

historians seem to agree that, as a propaganda exercise, it failed to arouse genuine enthusiasm for the fascist system.

- 8 To promote the image of Italy as a great power, Mussolini pursued a virile foreign policy (see Section 5.2), although in the later 1920s and early 1930s he was much more cautious.

However, the promise of the early years of Mussolini's rule was in many ways never fulfilled.

(b) Unsolved problems

Even before Italy became involved in the Second World War, it was clear that fascism had not solved many of her problems.

- 1 *Little had been done to remedy Italy's basic shortage of raw materials – coal and oil – and much more effort could have been made to develop hydro-electric power. In spite of the modest increase in iron and steel production, Italy could not even match a small state like Belgium (see Table 13.1). By 1940 it was clear that Italy had failed to become self-sufficient in coal, oil and steel, which was essential if Mussolini was serious about waging war. This failure meant that Italy became increasingly dependent economically on Nazi Germany.*
- 2 *Although the 'Battle of Wheat' was a victory, it was achieved only at the expense of dairy and arable farming, whose output fell; the climate in the south is suited much better to grazing and orchards than to growing wheat, and these would have been much more lucrative for the farmers. As a result, agriculture remained inefficient and farm labourers the poorest class in the country. Their wages fell by between 20 and 40 per cent during the 1930s. Italy still had what is known as a 'dualist economy' – the north was industrial and comparatively prosperous, while the south was largely agricultural, backward and poverty-stricken. In 1940 the wealthiest one per cent of the population still owned 40 per cent of all the land. The attempt at self-sufficiency had been a dismal failure. More than that, it had caused an unpopular shortage of consumer goods and had greatly increased Italy's national debt.*
- 3 *The Great Depression, which began in 1929 with the Wall Street Crash in the USA (see Section 22.6), made matters worse. Exports fell further and unemployment rose to 1.1 million, yet the Duce refused to devalue the lira until 1936. Instead, wages and salaries were cut, and although the cost of living was falling because of the Depression, wages fell more than prices, so that workers suffered a fall of over 10*

Table 13.1 **Italian iron and steel output (in million tons)**

	<i>Iron</i>			<i>Steel</i>		
	1918	1930	1940	1918	1930	1940
Italy	0.3	0.5	1.0	0.3	0.5	1.0
Belgium	–	3.4	1.8	–	3.4	1.9
Germany	11.9	9.7	13.9	15.0	11.5	19.0
USA	39.7	32.3	43.0	45.2	41.4	60.8