recommended close cooperation, both technical and marketing, among the companies of a group or of complementary groups, and as the EEC export market now appeared saturated, it was considered necessary to prepare for conquering the more difficult markets of Eastern Europe and the underdeveloped countries. The formation of shared commercial networks would facilitate such foreign sales for all the companies joining in groups.[66]

6. Entertainment

Expenditure on entertainment is one significant indicator of rising income and employment, and Italian consumer-spending in this area followed a constantly rising trend through the fifties.

While national income rose at an average annual rate of 8.2 per cent between 1950 and 1959 and private consumption at 6.9 per cent, spending on entertainment increased at a pace of 8.8 per cent per annum, despite the crises of 1954 and 1956-58.[67]

The heart of the entertainment industry was the cinema, which in 1958-59 accounted for over 60 per cent of all entertainment-spending. It was followed by radio and television with about 20 per cent, sundry performing arts with 10 per cent, sports with 6 per cent and theatre with just over 4 per cent.[68] Geographically, entertainment-spending grew faster during the decade in the South than in the Centre and North, owing to the fact that "in economically depressed areas, an expansion of income does not encourage savings but consumption."[69] The disparity virtually disappeared in the course of the sixties, however, as entertainment-expenditure in the North outpaced that in the South

[62] *Ibid.*, p. 492.
[63] *Ibid.*, pp. 492-93.
[64] By value, exports of printing machinery represented two thirds of the sector's total exports in 1964 and in 1966. *Ibid.*, p. 490.
[65] *Ibid.*, p. 492.
[66] *Ibid.*, pp. 493-494.
[67] A. Ciampi, "The entertainment market in Italy", *Review*, XIV, 5 (September 1960), pp. 467-68, 471.
[68] *Ibid.*, pp. 465-66.
[69] In the North, the increase came to 102.4 per cent, in the Centre to 104.2 per cent, in the South to 138.2 per cent, and in Sicily and Sardinia to 163.9 per cent. *Ibid.*, p. 470.

and the major islands, while the Centre appeared to lag somewhat behind.[70] While the national income increased by 150 per cent between 1960 and 1969, the share of the entertainment spending slipped to under 1 per cent; however, its incidence in consumer spending was greater.[71]

As Italians' number one diversion, motion-pictures made enormous progress between the end of the war and 1959. Almost totally destroyed by the war, movie-making resumed on what was practically a craft-production scale. From 1945 to 1948 no more than 50 films a year were released. But the industry was relaunched and gained a worldwide reputation thanks to the international success of some quality films, as well as a law reducing the tax on cinema tickets. The industry would have continued to grow undisturbed, but for the introduction of television between 1955 and 1957. The number of films released plummeted from 200 in 1954 to 105 in 1956, subsequently recovering slowly and finally regaining the previous peak in 1961 with 216 films.

The success of the Italian film industry was due not only to artistic quality, as noted, but also to a favourable reception by the domestic and international market and to a policy of co-production and complete liberalization of the international trade in films. Thanks to co-production agreements substantial capital was obtained from the United States for big-budget films. Similar agreements were made with other European countries as well, which cut costs (hence risks) while opening up the possibility of subsidies from more than one national government. By 1964 more than a thousand international co-productions had been realized, 700 of them Franco-Italian operations.

Italy was importing and dubbing some 300 foreign films a year, far more than were produced domestically. However, box office receipts considerably surpassed production costs. Except for the first few years of reconstruction, the years of crisis caused by the advent of television, and the economically bad year of 1963 (aggravated by an increase in the tax on cinema tickets and the poor revenue deriving from the sale of TV rights), Italian films always recorded more than 40 per cent of total box office revenues for the film-distribution industry, at least starting in 1960.[72] Considerable revenue was also derived from exports and from foreign producers shooting films in Italy.

As new forms of entertainment came into fashion, with the spread of audiovisual reproduction equipment (juke boxes, tape recorders, transistor radios), television, bowling, etc., mass consumption shifted towards these new amusements, which were also relatively cheap. This was no recession in the entertainment industry but a radical transformation, a change in quality. Above all, however, what was involved was the profound transformation of Italian

[70] A. Ciampi, "Situation and prospects of the entertainment industry in Italy", *Review*, XXIV, 2-3 (March-May 1970), p. 123.
[71] *Ibid.*, p. 120.
[72] Ciampi, "The entertainment market", pp. 464 *et seq.*

society nationwide, despite the immense disparities still existing between North and South, between city and countryside. The entertainment budget of the population began to be allocated to new types of entertainment and new uses of lesiure time.[73]

Cinema lost its dominant position. From 68.5 per cent of the total entertainment market in 1950, it dropped to 43.6 per cent of such spending in 1968; second place was now held by television and radio, at 28.6 per cent, solely on the strength of the annual public radio-TV subscription charge. In third place came miscellaneous entertainment at 16.7 per cent, then sports events at 7.5 per cent and the theatre at 3.6 per cent.[74]

The real revolution came from radio and television. Between 1960 and 1969 the number of TV subscribers rose by 750,000 a year, from 2 million to 9 million. By now over half of all Italian households had a television set; and those subscribing to either radio or television numbered 11 million. Purchases of radio and TV sets came to over 200 billion lire a year.[75] Excluding radio and television subscriptions of public premises (bars, etc.), 63.9 per cent of households in northern Italy had television sets, 61.5 per cent in the Centre, 45.5 per cent in the South of the peninsula, and 39 per cent in the major islands.[76]

Dancing and pop music were also very popular. Spending in this area rose from 21 billion lire in 1960 to 70 billion in 1969. The number of jukeboxes in use, just 500 in 1958, soared to 30,000 in 1969, while slot machines and other game machines also increased in number.[77]

The film industry was the victim of this radical change in tastes with the consequent reallocation of expenditure. The number of cinema-goers dropped from 697 million in 1963 to 551 million in 1969. The trend was not limited to Italy. Indeed, things may have been worse in other countries: the number of cinema-attendances in Italy in 1969 was equal to that in Britain, France and West Germany combined.[78] Although the number of cinema-goers was declining, Italian-produced films continued to register success, accounting for over 50 per cent of the total box-office takings. Success had prompted large-scale investment and film production rose from a annual average of 140 in the fifties to 250 between 1965 and 1969 (190 strictly Italian or Italian-controlled co-productions and another 60 co-productions with a minority stake). The health of the industry was improved not only by increasing the foreign distribution of Italian films but also by the large number of films shot at Cinecittà and other Roman studios. With the turn of the seventies, however, things changed notably. The causes

[73] Ciampi, "Situation and prospects", p. 121.
[74] *Ibid.*, p. 125.
[75] *Ibid.*, p. 128.
[76] *Ibid.*, p. 127.
[77] *Ibid.*, p. 129.
[78] E. Monaco, "The Italian film industry. Situation and prospects", *Review*, XXIV, 2-3 (March-May 1970), pp. 132-33.

were economic – waning interest in films in such countries as West Germany, Britain, France and, lastly, the United States, with a sharp contraction in film production, including co-productions. Utilization of the studios decreased, and employment in the industry declined substantially. With the drying up of foreign investment in co-productions, the available credit was insufficient to sustain production. The Banca Nazionale del Lavoro's cinema-credit section had funds of no more than 3.5 billion lire, while the industry's requirement for credit longer than the short term amounted to over 20 billion lire a year. Unlike other EEC governments, which had relieved their cinemas of all taxes, Italy had not reduced the tax on cinema attendance. In view of these trends at the start of the seventies, the recommendations to producers were to keep reducing the number of releases, curb costs, concentrate on nationally or internationally popular subjects, seek marketing agreements or guaranteed distribution abroad, while screenwriters, directors, actors and technicians had to accept that steady work depended strictly on cutting costs.

To counter the drop in attendance, suggested remedies were opening new cinemas in the new residential neighbourhoods, and commercial centres with their supermarkets, restaurants, theatres and other services; converting the large cinemas of small cities into several small theatres with 200-400 seats each, for diversified programmes more in tune with popular tastes. Modernizing projection equipment to compete with colour television had to be undertaken, together with extending the utilization of film for educational and scientific purposes, for advertising, information and documentation in general. Other measures thought necessary included abolishing the Istituto Luce's monopoly on these specialized types of cinema; exploiting the potential of video-cassettes and the new techniques for producing them. One of the greatest advantages of video-cassettes was that they could be sold or leased on a very large scale, not just for home viewing but also to schools, bars and restaurants etc., libraries and cultural centres. There was no avoiding the fact that the industrial production of these new audiovisual media, cheap in price and suitable for mass distribution, would create delicate technical, legal and economic problems for the film industry. The *Review* thus called on producers to prepare themselves for the emerging situation and seize these new possibilities.[79]

[79] *Ibid.*, pp. 139-44.