

The Italian State Financial Report before the Unity: An Empirical Analysis of the Kingdom of Savoy and Others Pre-Unitary States

Alessandra Indelicato

Christian Rainero

Department of Management

University of Turin

Corso Unione Sovietica 218 bis, Turin, Italy

Abstract

This research attempts to analyse the Italian State financial report at its origins. In particular the analysis will focus to the State financial report of the Kingdom of Italy consisted prior to unification, with particular emphasis on the Kingdom of Savoy and the others pre-unitary states (Ancient Provinces, Lombardy, Emilia, Tuscany, Naples and Sicily).

Key words: Accounting History, Italian Unity, Financial report, Public Debt

Research Method

This research was carried out by way of analysing the literature on this topic present in the national territory and with the aid of financial reports available in the historical archives. This, in order to obtain as complete and homogeneous picture as possible that would be able critically to highlight the solutions adopted in order to achieve Italian unification from the business perspective.

In particular, the following were analysed:

1. The organisational and accounting aspects of the pre-unification Kingdom of Savoy, which were then extended to all territories subject to unification and then replicated in the Kingdom of Italy;
2. The financial documents (budget and financial statement) of the year 1860 for the pre- unification states. Those reports were aggregated in order to construct the total unitary financial report.

As regard the point 2, the data collected relates to documents presented in Parliament by the then Finance Minister. It was not possible to find, neither in the archives nor in the set of laws promulgated during those years, the laws approving the final budgets for those specific years.

The accounts were examined from both a qualitative and quantitative perspective. In fact, their peculiarities were analysed both in the form in which the data was presented and in the numerical results as a reflection of the management decisions of the administrations. For the years 1860, in which it was still not possible to speak of a single financial report, the study is performed primarily for the "aggregated" report, only then to analyse the individual reports of the territories which make it up.

Sample

The analysis sample consists of the following:

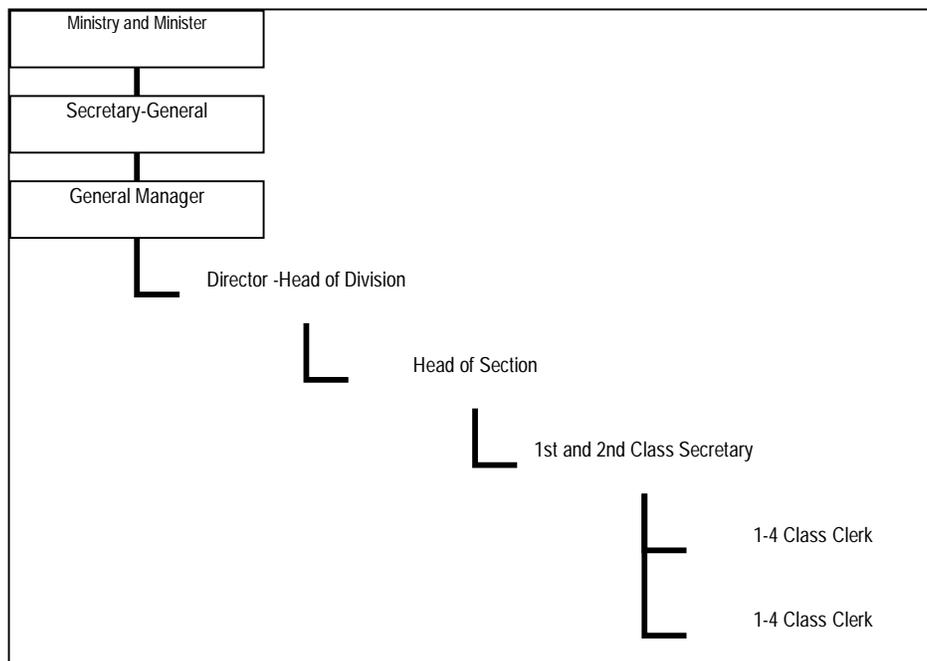
1. Pre-unification Kingdom of Savoy;
2. Pre-unification States: Ancient Provinces, Lombardy, Emilia, Tuscany, Naples and Sicily.

Discussion

1. Organisational and accounting aspects of the Kingdom of Savoy¹

The concession of the Albertine Statute (1848) was the first step towards the reorganisation of the powers and state structure towards a liberal and modern state. Its new elements involved both administrative and managerial/financial aspects of pre- unification ity Italy. From a managerial/financial point of view, the concession of the Albertine Statute in 1848 led to the introduction of the principle of the reserve of law to approve the budget and impose taxes. The role of the Chambers ceased to be that of guaranteeing and ratifying the actions of the sovereign and they became holders of the primary functions, albeit subject to the will and consent of the King. By way of the Statute, it was also ratified that the chamber would vote first upon the State budget (Art. 10) and that its cooperation was required for managing the fiscal policy. Further reforms in the managerial/financial field were made with Law no. 1483 of 1853, at the proposal of Cavour. The law proposed a reorganisation of the central powers of the State. Article 1 of the law states: "The central administration of the State will be concentrated in the ministries".

Table 1: Organisation chart of central administration of the Kingdom of Savoy



The system thus moved from a state administration split into ministries and companies, where the former conducted the activity of administrative management and the latter performed the activity of economic management, to a unification of the administrative structures, making the Ministry the central and most significant body of the public administration. At the head of the Ministries, the ministers were, at the same time, members of the political body and administrators, holding responsibilities of management (so-called “moral management”) and those of execution (so-called “economic management”) which, today in our political-organisational system, are, on the other hand, separate. The reform therefore enhanced the principle of responsibility of the Executive before Parliament and the minister accepted the dual and simultaneous role of politician and administrator.

The bureaucratic system was outlined according to a strictly hierarchical-pyramidal model, in which each person was positioned subordinately to the level immediately above. Reporting directly to the minister was the figure of Secretary-General, as a filter between the minister and bureaucracy, under which there was then the General Manager, the Director Head of Division, the Head of Section, the I and II Class Secretary and finally the I, III, III and IV Class Clerk. Through this model, the aim was to create a direct and immediate link between the minister and ministerial bureaucracy. The ministerial secretary, enjoying respective autonomy with respect to the minister, became a figure more comparable to one belonging to the political body rather than an administrative executive.

¹ Adapted and translated from Domenicantonio Fausto, *Lineamenti dell’evoluzione del debito pubblico in Italia (1861-1961)*, <http://www.delpt.unina.it>.

The structure created was intended to increase the speed of administrative activity and to encourage its control, thanks to its unitary nature, by the Government. For each person involved, the functions appear to be reduced (the duties of a key ministry, like that of the Ministry of the Interior, for example, were reduced to: financial report and general accounting of the Ministry, prefectures, police headquarters, State archives, public safety), and the pre-unification system was strongly bureaucratic and rigid.

The ideas of Cavour on the creation of an administration based upon a formal regime in relation to finance and the creation of a regulatory mechanism that curbed government and administration and made it difficult to spend were thereby substantiated.

2. The budgets and the financial reports of the year 1860: analysis "aggregate" of the pre-unification States.

The budget for the year 1860 derived from a set of separate estimate budgets, whose approval and management was to be attributed to the individual pre-unification kingdoms, while the financial report was to be approved, in 1861, by the new unitary government. This meant that the process of data aggregation was long and difficult and, in order to make the results and estimates of future years more reliable, the data was settled in the following year, thereby delaying the final closure to 31 December of the year 1861 and not to 31 December of the same year, as was the practice. One of the consequences was that the values of the 1860 budget presented at 31 December 1861 were influenced by the introduction of laws after the year 1860 and introduced in the year of unification, such as, for example, a loan of 500 million Lire at the expense of the State. In addition, with unification of the debts of the individual pre-unification states (Debt Unification Law), they were all attributed to the new unitary state and the Great Book of Public Debt was established.

The settled (final) financial report consisted of the separate budgets, such as the budgets of the Ancient Provinces of the Kingdom², those of Lombardy, Emilia, Tuscany, Umbria and Marche. The diversity of administration and the different accounting methods made it difficult to make a comparison between the old property of the Savoy and the new annexations and, in particular, the comparison between the Ancient Provinces and the Provinces of Umbria and Marche for which there was no budget and not even proper records. Tuscany, on the other hand, did have a budget but in a different form to that prepared for the Ancient Provinces, not only as regards the division into securities, categories and articles, and the name of the categories themselves, but also as regards the remits of the individual ministries.

This meant that, instead of a single budget for the Savoy territories, ordered by categories of total revenues and expenditure, for the 1860 budget, the budgets relating to the Ancient Provinces, that of Lombardy, those of Emilia and those of Tuscany were presented separately, in addition to the budgets of the Provinces of Naples and Sicily.

The data collection of the various budgets and its aggregation into macro-classes of revenue and expenditure is presented in Table 2, which shows both the budgets and financial reports.

² The territories belonging to the Ancient Provinces of the Kingdom were:

- Turin, including the current province of Turin and the Val d'Aosta;
- Cuneo, whose borders to the other Italian provinces have remained perfectly unchanged since then (the only one);
- Novara, including the present-day provinces of Vercelli, Novara, Biella and Verbania;
- Alexandria, which, at the time, also included the province of Asti;
- Nice, including, at the time, the current Arrondissement of Nice (ceded to France in 1861 and in 1947), and today's province of Imperia, which after 1861, as the only part of the province of Nice to remain in Italy, became the province of Porto Maurizio;
- Genoa, including, at the time, the present-day provinces of Genoa, Savona and La Spezia (except the municipalities of Rondanina, Fascia, Gorreto, Rovegno and Fontanigorda);
- Cagliari (where there was also a Viceroy for Sardinia), which, at the time, also included the southern part of the subsequent provinces of Nuoro and Oristano (as well as the newly-instituted provinces of Carbonia-Iglesias, Medio Campidano and Ogliastra);
- Sassari, which, at the time, also included the northern part of the subsequent province of Nuoro (as well as the newly-established province of Olbia-Tempio and the extreme southern part of the province of Oristano);
- Annecy, current French department of Haute-Savoie, ceded to France in 1861;
- Ciampèri (official Italianisation of Chambéry), also ceded to France in 1861 (current department of Savoie);

Table 2: Pre-unification Revenues and Expenditure (1860): aggregate data of the budgets and financial reports³.

REVENUES (A)		EXPENDITURE (B)		DIFFERENCE (A-B)
Estimates (Budget) L. 547.600.899,49		Estimates (Budget) L. 608.520.941,88		L. -60.920.042,39
FINAL	cash L. 444.456.248,50	FINAL	payments L. 800.189.634,48	L. -355.733.385,98
	receivables of the year L. 11.859.977,83		debts of the year L. 29.686.093,62	L. -17.826.115,79
	Total L. 456.316.226,33		Total L. 829.875.728,10	L. -373.559.501,77
Lower Revenues L. 91.284.673,16		More expenditure L. 221.354.786,22		
FINAL	Residuals of the year L. 41.459.127,01	FINAL	Residuals of the year L. 81.119.976,60	L. -39.660.849,59
	Residuals previous years L. 12.687.939,60		Residuals previous years L. 15.886.680,16	L. -3.198.740,56
	Total residuals L. 54.147.066,61		Total residuals L. 97.006.656,76	L. -42.859.590,15
Total L. 510.463.292,94		Total L. 926.882.384,86		L. -416.419.091,92
+ disposals L. 376.780.916,93				
+ loan L. 15.174.495,44				
Total L. 902.418.705,31		Total L. 926.882.384,86		L. -24.463.679,55
Treasury bond L. 40.041.304,21		Treasury bond refund L. 40.041.304,21		
Total L. 942.460.009,52		Total L. 966.923.689,07		L. -24.463.679,55

The revenue estimates for the 1860 aggregate budget amounted to L. 547,600,899.49; the sum of the expenditure estimates of the various budgets amounted to L. 608,520,941.88. The situation at 31 December 1860 showed that revenues of L. 444,456,248.50 were actually collected and there was still a sum of L. 11,859,977.83 to be collected (as residuals from the year 1860). The sum of what had been collected and the residuals of the year brought the revenues to L. 456,316,226.33 or to L. 91,284,673.16 less than the budget estimate.

The expenditure estimate was L. 608,520,941.88 but at 31 December 1860 the expenditure actually paid out was L. 800,189,634.48 and the credits not liquidated to be paid were L. 29,686,093.62 (residuals of year), involving actual total expenditure of L. 829,875,728.10. The difference compared to the budget was therefore L. 221,354,042.39 in addition. The actual deficit, not taking account of past residuals, amounted to L. 373,559,501.77 against a presumed deficit of L.-60,920,042.39.

If, however, account is also taken of the residuals of the years preceding 1860⁴, the revenues collected were L. 510,463,292.94 and the expenditure paid out was L. 926,882,384.84 with a total deficit amounting to L. 416,419,091.92⁵. In particular, as regards residuals, the expenditures residuals paid in 1860 for previous years amounted to L. 81,119,976.60 and those still to be paid were L. 15,886,680. The collected revenues residuals amounted to L. 41,459,127.01 and those still to be collected amounted to L. 12,687,939.60. The total deficit of revenues and expenditures residuals for the years prior to 1859 therefore still amounted to L. 42,859,590.15, but was much less than the estimate⁶.

In 1860 three loans were made including two in the Ancient Provinces for a total of 250 million and one in Emilia for 10 million and sales of annuities in Tuscany, Naples and Sicily. The revenues arising from three alienations amounting to L. 376,780,916.10 considerably brought down the deficit which became L. 39,638,175.82.

It should not be overlooked, however, that with the accounting system in force until 31 December 1860 in the southern provinces and for those for which it was the practice to close the financial year at year-end, the advances obtained from Banks and from the Redemption Fund were entered in the assets, whose liability was entered in 1861 for L. 15,174,495.44. That reduced the deficit until reaching L. 24,463,679.55.

When analysing the individual budgets that make up the aggregate, the assets are shown in the following accounts situation set out in Table 3.

³ Source: own processing from data of 1860 documents.

⁴ In some Provinces, no residuals existed and the budget was closed at the end of the financial year. The Savoy accounting system instead provided for asset and liability residuals and also provided that the residuals should be allocated to the respective financial years and if they were not then completed they should be carried forward to subsequent financial years

⁵ It does not take account of loans as they fall within extraordinary costs.

⁶ The extinction of some categories of revenues of the Public Debt, following the Law of unification of debts, led to the elimination of the arrears.

Table 3: The aggregated revenues of the Ancient Provinces, Lombardy, Emilia, Tuscany, Naples and Sicily (1860)⁷

Pre-unification State	Cash in 1860	Residuals at 1860	Total	% (Total)
Ancient Provinces	L. 416.858.213,96	L. 26.604.197,46	L. 443.462.411,42	47%
Lombardy	L. 117.613.162,46	L. 2.310.174,22	L. 119.923.336,68	13%
Emilia	L. 57.436.979,65	L. 5.781.522,15	L. 63.218.501,80	7%
Tuscany	L. 68.170.564,37	L. -	L. 68.170.564,37	7%
Naples	L. 190.928.913,14	L. -	L. 190.928.913,14	20%
Sicily	L. 56.756.282,11	L. -	L. 56.756.282,11	6%
Total	L. 907.764.115,69	L. 34.695.893,83	L. 942.460.009,52	100%

From the table, it can be seen that almost 50% of the revenues are attributable to the Ancient Provinces, followed by the former Kingdom of Naples (20%) but it is also true that both also have greater expenditure (respectively amounting to 60% and 20% on the total); in fact, the liability budgets for the various administrations show the following values:

Table 4: The aggregated expenditures of the Ancient Provinces, Lombardy, Emilia, Tuscany, Naples and Sicily (1860)⁸

Pre-unification State	Payments in 1860	Residuals at 1860	Total	% (Total)
Ancient Provinces	L. 543.767.951,39	L. 33.550.286,94	L. 577.318.238,33	60%
Lombardy	L. 45.802.695,61	L. 3.258.009,54	L. 49.060.705,15	5%
Emilia	L. 33.378.134,33	L. 8.900.115,43	L. 42.278.249,76	4%
Tuscany	L. 49.372.401,13	L. -	L. 49.372.401,13	5%
Naples	L. 196.078.857,65	L. -	L. 196.078.857,65	20%
Sicily	L. 52.815.237,05	L. -	L. 52.815.237,05	5%
Total	L. 921.215.277,16	L. 45.708.411,91	L. 966.923.689,07	100%

It therefore seems clear that the total net deficit of L. 24,463,679.55 derives from the sum of the deficits of the budgets of the Ancient Provinces and the former Kingdom of Naples, offset by the surpluses primarily of Lombardy (L. 70,862,631.53), whose financial situation is strongly positive, added to which are the budget surpluses of Emilia (L. 20,940,252.04), Tuscany (L. 18,798,163.24) and Sicily (L. 3,941,045.06). (Table 5)

Table 5: The financial report of the Ancient Provinces, Lombardy, Emilia, Tuscany, Naples and Sicily (1860)⁹

Pre-unification State	Revenues (A)	Expenditures (V)	Difference (A-B) (Deficit) of Surplus	
Ancient Provinces	L. 443.462.411,42	L. 577.318.238,33	L. -133.855.826,91	Deficit
Lombardy	L. 119.923.336,68	L. 49.060.705,15	L. 70.862.631,53	Surplus
Emilia	L. 63.218.501,80	L. 42.278.249,76	L. 20.940.252,04	Surplus
Tuscany	L. 68.170.564,37	L. 49.372.401,13	L. 18.798.163,24	Surplus
Naples	L. 190.928.913,14	L. 196.078.857,65	L. - 5.149.944,51	Deficit
Sicily	L. 56.756.282,11	L. 52.815.237,05	L. 3.941.045,06	Surplus
Total	L. 942.460.009,52	L. 966.923.689,07	L. - 24.463.679,55	Deficit

3. The budgets and the financial reports of the year 1860: analysis of individual pre-unification States.

As already noted, the 1860 financial report is formed by a number of accounting documents, referable to the individual pre-unification kingdoms. Separate examination will now be made of the revenues and expenditures budgets relating to:

- A) Ancient Provinces of the Kingdom
- B) Lombardy
- C) Emilia
- D) Tuscany
- E) Naples
- F) Sicily

⁷ Source: own elaboration from financial statement of 1860.

⁸ Source: own elaboration from financial statement of 1860.

⁹ Source: own elaboration from financial statement of 1860.

A) Ancient Provinces of the Kingdom

In the analysis of the individual report, it emerges that for the Ancient Provinces, the revenues are separated by “administration” and between “Ordinary”, “Extraordinary” and “Loans”.

The “administrations” considered are those of the Directorate General of Taxes, the Directorate General of Contributions and State Property, the Directorate General of the Railways and Telegraphs, the Directorate General of the Post Offices, the Foreign Ministry, the Ministry of the Interior, the Ministry of Public Education, of the Central Administration of the Mints and of the Directorate General of the Treasury.

Table 6: Revenues for the Ancient Provinces (1860)¹⁰

Revenues	Revenues of the year	Revenues previous years	Total
Ordinaries	L. 170.120.617,91	L. 9.066.448,00	L. 179.187.065,91
Extra-ordinaries	L. 4.831.251,49	L. 8.036.244,76	L. 12.867.496,25
Loans	L. 211.366.545,05	L. -	L. 211.366.545,05
	L. 386.318.414,45	L. 17.102.692,76	L. 403.421.107,21
	+ Treasury Bonds		L. 40.041.304,21
	Total		L. 806.842.214,42

The revenues collected in the year 1860 were L. 386,318,414.45 including L. 179,187,065.91 ordinary revenues, L. 12,867,496.25 extraordinary revenues and L. 211,386,545.05 extraordinary revenues from loans. The extraordinary revenues resulted, inter alia, from extraordinary sales, from involvement in the costs of public works and from credits from the French government for the cession of Savoy and Nice.

The report of the Ancient Provinces is by destination, where the expenditures are classified by Ministry and subdivided between ordinary and extraordinary, with a distinction between those ascertained during the year and those ascertained in previous years. The highest outgoings are identifiable in the expenditure attributable to the Ministry of Finance and the Ministry of War, and in particular for the second Ministry, there are particularly high values for the extraordinary expenditure ascertained during the year.

Table 7: Expenditure ascertained for the Ancient Provinces (1860)¹¹.

Ministry	Ordinaries of the year	Ordinaries previous years	Extra-ordinaries of the year	Extra-ordinaries previous years	Total
Finance Ministry	L. 107.855.198,51	L. 6.303.507,57	L. 1.988.781,05	L. 1.039.362,38	L.117.186.849,51
Ministry of Grace and Justice	L. 6.071.213,76	L. 14.675,73	L. 129.990,61	L. 15.329,28	L. 6.231.209,38
Foreign Ministry	L. 1.727.541,65	L. 4.262,84	L. 170.538,43	L. -	L. 1.902.342,92
Ministry of Public Education	L. 2.771.976,82	L. 1.495,94	L. 172.816,97	L. -	L. 2.946.289,73
Ministry of the Interior	L. 11.142.033,33	L. 46.462,15	L. 980.557,99	L. 1.817.878,55	L. 15.986.932,02
Ministry of Public Works	L. 23.061.274,29	L. 1.741.175,35	L. 3.891.421,02	L. 2.398.023,73	L. 41.091.894,39
Ministry of Agriculture and Trade	L. 455.900,69	L. 23.147,48	L. 21.993,33	L. 91.299,83	L. 592.341,33
Ministry of War	L. 59.510.408,45	L. 868.530,72	L.214.599.109,75	L.19.862.564,32	L.294.840.613,24
Ministry of the Navy	L. 14.225.876,12	L. 184.686,97	L. 6.644.580,82	L. 1.893.030,75	L. 22.948.174,66
Total	L. 26.821.423,62	L. 9.187.944,75	L.240.599.789,97	L. 7.117.488,84	L.503.726.647,18
			+ treasury bond refund		L.40.041.304,21
			Total		L.543.767.951,39
			+ Residual		L. 33.550.286,94
			Total Expenditure		L.577.318.238,33

¹⁰ Source: own elaboration from financial statement of 1860.

¹¹ Source: own elaboration from financial statement of 1860.

B) Lombardy

The report of Lombardy presents a classification comparable to that of the Ancient Provinces. The revenues are divided by administration and they are those of the Directorate General of Taxes, the Directorate General of Contributions and State Property, the Ministry of the Interior, the Central Administration of the Mints and of the Directorate General of the Treasury and amount to L. 117,613,162.46. The highest revenues derive from contributions and from state property where the ascertained income (for the year and previous years) is L. 47,737,406.06, followed by income attributable to the Directorate General of Taxes and the Directorate General of the Treasury with, respectively, ascertained revenues for L. 31,065,574.70 and L. 30,903,653.70.

The classification of expenditure is by ministry with a subdivision between ordinary and extraordinary expenditure, distinguishing between that ascertained during the year and that ascertained in previous years. Compared to the classification of the Ancient Provinces the costs presented exclude some ministries such as the Foreign, Navy and War Ministries.

Table 8: Expenditure ascertained for Lombardy (1860)¹².

Ministry	Expenditure of the year	Expenditure previous years	Total
Finance Ministry	L. 29.868.691,58	L. 1.908.318,12	L. 31.777.009,70
Ministry of Grace and Justice	L. 3.174.385,23	L. 30.428,65	L. 3.204.813,88
Ministry of Public Education	L. 1.617.616,37	L. 28.050,43	L. 1.645.666,80
Ministry of the Interior	L. 7.037.875,06	L. 1.788.278,38	L. 8.826.153,44
Ministry of Public Works	L. 3.024.753,54	L. 248.109,20	L. 3.272.862,74
Ministry of Agriculture and Trade	L. 299.412,48	L. 34.786,11	L. 334.198,59
Total	L. 45.022.734,26	L. 4.037.970,89	L. 49.060.705,15

C) Emilia

Unlike the previous budgets, the report for Emilia presents ordinary and extraordinary revenues separated by nature but not grouped into administrations. The ordinary revenues amount to L. 46,975,605.47 and the extraordinary revenues to L. 57,436,979.65 to which asset residuals for the year amounting to 5,781,522.15 are to be added. In this case, no revenues of previous years are presented, as occurred for the budget of the Ancient Provinces and the budget of Lombardy. The ordinary and extraordinary expenditure of the Emilia report is presented according to the relevant ministry. Also for this budget, in the subdivision by ministries, compared to that of the Ancient Provinces, there is no presence of the War, Navy and Foreign Ministries. Respectively, there is L. 32,474,858.25 for ordinary expenditure ascertained and L. 5,875,648.93 for extraordinary expenditure ascertained relating to the year 1860 and previous years.

Table 9: Expenditure ascertained for Emilia (1860)¹³.

Ministry	Expenditure of the year	Expenditure previous years	Total
Finance Ministry	L. 22.057.845,33	L. 75.233,78	L. 22.133.079,11
Ministry of Grace and Justice	L. 3.590.343,36	L. 29.278,95	L. 3.619.622,31
Ministry of Public Education	L. 1.859.838,90	L. 5.922,68	L. 1.865.761,58
Ministry of the Interior	L. 5.989.389,65	L. 719.677,40	L. 6.709.067,05
Ministry of Public Works	L. 6.448.679,98	L. 681.490,65	L. 7.130.170,63
Ministry of Agriculture and Trade	L. 820.549,08	L. -	L. 820.549,08
Total	L. 40.766.646,30	L. 1.511.603,46	L. 42.278.249,76

¹² Source: own elaboration from financial statement of 1860.

¹³ Source: own elaboration from financial statement of 1860.

D) Tuscany

Tuscany's report is subdivided into ordinary revenues and extraordinary revenues.

The ordinary income is broken down into direct taxes, indirect, Capital Revenues and Repayments and any products, presenting, therefore, a classification by nature. Direct taxes amount to L. 6,636,000, indirect taxes to L. 32,374,147.69; Revenues amount to L. 2,430,382.07 and Repayments to L. 336,088.32, for a total of ordinary revenues of L. 41,776,564.08. Extraordinary revenues, on the other hand, amount to L. 26,393,997.57 and include an alienation of L. 1,500,000 of annuity at 3% and the profit deriving from the introduction of the new currency for the difference of the nominal value for total revenues of L. 68,170,561.65.

Tuscany's expenditure report highlights the different remit of the individual ministries or organisation of the State compared to those previously analysed. The expenditure maintains the distinction between ordinary and extraordinary but the Ministries to which it is attributable partly change. They can, in fact, be identified in order: the Ministry of the Interior, the Ministry of Justice, the Ministry of War, the Ministry of Foreign Affairs, the Ministry of Public Education, the Ministry of Ecclesiastical Affairs and the Finance Ministry.

Ordinary expenditure amounts to L. 49,372,401.13 and extraordinary expenditure, referable only to the Finance Ministry, amounts to L. 2,946,494.01.

Table 10: Expenditures ascertained for Tuscany (1860)¹⁴.

Ministry	Expenditure
Ministero dell'Interno	L. 3.176.795,74
Ministero di grazia e giustizia	L. 2.827.840,87
Ministro della Guerra	L. 5.278.934,24
Ministero degli Affari Esteri	L. 107.180,44
Ministero della Pubblica Istruzione	L. 1.612.842,07
Ministero degli Affari Ecclesiastici	L. 405.731,75
Ministero della Finanza	L. 35.963.076,02
Total	L. 49.372.401,13

E) Naples

The report for Naples and Sicily show significant differences compared to the previous ones. In fact, they are prepared following the cash principle identifying the actual receipt of the revenues (ordinary and extraordinary) and the expenditures made (ordinary and extraordinary). The account currency is the Ducat, even though, for homogeneity of the information, the totals of the revenues and expenditure are also presented in Lire.

In the financial report for Naples, the revenues items are classified by “administration”, where the wording “administrations” appears to have a very broad content with the presence of revenues classified by nature:

- Land tax contribution
- Municipal twentieth
- General Administration of Registry and Stamp Duty
- General Administration of the Lotteries
- General Administration of the Post Offices and Procurements
- General Administration of Currencies
- General Administration of Redemption Fund and State Property
- Discount Bank for interest on the million
- Tax withholdings
- Various income
- Charity Commission
- Railway
- Electro-magnetic telegraph
- Fee charged to Sicily for municipal taxes

¹⁴ Source: own elaboration from financial statement of 1860.

It presents ordinary revenues for L. 101,175,803.24 and extraordinary revenues amounting to L. 81,611,639.90, added to which is a floating debt deriving from the loans of the discount bank against the deposit of annuities and the branch of judicial deposits of the redemption fund amounting to L. 8,141,470.00.

The expenditure report of Naples, classified by Ministries, presents ascertained expenditures in the year 1860 for L. 157,250,867.94 broken down between Presidency, Foreign Affairs, Grace and Justice, Ecclesiastical Affairs, Public Education, Finance, Public Works, War, Navy and General Police.

F) Sicily

As regards the Sicily report, ordinary revenues are presented for L. 25,498,500.30 and extraordinary revenues for the year amounting to L. 24,224,755.54. Added to these are revenues for the floating debt deriving from various loans made by the treasury and not repaid in the year for L. 7,033,026.27. The total of revenues is therefore L. 56,756,282.11. The expenditures (ordinary and extraordinary) for the year and previous years are of L. 36,757,627.76. Added to those, there are payments subject to expenditure not classifiable in the items of expenditure of the 1860 budget for L. 16,057,609.29, for total outgoings of L. 52,815,237.05.

Conclusions and Advanced Research Developments

The purpose of this work was to illustrate the financial situation of the pre-unification States. This work creates the basis for an advanced discussion about those topics:

- 1) Analysis of the pre-unification State financial report of the year 1861;
- 2) Analysis of the Kingdom of Italy financial report after the unification (year 1861);
- 3) Empirical analysis of the origin of the Italian public debt.

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