

ning been fixed at a long period. About three quarters of the receipts have been derived from this source.

The finances of Italy were not in good condition when war broke out, but have nevertheless stood the shock fairly well. During the three fiscal years ending June 30, 1912, 1913, and 1914, there were deficits which averaged about \$36,000,000 yearly. Owing to the outbreak of the war a still larger deficit threatened in the following year, so increases in existing taxes were made in the fall of 1914. Rates were raised on stamp duties and bills of exchange, on motor cars and motorcycles, on imports and exports, and on incomes, and a new tax was introduced on tickets to moving picture shows. A year later increases were made in postal, telegraph and telephone charges, further additions were made to the stamp duties, and two new war taxes were introduced, one on the exemptions from military service and the other on the fees of directors of joint stock companies. A tax on war profits was introduced soon after. The revenue receipts have been as follows:

REVENUE RECEIPTS, JULY 1, 1914-DEC. 31, 1917

Fiscal Year	
1914-15.....	\$486,600,000
1915-16.....	502,800,000
1916-17.....	761,400,000
1917-18 (6 mos.)*	400,000,000
Total.....	\$2,150,800,000

* Estimated on basis of budget for 1917-18.

As the normal peace receipts were about \$400,000,000 per annum, which would be \$1,400,000,000 for the three and one-half years comprised in this table, it is evident that the additional war taxes and public service receipts amount in round numbers to about \$600,000,000. But this is all absorbed by the increasing debt charges, which amount to over \$200,000,000 a year, and the other increases in the civil budget owing to the war. Consequently the war expenditures have been met practically altogether out of loans and other credit instruments.