

Customs History

A Historical Outlook on the Italian Customs Policy by Antonio Nicali

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INTRODUCTION

From the pentecoste of the ancient Greeks, the first historically documented example of a general tax on goods in transit from and to the city of Athens, to the era of globalisation, characterised by the tremendous ease with which people, goods and ideas circulate: how many products have passed through the countless customs posts existing between empires, states, fiefs, cities, provinces, municipalities; how many caravans of merchants, how many precious treasures; how many checks made, how many taxes collected, in how many different coinages?

The diwan of the ancient Arabs (hence the etymology of the Italian dogana - customs), the comfortable sofa on which public and private affairs were concluded after lengthy and inevitable negotiations, has turned into an office, warehouse, store, and a series of laboratories where professionals and technicians work with complex analysis instruments, using the most advanced technologies and procedures in the various sectors. Because, if we go back over the history of the customs post from its origins to the present day, it basically has been and is a meeting place of persons, peoples, civilisations and different interests; a place where many languages are spoken, many coins are circulating. A place where things that are exotic, extraordinary and different can be seen, touched, smelt and assessed for the first time. At first with curiosity, with suspicion but also with the desire to find out, to broaden horizons, to have new experiences and to open up wider prospects.

A place where goods and products of every type and origin, with gaudy colours, unusual shapes and penetrating smells, are piled up; a time for assimilation and praise, a short pause before continuing the journey, where the travellers' tales, the myths and the legends materialise in concrete objects, destined to be exchanged in the markets that often spring up spontaneously near customs offices so as to avoid further delays in the unceasing journey of trade.

To retrace the history of customs posts, as the publication I have the pleasure of introducing does so aptly, means immersing oneself in the great history of trading, from its beginnings down to the most recent developments of telematics and virtual transactions. It means investigating the geography of different natural environments, ancient road and sea routes, impenetrable mountain passes, arid deserts, customs barriers and the maritime and river ports that enabled ships coming from the faraway East, North Africa and, later, the Americas, to penetrate into the heart of Continental Europe. To talk about customs posts and their history also means talking about the architecture of buildings, some destroyed some still in existence; some of them are examples of so-called industrial archaeology and can be revalorised, reused, converted for use with other functions and in other contexts. Sometimes they are mere huts that sheltered the customs officers, milestones or barriers; sometimes they are watchtowers, harbour structures, docks, stores, customs barriers.

Of course, in popular iconography and in the collective imagination, the word Customs often evokes nothing more than a tax to be paid, associated with a quaint picture of a sharp-eyed gendarme in a typical uniform constantly at odds with equally stereotyped smugglers hiding precious goods in baskets carefully concealed under their roomy cloaks.

Going through customs, paying duty, are popular expressions in everyday language that call to mind pointless abuse of power or, at best, pointless waste of precious time. Perhaps this is the legacy of a time when the State was only visible to citizens through the authoritarian figures of the carabinieri and the tax collector and when a succession of customs posts placed obstacles in the way of trade, to the sole advantage of feudal lords who made the most they could of a bottomless source of revenue because of the fact that they possessed strategic territories situated at the crossings of the most important paths of communication.

Reality is, however, different and more complex: the excellent historic research for which I am grateful to the authors of this publication shows the contribution made by customs to the development of trade, the safety of traffic, the security of dealings, the proper orderly and smooth conduct of business.

It is Massimo Severo Giannini, one of the most important scholars not merely of administrative law but of public administration in general in all its historic, sociological and organisational aspects, who must be given credit for being the first to maintain, without any silly hypocrisy, that one of the main development factors of civil and political societies lies in the commitment to make the tax system more effective and more efficient, which is essential for guaranteeing every human organisation the means to perform its institutional tasks.

In the field of customs, the discontinuance of the toll, a tax not related to the quantity and quality of the goods transported, and the adoption of differential taxes, related to the quantity and quality of products, was the result of the need to expand tax revenues while redistributing tax charges more fairly, calling, since very ancient times, for the creation of a structure capable of distinguishing, measuring, weighing and valuing products and classifying them on the basis of their special characteristics.

Hence the need to adopt instruments and units of measurement that are certain and the same for everybody and to develop product and chemical analysis techniques, initially extremely simplified but gradually becoming more complex. In exchange for the tax paid, therefore, the merchant receives an extremely important and very valuable service, considering the objective and unquestionable check of the quality and value of the goods offered for sale. The customs seal thus acquires an important public function, becoming a guarantee for everyone involved in the business and making it unnecessary to have to repeat the checks every time with inadequate equipment, by proving once and for all the quality of the product and facilitating the fixing of a fair selling price.

With specific reference to Italian customs policy, the authors make a detailed and thorough examination of the difficult process, which followed the attainment of national unity, of getting rid of the internal tariff barriers of the different states, hitherto justified by ancient privileges.

The subsequent history is that of the, sometimes bitter but always high-level, political debate between the advocates of free trade and the upholders of protectionism. The reasons of both sides are set out objectively: the farseeing utopia of those who foresaw a world without barriers and obstacles and the concern of those who wanted to favour and protect an industry born among thousands of difficulties and not yet capable of challenging the international market: a history of choices that, with hindsight, have not always proved right, perhaps some cases of opportunities missed, of excessive caution, but against an international and domestic background that was not easy and was very limiting.

And today? In the era of globalisation, of the European Union, of the single currency, does it still make sense to talk about customs? Has the story told and reviewed now reached its inevitable conclusion?

There is no doubt that the context has changed greatly: customs policy is no longer the exclusive competence of the national states but, nevertheless, the role of customs has become even more essential.

Guaranteeing the environmental safety and compatibility of the products circulating in the European Union, making it more attractive as the seat of new industrial establishments, thus increasing employment, encouraging the progress of the developing countries that are implementing worthy economic and social policies, making the collection of customs duties more effective and uniform in all the member Countries: these are the objectives that the new European Customs Administrations means to reach in the near future.

And it is in order to be better able to respond to this new, important challenge that the Agenzia delle dogane (customs office), the successor to the earlier Dipartimento delle dogane e delle imposte indirette (department of customs and excise), has been created.

A new body, with autonomy in accounting, finance, property and management, with a more flexible structure, organisation and operating procedures and therefore more free to act with fewer constraints.

A body that aims at carrying out its institutional tasks in the best possible way but that is also capable of offering services to individuals and firms, on the free market at competitive prices.

A body that, significantly, is starting out by reviewing its history and origins so as to draw, from the past, useful pointers for its future work.

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1. FOREWORD

Customs history in Italy began when the Italian Kingdom was proclaimed (1861), better, in 1862 when the customs tariff [1] of the former Kingdom of Sardinia was officially adopted over the whole new national territory and a Customs Regulation was issued replacing those already in force in the pre-existing States.

However, customs is a temporary and territorially universal concept, as it is closely linked to trade seen as a world-wide form of human expression and as a representation of State authority on a certain territory, regardless of its civilisation level. Both elements (expression of State authority and connection to trade) stand for the two bases of customs, as they imbue its activities through their mutual interactions.

This is where the “function” of customs stems from, which “is always part of the important political and economic changes of all times and Countries”. We learn from history that “the economical reason” behind all relationships among Sovereign States is simply customs policy, which caused all wars and the destruction of peoples, of their cultures and richness” [2].

Moving from this close connection between customs policy and peoples’ history, it is clear that, although several references and well-structured law collections (Official Customs Bulletins) on the customs administration of the newly unified Italian State are available, they cannot be regarded as the only basis for a detailed analysis of customs history in Italy. We should, in fact, also take into account, although briefly, the customs institutions adopted in the pre-existing States: from the ancient Romans to the Pre-Unification States, included the time when Italy was annexed to Napoleon’s Empire or was formed by a grid of France’s satellite States. This book aims at disclosing the origin and the development of the current Dipartimento delle Dogane ed Imposte Indirette within the Ministry of Finance.

Customs are so deeply rooted in our society that we unwittingly include customs expressions and terms in our every-day language. For example, we say that a person “pays his duties” to mean that he must give or do something, that he “clears customs” to mean that he makes something feasible or acceptable for a given purpose, or we talk about “free zones” referring to a place or institution without controls. Even more, the term “gabellare” (pass off) in the meaning of cheating comes from the wide and sometimes obscure interpretation scope allowed to tax collectors in law-enforcement activities. Some may think it weird to develop a history of customs and tariff policies in a moment when the European Union has become reality and the Monetary Union is about to be achieved. Despite the new reality, however, the role of customs has not been reduced: on the contrary, the European Union and national States have added new and more thorny tasks to that of traditional application of customs tariffs to trade with Third Countries and of duty collection. The fight against trafficking of drugs, currency, works of art, counterfeited goods, weapons, protected animal species, hazardous wastes and radioactive materials has been integrated with the traditional commitment in the fight against smuggling. We are talking of an evergreen framework which is always able to appropriately respond to the new challenges of the coming millennium.

2. CUSTOMS ^[3] IN ROMAN TIMES

The Romans derived their customs system from the Greek, who applied an “ad valorem” ^[4] taxation regime, and even the different customs duties were named after the Greek denominations: portorium (import or export duty), publicum (Treasury), vectigal (duty). Later on, the first denomination replaced all the others: portoria duties had merely a fiscal character and, following the territorial expansion of Rome and its trade scope, the need was felt to develop an adequate customs system.

Towards the middle of the third century b.C., the Roman state solved this problem by introducing the system of duty contracts. Contractors were named publicans after the technical expression describing customs duties (“publicum populi Romani” = Duties of the Romans) and they set up a powerful and feared order, whose members came from the class of Knights, that was classified between the Senate and the People and performed also jurisdictional activities. Although Cicero praised the whole category of publicans in his “Oratione pro Plancio” (Oration in Plancio’s favour), in reality they were feared on one side, but most of all hated on the other, as they worried more about their own finances rather than the State’s Treasury. This is why they were often accused of theft and corruption. During the Empire, the power of publicans was so unanimously acknowledged that the Asiatic provinces erected a marble monument to Flavius’ honour, a publican and father of the Emperor Vespasian, reminding of his honesty.

The organisation of the Roman customs system was based on provinces: in each of them the customs authority was delegated to a “promagister”, while local offices were run by employees.

Such employees were helped by several slaves (portitores milites), having different tasks, and by numerous armed guards (stationarii milites), that formed a militia in charge of protecting the offices from brigands and to survey against smugglers. Beside stationarii and portitores, military detachments were also established at borders, where smugglers were armed. A Roman epigraph is still kept at the National Museum in Budapest, reporting of the military measures undertaken by Emperor Commodus to protect the Danube at a customs and military level. It is also worth mentioning that even St. Matthew, who was not only one of the Apostles and the first Evangelist, but is also the patron of customs officials, was himself a customs officer (a publican) in Capernaum. He was, in fact, the head of all the stationarii and portitori milites in that district. Close to the Sea of Galilee there was a very important trade point where not only the customs office was located, but also a military garrison established, whose Roman soldiers were particularly hated by local people. Alfeus’ son, Matthew, an educated high-class man, worked as a publican in that customs office, collecting duties on goods sent along the Mediterranean coasts.

The basic laws ruling the customs system can be found in the Roman Digest^[5].

Such provisions represent the ground elements of customs legislation and include the principles of ad valorem taxation (octava), regulations on the responsibilities of publicans and the privileges of the fiscal system. As for taxation, a distinction was made between “crimina” (public violations) and “delicta” (private violations). Explicit reference to a more serious punishment of the malicious aspect of smuggling was made in the Lex Aquiliae, in which it was foreseen that the “actio” (Lawsuit) was to be applied “in simplum” (the mere payment of duties) against confessed criminals and “in duplum” (twice as much) against criminals denying their deeds. During Rome’s republican and imperial ages more laws on customs policy were added, aiming at establishing, modifying or abolishing customs duties in various cities and provinces. Among these we recall:

- in 199 b.C. the censors Publius Cornelius Scipionis and Publius Elius Petus, introduced the portorium duty in Castrum, Capua and Pozzuoli;
- in 179 b.C. the censors Marcus Emilius Lepidus and Marcus Fulvius Nobilioris levied new portorium duties;
- in 60 b.C. the praetor Caecilius Metellus Nepos proposed the Lex Cecilia abolishing all portoria in Italy;

- Later on, Caesar abolished the Lex Cecilia and introduced new customs duties on goods coming from abroad (see Suetonius' "De vita dueodecim Caesarum libri VIII");
- Under Claudius' rule tax collection performed by publicans was reduced and the customs administration was run directly by the State. A body of officials reporting to the State was set up and, they were called "telonari" (tax collectors) after the Greek term. It should however be stressed that the customs system was not uniform in all territories belonging to ancient Rome. During the Empire the regional customs offices were located as follows: Italy, Sicily, Spain, Gaul, Brittany, Illyria, Asia, Bithynia, Pontus, Syria, Egypt and Northern Africa, and each had a different structure. In Sicily duty rates on goods amounted to 5%, whereas in Asia, Gaul, Bithynia and Pontus to 2.5%. In the IV century all duties in the whole territory of the Empire were aligned and raised to 12%. Compared to the previous 2.5% rate, such an increase gives evidence of Rome's financial constraints during the late Empire.

3. THE COMMUNE AGE

During the Middle Ages the Italian territory was politically split and the authority in general was no longer acknowledged as before. The creation of several states, differing in extension and power, caused an increase in the number of barriers and customs duties that remarkably affected trading activities.

The duties applied during the early Middle Ages can be divided into two categories: duties on trade and duties on transit.

The former had features common to customs and/or consumption duties (siliquaticum [1/24 of each sale], plateaticum), whereas the latter, commonly called "telonei" (indirect taxes), were actually duties on the transit of goods, as they were collected at gates (portaticum [gate = porta]) and landing places (ripaticum [coast = ripa]). Although very low in rate, such duties were very numerous.

According to the so-called Raffestetten Research, around the year 1200 ships sailing along the Danube between Linz and Vienna were subject to 77 different customs checks and duties.

However, it should be underlined that the fiscal burden was relieved thanks to the various "free fairs", during which customs-duty exemptions were granted to all goods transported or traded there, in order to foster trade. Even "free zones" were set up: these were several wide territories owned by convents, abbeys and Bishop-governed cities and, being considered similar to a real fiscal heaven, they were called "immunity territories". During Charlemagne's rule, the 10% duty-rate levied for crossing the Alps was considered exceptionally high. Duty collection in the Italian territories of the German Empire was entrusted to counts (comites) and their collectors (telonari). It was only in the Middle Ages that, thanks to the ever-increasing trade contacts, the Italian customs jargon was enriched with some Arab words like dogana (customs - deriving from diwani) [6] and tariffa (tariff - deriving from tarifa). Even the customs and trade techniques started to be developed and refined through special institutions such as manifests, duty relief and customs warehouses. Manifests were already mentioned in the Statutes of the Maritime Republics, whereas duty relief was applied not only in free fairs and zones, as their importance grew steadily in bilateral trade treaties between States. Noteworthy is, among others, the duty relief granted to Venice by the Eastern Roman Emperors: Basilius and Constantin. Another example is the "crisobolla law" by which in 1121 Baldwin II of Jerusalem granted special duty reductions to Venice. On its turn Venice applied the same conditions to the Flanders' traders reaching its port. As for customs warehouses ("fondachi"), they were not only devoted to goods storage and sorting, but also worked as bargaining seats and check points for the payment of customs duties. Not all the goods stored in the warehouses were subject to duties, but only those destined to enter the State or the Commune. Among the most thriving warehouses were those set up in the East by Venetians, Genoese and Pisans that also played an important role in fostering the power of the Italian Maritime Republics. Well known was also the Fondaco dei Tedeschi (the Germans' Warehouse) in Venice, where merchants coming from

Central and Northern Europe stored and traded their goods. This warehouse was controlled by a special fiscal judiciary called *Visdomini del Fondaco* (Warehouse *Vicedominus*), who were in charge of guaranteeing the enforcement of the Republic laws, fighting against smuggling, collecting duties and controlling the goods entering the warehouse or being traded there. In his work *“Ritus super universis dohanorum et aliarum Regni Siciliae gabellarum”*, Andrea da Isernia refers to several kinds of duties collected in Sicily and, probably, in other States within the national territory: *ius plateaticum* (also called “customs duty”), *ius passium*, *ius portuus*, *ius falangagi*, *ius anchoragi*. Frederick II attempted to reform the customs system by abolishing the too many internal duties and replacing them with a single customs tax to be paid at borders. However, he failed due to the irresistible push towards independence of all the cities and powers, each having its own customs. The Italian Communes had full customs independence and *podestas* and *consuls* established and ruled civic guards (“*guardatores*”, “*servitores*”, “*famuli*”, “*ministeriales*”) performing customs activities and various other tasks.

3.1 Customs in the Principality Age

Later on, during the age of Principalities, a clear distinction was made between border surveillance functions and duty-collection activities. Most of the police and border-surveillance services in the Principalities were performed by mercenary troops and customs controls were applied to the so-called “*cordoni militari*” (military cords).

Within the Principalities, on the contrary, duty collection was still entrusted to contractors (*famigli*, *fermieri*, etc.) who were organised in self-ruled teams not directly reporting to the State administration.

4. THE CUSTOMS SYSTEM IN THE MARITIME REPUBLICS

Special attention should be devoted to the customs organisation of the Venetian and Genoese Republics.

4.1 Venice

Venice drew its economic and financial power from the maritime trade, therefore duty collection was very strict, as such duties represented its main revenue source.

Besides the control organisation on movements of goods entering or leaving the warehouses, a special judiciary, called “*Provveditori sopra dazi*”, was set up. It was fully independent and extremely powerful and it was in charge of managing customs services, combating smuggling and judging customs-law violators. This Judiciary was particularly severe with smugglers and very efficient in protecting the Treasury. Since the XII century, surveillance on the coasts, the lagoon and the internal navigable ways was performed through boats endowed with armed crews. *Aquileia* was the seat of the maritime captain, ruling the boats surveilling that area. Once sovereignty over the Adriatic Sea was acquired, Venice had to assure law compliance on a wider territory and to properly get organised. It was decided that surveillance at river and canal outlets be performed through armed stationary boats, while similar boats were also located at all Republic’s ports. In order to accomplish its tasks “*pro securitate et custodia mercatorum et mercationum*”, the Venetian Government established the offices of *Capitani del Po e dell’Adige*, and of *Capitani “riperi Istrie et riperi Marchie”* to survey the coasts of *Istria*, *Romagna* and *Marches*, as well as a station for armed high-sea boats “*ad fauces Italiae*” at *Zadar*.

Other boats sailed sometimes the Adriatic Sea, checking vessels and seizing those carrying smuggled goods. At least once every two months, two officials of the Republic had to go to *Ravenna* and *Parzeno* respectively, “*ad inquirendum si galee et ligna habent ea que habere debent*” (TN: in order to verify that the boats were actually carrying what they should). In order to exercise its authority over the Northern Adriatic Sea - usually called *The Gulf* -, Venice had introduced a series of restrictions for commercial vessels: boats loaded with certain goods had to call at its port,

declare their freights and final destinations, undergo the controls performed by the guard boats, pay customs, anchorage and riparian duties, be granted a transport and transit licence, and guarantee not to change the route they had been assigned.

Violators and those who had attempted to perpetrate fraud and smuggling were punished with the seizure of their boats and goods. As pirate and smuggler activities were particularly thriving in the first half of the XIII century, between 1250 and 1260 the office of Capitano del Golfo (Gulf Captain) was introduced, ruling a fleet of about twelve galleys, and in charge of protecting the Mediterranean area.

At the port of Venice customs surveillance was carried out by special “*uffiziali da barca o da mar*”, whereas at both entrance ports of the lagoon, Lido e Malamocco, the local officers were to summarily check incoming boats and to seal their cargos.

4.2 Genoa

The customs system of the Genoese Republic was peculiar. In order to obtain the money needed to sustain land and sea armament expenses as well as the costs of colonies, the Republic had to continually apply for loans, giving its creditors the sums gained from duty collection as a security. This is the origin of *Compere*, from which the commercial, banking and maritime institutions of the Republic stemmed. These were later united into the body that was to be called *Banco di San Giorgio*.

Such Bank managed the Genoese customs system and its 76 different forms of taxes and was defined by the historian Raffaele Dalla Torre as follows: “*Domus Sancti Georgii bancum non est, sed societas quaedam participum in gabellis civitatis Genuae*”. Besides the *Banco di San Giorgio* also the free port, the bonded warehouses and the customs office were set up. The *Banco di San Giorgio* also acted as civil and penal court and was entitled to issue laws, “*ius gladii*” included, up to death penalty, in all those subjects falling within its jurisdiction. It was allowed to have an armed force, to set up courts and appoint judges.

Duty collection and fiscal surveillance were carried out by different offices serving the Republic or the *Banco di San Giorgio*, depending on whether the duties were collected directly or given to the *Banco*.

As for territory surveillance, the Republic appointed some “*Capitani di terra*” (Land Captains), each ruling a district. To these *Capitani* reported the so-called *Bargelli* who managed their own “*squadre di famigli*” and were located in the most important points of the area.

The *Banco di San Giorgio* was also to survey the land territory and the ports through its *Commissari* and *Guardiani di San Giorgio* whose deployment was set out in appropriate lists. Surveillance at the port and in the Gulf was carried out through a boat owned by the *Banco*.

5. CUSTOMS AFTER THE DISCOVERY OF AMERICA

Modern Age was characterised by a huge expansion of trade following the commercial exploitation of the new lands and by the creation and strengthening of wide territorial aggregations bound to become national states. It was a time of development and rivalry between the great maritime powers: Portugal, Spain, England, Holland and France. The so-called authorised Companies were also set up: supported by their national governments, they were in charge of commercially exploiting and colonising the lands recently conquered by the European States. The Italian political situation prevented the unification of the nation or, at least, the formation of sufficiently large states, allowing, on the contrary, a confusing and dangerous division into several small regional entities, mostly protected or influenced by foreign States.

Italy, therefore, could not join Europe’s political and economic development. Even the commercially most important States, i.e. the Republics of Venice and Genoa, had to face a long-lasting economic decline despite their trading and political-administrative abilities. In fact, they lost

the monopoly on trade with the East, thus playing only a marginal role along the Atlantic maritime routes used after the major geographical discoveries of those years.

5.1 The Free Ports

From a customs point of view, these times were generally characterised by a development of free ports in the cities located by the sea: Genoa, Leghorn and Venice. Free ports were meant to foster storage and transit of goods without levying customs duties on them. Such functions were fully implemented at Leghorn's port, which obtained duty exemption in 1675 and whose importance grew at international level. Such a port was particularly favoured by European traders who stored there the goods that had not yet been sold or destined. However, it is possible that strong smuggling activities were carried out at free ports, as, in a Decree Law of 01.02.1697, the Protettori della Repubblica di Genova stated that: "those who had swindled customs duties by introducing into the city goods coming from the free port without the prescribed shipments and duty payments, were not only to be taken to prison according to current Decrees, but also to be punished to pay an amount of money equal to four times the value of the goods themselves".

Two years later, following the fraud attempts carried out by the clergy, Decree Law of 21.08.1699 prohibited them and women to enter the Free Port.= Smuggling was a typical feature of the XVIII century and was due both to the survival needs of the poorest layers of the population and to the excessive fiscal burden.

5.2 The Smuggling Phenomenon

The customs system was made even more burdensome by the fact that duty collection was entrusted to private companies that, aiming at achieving the maximum gain, used to commit violations and irregularities to the citizens' disadvantage. This is proven by the popular uprisings against duty collection occurred in those years, the best known of which were led by Masaniello in Naples and Alessi at Messina. Smuggling was generally countered through stricter penalties: the Decree Laws of the Genoese Senate of 1595, in the De Furibus Title on smuggling, and the Criminalium Iurium, vol. 101 of the Republic's Summary of Laws, stated that smuggling activities with a value higher than 100 Liras, were sentenced to hanging. However, this method did not turn out to be efficient in stopping smuggling, which, on the contrary, became a real trading activity financially supported by unsuspected people and carried out by large armed groups. Historians have also proved that the Savoy authorities connived in the smuggling activities between Switzerland and France. Smuggling was performed through the Savoy territory and under the protection of local Dukes. Well known are also the "smuggling wars" between the French authorities and the smuggling groups led by Louis Mandrin. The greed and arrogant behaviour of duty collectors were such, that people no longer saw smuggling as a crime in the sense given by law, but as a reaction to an unfair and tormenting fiscal system. Smugglers were loved and esteemed by the people.

It is now better to see what the situation in the different States and historical periods was.

6. THE FRENCH CUSTOMS ADMINISTRATION

6.1 From Customs Contracts to State Customs

After the Revolution of 1789, all ancient injustices and privileges were abolished in France.

One of these was the collection of customs and internal duties through a system of contracts granted to private companies. The latter, that were later to be united into the Société de la Ferme Generale, tried to achieve their own best gains, thus perpetrating all kinds of abuses. Obviously contractors were hated by the people. This is testified by the phenomenon of the French "Smuggling Wars" of the XVIII century and by Mandrin's deeds.

On May 1st 1791 the French Government abolished the system of private contracts and of their armed forces, establishing a customs administration directly ruled by the State. Such administration had a mixed organisation, as it was made up of civilian officers and employees and by a military

corps called *Corpo dei Preposti doganali*. This corps represented the “*Service actif des douanes*” and was organised in a network of “*Brigades*” located along maritime and land borders and, internally, at customs offices.

The customs service was based on the “*moin de commis et plus des gardes*” principle and had a military-like structure. More brigades reported to a Lieutenant, more *liutenancies* to a captain. Higher ranks were those of inspector and inspector of division, who were recognised equal as army captains and majors and had wide control tasks on brigades and minor customs.

Such inspectors depended on the Chief Director of the local customs office, who was recognised as colonel.

6.2 Military and Public-Order Issues

The law of July 6th 1791 the Corps of customs guards was set up. Beside their customs surveillance duties, its officers were also to arrest fugitives and deserters, to act as sanitary inspectors, public-security officers and to take part into military operations.

The Decree Law of February 14th 1800 established the kind of uniform to be worn by employees from the rank of officer (guard) to that of captain. As this uniform was dark green, customs guards were called “*chasseurs verts*”. The Corps of Customs Guards consisted initially of 13,300 units, but following the events of those troubled years, among which the huge continental blockade ordered by Napoleon to defeat England, the number of staff increased steadily, reaching 40,000 units, between infantrymen and cavalrymen, plus additional 3,500 units deployed in the Kingdom of Italy. “*Chasseurs verts*” were included in the “*great army*” where they were highly esteemed thanks to their leading role in many battles: Huningue, Montmedy, Hamburg’s defence, Danzig’s block, Flessinga, Pamplona, Gerona, on the Jura Mountains and on the Ardennes, in the Italian campaign, in Belfort, Longwy, Givet, Savoy and at Paris’ walls.

When taking leave from his troops in Fontainebleau, Napoleon wanted also a “*chasseurs verts*” battalion, following the enthusiast welcoming he had once received from them in Cannes, after his escape from Elba. From a human point of view, the conditions of customs officers under the Empire were not favourable, as testified by the historian and archaeologist Boucher de Péérthes, founder of prehistoric anthropology, who worked for a long time as a customs inspector in Italy. He wrote: “*My mother could not even imagine that Napoleon would make soldiers out of customs officers by giving them shakòs and epaulets and entrusting them with surveillance over borders and regional coasts*”. They amounted to 25,000 units adding up to the army already set up. As they had been serving the army for many years, they all handled bayonets, though the former were by far the most commonly used. Towards the end of the Empire, customs officers were as many as all the other military troops, if not more, as they were deployed at forward positions. There was neither peace nor truce for them. When they were not to counter enemy forces, they had to face people exasperated by harsh laws. Laws were very severe even with the officers in charge of enforcing them, as they were subject to civil and military penalties even for the slightest mistakes: they were dismissed and shot. Though envied by the army, as they were believed to be well paid, their salaries were, in reality, quite low and they had to accomplish all “*corvées*”.

6.3 Napoleon’s Continental Blockade

The attempt to implement a continental blockade through the Berlin Decree of November 21st 1806, and the English reply triggered a gigantic confrontation.

Napoleon had to personally take care of the customs-surveillance issues which, at that time, played a fundamental role. That’s why he was appointed “*grand douanier*”. In a very short time he became so familiar with customs problems and knew so well the abilities of all customs chief-officers that he advised his Minister, Mr De Sussy, about the most appropriate changes. In particular he entrusted special tasks to customs officers he had personally chosen, among whom, we have already mentioned Boucher de Péérthes. In the cruel fight against England, customs officers were in the front line, as they represented the most suitable means to counter the numerous smuggling activities

fostered by the blockade. Thus, Napoleon tried to improve customs efficiency, both by adopting a more military-oriented organisation within customs guards and by setting up special judiciaries called Prevost Courts.

Such Courts could issue non-appealable sentences ordering the seizure and subsequent distribution of English goods and also had the power to convict smugglers and their customers to being marked or to hard labour. Economic reasons also forced Napoleon to waive the blockade granting import licences. A real licence trade began, whose major representative was Marshal Massena to whom Napoleon seized three million Francs he had earned by smuggling licences. As a youth, Messena had led a group of smugglers in Nice and, though he was a General under Napoleon's rule, he nevertheless was greedy and used to exploit the lands he had conquered to his own interest. Napoleon had to counter even Josephine who liked to have jewels and wigs sent from abroad. As she accompanied Napoleon beyond the Rhine, he discovered on the way back that the boot of his wife's carriage was full of English textiles. When he reached the frontier he informed the head of the customs office and ordered him to check his wife's carriage and to seize all the textiles. Despite the protests of the officers to Napoleon's suite, the order was fulfilled. Josephine herself understood who had given that order and immediately handed over the goods. The gigantic attempt to apply a continental blockade required enormous amounts of human, financial and energy resources: 200,000 customs officers, thousands of officials (either wearing uniforms or not), and very many soldiers in charge of identifying violations of the blockade and to arrest, punish and seize goods. In 1812 the Customs Court in Hamburg passed 127 sentences in 18 days, some of which meant death penalty. This incredible and cumbersome customs-surveillance system was ruled by Coquebert de Montbret, one of the most skilled "grand commis" in Napoleon's Administration.

6.4 The Napoleonic States in Italy

The French rule over Italy brought along also its own organisational and legislative principles, that envisaged direct duty collection by the State and the abolition of contractor companies and of their customs-guard corps. The French Customs Administration was extended to the provinces that had been annexed to France^[7], whereas the satellite States^[8] witnessed the creation of autonomous customs administrations, based on the French model.

Following France's example, the civilian administrations in the Italic Kingdom and in that of Naples were supported by armed corps called Guardia di Finanza and Guardie dei Dazi Indiretti respectively.

It should however be stressed that the French model was so sound and efficient in all sectors that the customs organisation was left almost untouched even during the restoration of the pre-Napoleonic States. The principles of State management of customs, of customs abolition among the different parts of the same State, and that of the presence of a supporting military corps were kept.

The continuous state of war during Napoleon's Empire led to the supremacy of the military aspect of the customs administration, over the anyway remarkable administrative efficiency.

"Chasseurs verts" played a leading role, along with the army, in many fights and pitched battles and, above all, in repressing internal uprisings. These events were particularly common when the troops were busy in the European campaigns and in protecting the Italian coasts from the naval incursions of the English who had become the rulers of the Mediterranean after Trafalgar's battle.

From the Vars' coasts to Terracina, the brigades of "Prépos de douane" were closely connected to one another, not only to better counter smuggling, but also to survey the coasts. The headquarter of the imperial customs in Piedmont was set up at Voghera. Brigades were made up of 4-5 men, but the number of staff grew noteworthy in the main harbour cities (Genoa, Savona, La Spezia, Leghorn, Civitavecchia) and at the borders with Switzerland and the Italic Kingdom, where smuggling activities had a long tradition. Like all other armed and police forces, Prépos located in Italy also had to counter internal uprisings and to take part into military actions against the enemies of the French Empire.

6.5 Military Activities

The first contribution of customs officers to military actions dates back to 1805, when the great uprising of Castel San Giovanni took place and extended along the Apennines, reaching the borders of Piedmont and Liguria. The rebels concentrated at Voghera where only few troops were present, in order to take hold of the major local military stores. Dubois-Aymé, inspector of the “Prépos des douanes”, who was on duty in Alessandria, offered to fight against the rebels and, once authorised by the Prefect, he headed towards Voghera followed by 40 customs guards. He also ordered to all brigades in that area to concentrate half of their staff at Casteggio. Near Voghera he joined a column of 800 soldiers and 200 Prépos who kept under control the rebels’ actions at Monte Alto. Followed by 240 Prépos, he reached Casteggio where he was joined by 160 customs guards coming from various brigades. Relying on 400 men, Dubois-Aymé attacked 6000 rebels who were leading to Voghera. After fighting for seven hours, the rebels were put to flight, counting 400 dead, many injured and 1,500 captured. Messena requested customs guards to be rewarded and Dubois was appointed Inspector of Division and was granted the Legion of Honour. Dubois-Aymé also took part in other fights. In 1813 the English fleet, undisputed ruler of the seas, landed in Viareggio, led by Lord Bentinck, in order to test the power of the coast-surveilling troops. The same test was performed in Leghorn, aiming at conquering the city. At that time Dubois-Aymé was in Leghorn in order to support the scarce local defending forces and decided to unite once again all the customs guards scattered in the various coast brigades. Followed by 300 Prépos and supported by Herkenroth, Customs Inspector, he defended the district of San Marco, which was the weakest point in the city. The English continued their land and sea attacks for six days, until they were forced to surrender by the strong opposition of local people. The Naval supremacy achieved by the English fleet after Trafalgar’s battle led to a period of naval attacks along the Italian coasts.

6.6 The Anglo-French Customs War

The consequences of the continental blockade had exasperated people: the French used to burn the English goods found in the Napoleonic States and they considered as a “valuable prey” vessels that had accepted to be inspected by the English guards. On the contrary, the English did not differentiate between war and mercantile boats, the latter being regarded as a tempting booty. These invasions were countered by the imperial customs guards who also had to survey coasts. Incursions took place at Ogliastro, Palinuro, San Costantino, Ischia, Gaeta, Otranto, etc., and especially along the French stretch of the Ligurian-Tirrenic coast, from the Varo river to the Tiber. In 1808 invasions were carried out at Levanto, Cogoleto, Alassio, Laigueglia, while Noli was attacked for the first time. In 1812 Noli’s anchorage was invaded for the second time and a new serious fight between the English troops and the imperial customs guards took place. In both cases, Josset, Lieutenant of the customs guards played a fundamental role.

All the fights between Napoleon’s customs guards and the English troops along the west Ligurian coast (Loano and Alassio in 1811, Laigueglia and Vado in 1812) are registered in the documents kept at the State Archive in Savona.

7. CUSTOMS IN PRE-UNIFICATION STATES

After Napoleon’s fall the pre-existing States, as well as the previous customs barriers and structures, were re-established. The customs organisation, however, was strongly influenced by the French experience, especially in the Kingdom of Sardinia, as a result of the modernisation brought about by the French Revolution. The French system marked the definitive transition from the private contract organisation to that of direct duty collection performed by the Public Administration.

7.1 The Customs Administration in the Kingdom of Sardinia

7.1.1 Establishment and development of the Kingdom of Sardinia

The establishment of the Kingdom of Sardinia followed the Treaty of London of August 2nd 1718, by which the Spanish Succession War was brought to an end. The Treaty also confirmed the territorial modifications and the political alliances originated during the war and almost fully acknowledged in the Treaties of Utrecht (1713) and Rastatt (1714). Through the former, Victor Amadeus II, Duke of Savoy, attained Sicily and the Royal dignity, while the London Treaty had obliged him to exchange Sicily for Sardinia, though maintaining his royal title now being changed into “King of Sardinia”.

Such a state included Savoy, the Nice area and Piedmont that had been enlarged eastwards after the acquisition of Valsesia, Lomellina, Monferrato and Alessandria. This area was further widened by the Treaty of Vienna (1735) that ended the Polish Succession War and attained the provinces of Novara and Tortona to the Kingdom of Sardinia. Following the Treaty of Aachen (1748), fixing Europe’s new division after the Austrian Succession War, also Vigevano, Val d’Ossola and the Oltrepo Pavese area joined the Savoy dominions. This was the territorial composition of the Kingdom of Sardinia in the XVIII century, whose extension eastwards had been achieved to the disadvantage of the Austrian part of Lombardy, ceded as a reward for Savoy’s alliance or neutrality during the great European Succession Wars also thanks to the British diplomatic contribution. In the XVIII century, in the Savoy states as well as in most European ones, customs and fiscal-duty collection in general was not carried out by organisations directly depending on the State, but by private contractors. These gave to the Administrations the percentage envisaged by the contracts and used the rest to attain their own maximum gains.

7.1.2 Smuggling Routes

The above situation fostered smuggling, which was anyway an endemic phenomenon in the XVIII century and from which the inhabitants of entire provinces earned their livings. Duty-collection contractors could avail themselves of customs guards (few in number and scarcely rewarded), but were not at all in a position to counter the existing well-organised smuggling organisations. Troops allocations for border protection had to be supported by the royal government. Since 1720 the Savoy territory saw the creation of a major large-scale smuggling system financed by Geneva bankers and by the main officials of the French and Savoy Administrations. The smuggler groups were supported and liked by the local people who were exasperated by the duty-collection and protection contractors led by the most important officers in the Dukedom of Savoy. The dominions of the Kingdom of Sardinia were on one hand the basis for smuggling towards France and, on the other, were affected by the smuggling activities coming from Switzerland, Lombardy, the Dukedom of Parma and the Republic of Genoa. The Swiss activities were only “transiting” the Italian territories and were not so dangerous for the Treasury, whereas smuggling carried out in the “hot” area of Alessandria was by far more damaging. Its peculiar location, due to the presence of borders between three States (the Republic of Genoa, the Dukedom of Parma and the Austrian part of Lombardy), favoured smuggling activities, both in terms of imports and exports, as in those times exports were subject to customs duties called “tratta”. Salt and tobacco products were imported through Liguria, wool, textiles and handicrafts through Lombardy and Switzerland, whereas smuggling exports mainly dealt with silk, wheat and wine.

7.1.3 Controls over Customs Lines

Since the ’30es of the XVIII century, King Charles Emmanuel III had understood that the Customs-Duty Guard troops set up by contractors were not able to defeat smuggling activities within the Kingdom. Therefore, on October 13th 1736 he issued a Regio Viglietto (Royal Note) obliging military authorities to support countering smuggling. Those were the times of the first customs “cords” set up in the Alessandria area and composed of sections of the Province Regiments. This system was to be extended to the remaining areas, and at the half of the century it became operational, though not continually, along the borders with the Dukedom of Milan (between Casale and Voghera), the Republic of Genoa (between Ormea, Garessio and Deago) and along the Nice

surroundings and the Principality of Oneglia. These customs “cords” were applied more and more frequently and extended to all borders with the neighbouring States, thus entailing the need to better organise the system itself. Even cavalry and infantry soldiers were obliged to be on duty in “cords” and a “Cord Headquarter” was set up at Voghera. In 1760 the King ordered that each province infantry regiment should supply the “Cord Command” a given number of units along the whole year. At the same time, special rewards^[9] were granted in case of seizures of goods being smuggled. The system of “customs cords” and its staff proved to be effective and the choice of Voghera as Headquarter turned out to be the best possible, both for its central location in respect to the “customs cord” and for its closeness to the borders with the Dukedom of Milan, that of Parma and Piacenza and with the Republic of Genoa. These were, in fact, the main sources of smuggling in the Alessandria area, carried out by large groups ready to start armed fights against the customs guards and the soldiers on duty in the “cord”. In Savoy, the ever serious situation caused by large smuggler groups had led to setting up two companies of “Gardes Bourgoises”, one located at Saint Jean de Maurienne (1769), the other at Thonon (1776), in charge of protecting both cities from smugglers’ attacks.

7.1.4 Specialised Guards: the Light-Troop Legion

In October 1774, King Victor Amadeus III radically reformed the army organisation and stated the setting up of a Light-Troop Legion, taking as a model the light-infantry corps organised in Prussia, Austria and France during the Austrian Succession War. This Legion had two functions: a) in peace times it was to permanently deal with customs surveillance of borders and of the “cord service”; b) during wars, it was in charge of patrolling, exploration and ambush duties. This is the first example of a special corps in Italy, set up to protect borders both at customs and military level. The Light-Troop Legion went through several modifications concerning its structure and denomination (Piedmont Royal Legion, Light Royal Legion, Corps of Customs Officers, Corps of Customs Guards), until it became the current corps of Guardia di Finanza. The first Legion Commander was Lieutenant-Colonel Gabriele Pictet, while the direct management of the customs service was entrusted to Lieutenant-Colonel Della Chiesa di Ponzano, who had already headed the Customs-Cord Headquarter at Voghera. On June 17th 1781, King Victor Amadeus III issued a service regulation stressing the fundamental role of customs services within the Legion. The latter began to carry out its own tasks replacing the province-regiment detachments. The tasks of the Light-Troops Legion were particularly difficult and exacting and also entailed many risks. In practical terms the surveillance service meant a steady state of war, whose implementation turned the Legion into a crack corps. However risky the anti-smuggling operations might be, they could not be compared to the threats coming over Piedmont and its army from uprising France. On September 22nd 1792, the French republican armed forces invaded Savoy and started a war against the Kingdom of Sardinia. This war was to be ended on April 28th 1796 through the armistice of Cherasco. The Legion soldiers were included in the battalions of the several armed corps and played a leading role in many occasions: in Authion, Argentera, Castel Ginestre, during the 1793 campaign, in the battles of Casale di Priola, Spinarda and Loano, during the 1795 campaign and the decisive 1796 campaign at Ceva and Mondovì. The Light-Troop Legion was abolished on October 29th 1796 and the Piedmont army was released from the oath of loyalty to the King in December 1798 and passed to serving the short-lived Piedmontese Republic. In 1802 Piedmont was annexed to the French Republic, becoming part of its customs territory. The French customs administration proved to be very efficient and effective and was the basis for the customs reform to be implemented in the Kingdom of Sardinia after the Restoration.

7.1.5 The Customs Territory of the Kingdom of Sardinia

In 1814 the Kingdom of Sardinia was restored in the composition it had before the armistice of Cherasco: it included Piedmont, Sardinia, the Nice surroundings and Savoy. The Dukedoms of Parma and Piacenza were then added as a compensation for having ceded other territories, as well

as the Ligurian territories once forming the Republic of Genoa, since an independent republican State in Italy was not conceivable.

This new order was particularly important from a customs point of view, as annexing Liguria meant gaining the large port of Genoa and several useful access points to the sea.

The annexation of Liguria, however, was not a peaceful event, although the alliance between Russia and England had foreseen since 1805 a secret agreement to give to the Savoy family the rule over the territories of the former Republic of Genoa. This was meant to create a strong buffer State between France and Austria. After Napoleon's abdication at Fontainebleau (April 6th 1814), Austrians occupied Piedmont, coming from Lombardy, on April 27th 1814.

In a bill, Marshal Schwarzenberg announced to the population "the return of the beloved princes who have given you happiness and glory for so many centuries". It was the beginning of Restoration. An Austrian General called Bubna set up a military government flanked by a Regency Council headed by the Count of San Marzano. All winning powers asked Victor Emmanuel I to leave Sardinia and to take hold again of his State. On April 18th in Genoa, General Fresia, Napoleon's governor, gave the city to Lord William Bentinck, plenipotentiary of His High Majesty in Italy and Commander of an expedition corps that, coming from South, had defeated the French army and besieged Genoa.

7.1.6 The Situation in Genoa

The situation in Genoa was ambiguous. The Town Council, headed by Vincenzo Spinola, had pushed Napoleon's governor to give the city to the English. After having conquered Genoa he hesitantly gave in to the Town-Council's requests, granting independence to Genoa and re-establishing the previous government.

On April 21st, after the French had left, a provisional government headed by Gerolamo Serra was appointed, having the task of managing ordinary affairs and reforming the previous Constitution of the Republic of Genoa. The foreign powers had indeed different goals. The English Foreign Minister, Lord Castlereagh, blamed Bentinck for having made promises to the Genoese he was not in a position to keep. The allies did not want a new republican government and the Kingdom of Sardinia had been forced to renounce the promised Dukedoms of Parma and Piacenza that had instead been given to Mary Louise of Austria as a compensation for the loss of the Ligurian territories.

The annexation occurred thanks to Lord Castlereagh's intervention, who had previously underlined that the Republic of Genoa would be too weak a State, unable to resist any foreign nation "neither from the Varo side nor from the sea".

Antonio Brignole and Agostino Pareto, representatives of the Republic of Genoa, opposed strenuously to the annexation to Piedmont. Ligurians, in fact, and Genoese in particular, were said to nourish feeling "de repugnance et d'antipatie" toward Piedmontese people. In Vienna the Marchese Brignole also proposed, among other attempts, to either recognise Austria's rule or establish an Austrian protectorate over a formally independent Genoese principality. Metternich abruptly rejected all proposals and added: "Genoese are prejudiced against Piedmont: they must overcome that". Liguria annexation to Piedmont was also fostered by the people living along the Western coast, especially in Savona, who had been subject to Genoa's rule (their competitor) for centuries. They were now hoping to set free from such supremacy and to set up a new State and a new maritime and trade route thanks to the geographic location of that area that represented Piedmont's only direct access to the sea. At the beginning of 1815 the English gave the Ligurian territory to Chevalier Thaon di Revel, delegate of Victor Emmanuel I. Liguria became part of the Kingdom of Sardinia, though still keeping the free port of Genoa, as it had been decided in the Congress of Vienna. The customs border between Piedmont and Liguria was kept for fiscal reasons, therefore Genoa's territory included three customs lines: the first between the free port and the rest of the city, the second between Liguria and Piedmont, and the third one, shared with the other provinces of the Kingdom, was a border with Third Countries. Liguria annexation to the Kingdom

of Sardinia caused a crash between the two deeply different socio-economic structures of the previous governments of Piedmont and Liguria.

The former had always been based on a military-bureaucratic organisation and on a mainly land economy. Therefore, such a system was scarcely open to the problems of goods traffics and maritime trade which, on the contrary, were the source of Genoa's existence and wealth. Victor Emmanuel I and his Ministers were not aware of these aspects and applied "tout court" to the new State the administrative and bureaucratic methods used in Piedmont. The relationship between the two regions were very tense until more open-minded rulers reached the power. Later on some measures were taken to improve the situation. Among those, worth mentioning are the abolition of the customs line between Liguria and Piedmont (1818), promoted by Giovanni Carlo Brignole - Minister of Finance - and by Baratta - Head of Customs -, the abolition of a duty imposed on Sardinian boats entering the port (1818) and the new customs tariff of February 19th 1830.

7.1.7 The Tariff Policy

The first customs provisions were issued on June 1st 1814 by the Regia Camera dei Conti and were signed by Fava^[10]. The first complete Customs Tariff was published in a Manifesto Camerale on February 4th 1815 and had the following heading: "Tariff of Customs Duties on Imports, Exports and Transit in the Old States of His Majesty".

The Tariff was divided into three sections: the first, very detailed and with a fiscal basis, on import duties^[11]; the second, not as wide as the first one, on export duties; and the third on lighter transit duties^[12].

Savoy's annexation to the Kingdom of Sardinia was completed only on December 15th 1815, when the Austrian General De Stefanini gave the territory he had previously conquered to Chev. Luigi Provana di Collegno, Royal Delegate. On October 10th 1816 the Tariffs on import and export duties were reformed in order to "protect national manufacturing activities". Tariff increases concerned wool, glass and crystal works being imported, as well as paper and grapes being exported.

7.1.8 The Customs Policy

The customs regime in force in Piedmont and Savoy - referred to as "old States" in several edicts - was not applied in the newly acquired Ligurian provinces.

The customs regime and territory of the former Republic of Genoa, identified through the more monarchy-oriented names of Dukedom of Genoa and Principality of Oneglia were defined^[13].

First of all two Tax Directors General were appointed in the cities of Genoa and Oneglia respectively, then a customs line between the Dukedom of Genoa and Piedmont was set up, while some territories were detached from Liguria and annexed to the administrative districts belonging to the "old States": Novi (annexed to Mondovì) and Ventimiglia (annexed to Nice). A warehouse for goods coming from Genoa's port was set up, where goods could be stored for a maximum period of three months, upon payment of a so-called warehouse duty^[14]. The customs regime in force in Genoa, Oneglia and Loano was confirmed, although a State monopoly was introduced as for sales of salt. A burdensome duty was also levied on olive-oil production (ITL 3 per barrel - containing 7.5 rubbos). Its evasion was punished with a fee equal to the product value, plus the seizure of the product itself and of the means of transport used.

Between Genoa and the "old States" a duty exemption was agreed for products "produced, processed or manufactured in the Dukedom of Genoa, except cereals, wine, oils, leather and dressed-leather goods, glues, shreds of flesh, cards and tarots, powders, lead, salt, tobacco, processed and unprocessed silk and organzine". Both land and sea exports from the Dukedom of Genoa were subject to the duties listed in the Export Tariff of February 4th 1815, whereas goods transiting between Genoa and Piedmont were exempted. It is also worth noting that another free port, beside that of Genoa, was located at Oneglia.

Later on the Royal Permits of March 20th 1815 established the customs line between Genoa and Oneglia on one side and the "old States" and Nice on the other, while the customs line of the

Kingdom of Genoa was moved back eastwards to include the area of the river Magra within the Piedmontese customs territory.

A last unpopular measure was adopted on January 3rd 1816 and brought back Piedmont to the past: wheat exports were prohibited and violators were punished very severely.

This measure affected particularly Savoy, that experienced terrible famines in 1816 and 1817, and rice producers who at that time were achieving harvests four times higher than the internal need. The prohibition was abolished in 1817 to everyone's relief.

All these measures had been adopted by people who had no sense of trade and were incapable of understanding people's needs. This was also due to the fact that, the post of Ministry of Finance (which was to be set up a few years later) was vacant and economic affairs were entrusted to the Minister of Interiors, Count Borgarelli, who applied police-oriented methods to the Piedmontese economy: internal customs borders, prohibitions and arrests.

The French ambassador in Paris, Count Dalberg, wrote that, under Piedmont's rule, Genoa seemed "a wonderful diamond stone that Piedmontese goldsmiths had not yet managed to set . He also added: "A triple customs line surrounds the Dukedom of Genoa. Travellers and traders get nearly robbed, as they could well be by Arabs. Officers are poorly paid and, being dissatisfied, they fight and quibble if they are not paid, thus fostering smuggling activities that are skilfully carried out".

7.1.9 The Principality of Monaco

A particular quote should be devoted to the Principality of Monaco which was completely surrounded by the estate of the Kingdom of Sardinia. Victor Emmanuel I and Gabriel Honoré, Duke of Valentinois and son of Honoré Grimaldi's, Prince of Monaco, signed a convention which ratified a customs union between Piedmont and Monaco. In the territory of Monaco, a Piedmontese garrison was stationed while, from a tax viewpoint, special procedures concerning salt and tobacco products were set up. Furthermore, it was decided that collection of duties on goods coming in and going out of Monaco should take place through the Customs located in the Kingdom of Sardinia (Turbie, Gorbio, S. Agnes, Castiglione, Castellaro, Garavan). Such duties were then lodged in the Treasury of the Principality. Goods from Piedmont could freely move throughout Monaco's territory.

7.1.10 The Customs Regulation

In such a messy context, the issuing of the new Customs Regulation was of great importance. This Regulation was attached to the Royal Edict of 4th July 1816, which was composed of four articles concerning:

- the obligation to observe the attached Customs Regulation;
- the maintenance of the free port in Genoa;
- the maintenance of the warehouses at Oneglia, Novi and Savona;
- the task of the House of Audits to issue provisions against smuggling and misuse.

The Regulation was composed of five Titles and 168 articles as a whole, and appeared to be easy applicable. The first Title was relevant to goods, the second to outgoing goods, the third to transit, the fourth to sea-coast Customs, the fifth set out rules in the field of smuggling and its prevention. Of course, many were the prescriptions about customs procedures^[15].

7.1.11 The Structure of Customs

The then Piedmontese taxes were divided into two branches - customs duties and consumption taxes -, and were managed by registrars, general or special, according to their competence. Customs were made up of civil servants and "armed officers" who were supported by garrison soldiers and by community inhabitants, if necessary. These customs agents had to wear uniforms and to be armed with rifles and sabres.

At that time, smuggling was widespread and carried out by big gangs. Its repression gave birth to gunfights with customs officers and the military who were charged with the strengthening of border

checks. The memory of the so-called "smuggling wars", which had occurred in the pre-Revolutionary France, was still alive. Such wars witnessed the confrontation between French "fermiers" (customs guards) on one side and a certain number of smugglers headed by the notorious Louis Mandrin, who called himself "Generalissime des troupes des contrabandiers", on the other.

However, it is worth noting that, in that case, smuggling was encouraged and fostered by the then Dukes of Savoy, who took advantage of it for themselves and for their subjects. In fact, in order to favour the profitable salt trade between the Nice coast and French Alpine areas, they had a gallery dug in Mount Monviso, so as to make this border crossing more accessible even in winter.

The Corps of Customs Officers (Corpo dei Preposti doganali) was the armed service of the Customs Administration. The Royal Edict of 4th June 1816 had set out rules concerning "customs procedures in all mainland States" and the therewith attached Regulation had set forth provisions regulating the activities and the organisation of customs officers^[16].

In order to make prevention and repression of fraud and smuggling more effective and gainful, the customs staff was allowed special incentives. The receipts from sanctions and seizures were divided as follows: 1/4 to the General Administration of Royal Taxes (Azienda Generale delle Regie Gabelle), 1/4 to customs employees, 2/4 to customs officers; in case of seizure of salt, tobacco products, gun powder, carts and carriages, all these products were set aside for the military.

7.1.12 Customs as a Whole

From the above, we get a rather negative picture of the Customs background in the Kingdom of Sardinia during Restoration. There was almost a lack of equality of fiscal treatment and of uniformity in commercial flows, which are at the basis of a fair economic development. The territory appeared to be separated by domestic customs borders and was characterised by a sort of mosaic of different fiscal treatments. It was a situation which was deep-rooted in centuries-old realities which some countries such as England, France and Austria had already left behind them.

Such a situation was only shared by the German Confederation where it was justified, however, by the presence of a great number of customs lines marking the border between sovereign States and small States. On the contrary, in the Kingdom of Sardinia the same lines separated regions which were part of the same State. Illiberal economic provisions - too strict and protectionist a Tariff, prohibition to export corn, taxation on foreign vessels, obligatory domestic routes - brought about the economic prostration of the State of Savoy and caused serious dissatisfaction and violent protests by the Genoese, the inhabitants of Nice and the Savoyards, who were used either to the economic and political regime of the Republic of Genoa - which had the very roots of its existence in trade -, or to the rational and coherent action of the French Administration. In 1818 all internal customs barriers were abolished and a sharply protection-oriented Customs Tariff was issued, which was in force until 1835. The advent of Carlo Alberto was awaited to have commercial and customs provisions promulgated. Such provisions marked a turning-point in Piedmont's policy in this field and were inspired by laissez-faire theories exported by England in Europe.

In 1838 and 1840 the Customs Tariff was slightly revised from a liberal viewpoint and in 1846 Cavour started a revision oriented towards laissez-fairism.

Between 1849 and 1851 a number of commercial treaties were drawn up with Tuscany, France, Portugal, Belgium, England, Switzerland, Zollverein and the Netherlands, which entailed the promulgation of a new Customs Tariff in 1815. In 1852 and 1858, this Tariff underwent some modifications in order to assimilate the new treaties agreed upon with France and Sweden in 1852. In the meantime, following an administrative reorganisation carried out by Cavour and enacted by the Law of 23rd March 1853, the Administration of Taxes, which used to be an autonomous body with its own management policy within the Ministry of Finance, became an integral part of the Ministry of Finance, under the name of Directorate General of Taxes and Monopolies (Direzione Generale delle Gabelle e delle Privative).

Finally, on 9th July 1859, Prince Eugene of Savoy-Carignan, Lieutenant General to His Majesty Victor Emmanuel II who was fighting in the war of national independence, signed the Decree

enacting the new Customs Tariff. The Tariff was bound to become the first Italian Customs Tariff as it was extended to the different Italian regions which were already autonomous States. At that time, however, the military approach predominated over the administrative one, and in such a context we should underline the active participation of some units of customs officers. Officers serving in brigades stationing on the left of the river Po were concentrated at Intra, Pallanza and Ivrea; those serving in brigades on the right of the river were concentrated at Bobbio.

They were all charged with watching over border crossings which were not garrisoned by the army, and were actively engaged in the defence of the Piedmontese shore of the Lake Maggiore, of the border with the Dukedom of Parma, in the offensive taken to the North of the Lake Maggiore by Garibaldi's alpine troops. They distinguished themselves in the defence of Cannobbio, in the seizure of Sesto Calende, in the battles of Varese, San Fermo and Castelletto.

7.1.13 Customs agents

An important support to customs activities was provided by the class of customs agents^[17] who acted on behalf of vessels' captains and goods' owners in performing customs operations and were "responsible for the duties to be payed according to the customs entries lodged, and for the relevant auditing..."^[18].

The customs-agent profile was strictly regulated. In particular, a customs agent had to be at least twenty five years old and had to provide a preventive guarantee. The main collector was in charge of the stationing of agents in the customs premises and "... their counters must be uniform and not more than one metre from the back wall, including their seats. These counters are designed for two persons, the agent and his first-grade assistant, and their width must not exceed one metre. The counters are assigned by lot. The relevant costs are equally shared by customs agents".

7.2 Customs in the Kingdom of Lombardy-Venetia

The territory of Lombardy-Venetia, as an integral part of the Austrian Empire, has been affected by the same customs events as the other territories of the Empire. It thus was Austrian reforms that shaped Customs' organisation and policy in those two Italian regions, though at different times, the moments they became part of the Hapsburg territory being different.

7.2.1 Customs Reforms

The first reform was made in the second half of the eighteenth century, first under the reign of Maria Theresa and then of Joseph II's. In 1753 a customs legislation was issued, which had the double aim of reducing tolls and harmonising the Empire's overall economic system as in a single market.

In 1764 a single customs barrier at external frontiers was raised, with the exception of Tirol, considered the importance of transit trade for this region. Finally, in 1775, the customs reform was completed through the adoption of a Single Duty Tariff which envisaged an import duty of 30%. Four autonomous territories were established within the Empire: Austria, Hungary, Belgium, Lombardy and the Adriatic coast.

Each territory had its own customs office which was also operational towards other customs territories, even if through preferential duties (10%). Internal duties and tolls were completely abolished within each territory. Another important achievement was the then abolition of the *Ferma* (i.e. the private contract for duty collection).

7.2.2 Lombardy's Customs System

In the Lombard State, the abolition of the *Ferma* (i.e. management by contractors) was carried out by a special Reform Council chaired by the economist, Pietro Verri. This reform affected important interests and raised the stiff opposition of the classes concerned who tried to block the provision by every means including corruption. Famous is the attempt made by the *fermieri* (customs guards) towards Chancellor Kaunitz who received a basket containing golden coins hidden under a layer of

chocolates. Nobody knows whether the expedient was temporarily successful. However, in 1770, six years after its setting up, the Council charged with the indirect-taxation reform was able to renew the tariffs of consumption taxes and to put the service under direct State direction starting from the following year. Political and military events which led to Napoleon's French Empire replacing Hapsburg's in the dominion of Italy brought about a total change of the customs system. Such events also led to the creation of a fleeting Kingdom of Italy with Lombardy becoming its territorial core and its administrative centre.

7.2.3 Lombardy under Napoleon

Milan became the capital of the Italic Kingdom - which included Lombardy, Veneto, Trentino, Emilia Romagna - where French regulations and legislation were introduced.

Customs were organised on the French model envisaging a structure including civilian officers and an armed corps of customs guards. With this aim, the corps of the Guardia di Finanza was created, made up of 3500 both foot and mounted men headed by an Inspector General. This corps had its headquarters at the Ministry of Finance in Milan.

Such a Corps, whose soldiers wore light-blue uniforms, was more engaged in military than customs actions owing to the particular historical moment. It was actually employed in the border defence, during the war of France and the United States against Austria in 1809 and 1814.

After the definitive defeat of Napoleon at Waterloo, during the Congress of Vienna, a new political European order was established, according to which Austria took possession of Lombardy again and obtained the territories which constituted the Republic of Venice. Italian lands were unified in a single State unity within the Hapsburg Empire: the Kingdom of Lombardy-Venetia. The customs system of the Kingdom was autonomous from an operational viewpoint but depended on Vienna's central government as regards trade and tax policies. In 1816 on the initiative of Metternich, an Aulic Commission for trade was set up, being competent for matters concerning imports, exports, commercial treaties and customs tariffs.

The Commission immediately abolished the few still existing internal customs duties and laid the basis for a customs reform of the Austrian Empire, which was also supported by Emperor Francis I. The reform was started in 1817 and was implemented and perfected in 1827. By this reform, the regions under the Austrian rule were united into two customs territories: the first included all German, Slavic and Italian provinces (with the exception of Dalmatia and the Istrian coast), the second included Hungary and the provinces under its rule.

7.2.4 The Kingdom of Lombardy-Venetia

The Kingdom of Lombardy-Venetia became part of a wide and economically integrated customs territory which was the forerunner of customs and economic unions. During the nineteenth century, Austria upheld such unions in order to consolidate its fragmentary Empire and to counter the national-unification policy being brought forward by Prussia through the German Zollverein. A first positive element contained in the reform was the abolition of the customs line corresponding to the river Mincio, which divided Lombardy and Veneto. The Customs Tariff of the "Austrian" territory which included the Kingdom of Lombardy-Venetia was enacted in 1823.

7.2.5 The Customs Policy

According to the Austrian commercial tradition, such a Tariff was sharply protectionist-oriented as it envisaged high customs duties and quantity restrictions on imports.

Such restrictions favoured widespread smuggling which soon turned into one of the most flourishing national industries. Austrian authorities were forced to strengthen customs surveillance in order to fight against smuggling. In 1815 the Finance Armed Force (Forza armata di finanza) was created in the Kingdom of Lombardy-Venetia. By a subsequent aulic decree of 1829, customs surveillance was assigned to a single corps for all monarchy, named Corps of Border Guards.

In 1835 the Imperial Regia Guardia di Finanza (the Guardia di Finanza of the Royal Empire) was created, with the task of repressing smuggling as well as indirect-tax and monopoly-duty evasion within the State.

By the Imperial Decree of 22nd December 1842, the Corps of Border Guards was included into the Imperial Regia Guardia di Finanza which was composed of foot and mounted men who were substantially civilians though they wore forest-green uniforms and were militarily organised.

However, during the riots of 1848, the Guardia di Finanza of the Kingdom of Lombardy-Venetia, made up of men who had been recruited from Italian provinces, rose up together with the civilian population and distinguished itself in different important actions during Milan's relief.

It was above all Sergeant Montanari and the Guards, Angelo Capra, Antonio Battaglia, Angelo Fiocchi and Luigi Borroni who distinguished themselves in that event. After Milan was liberated from the Austrian, the Civic Committee, chaired by Gabrio Casati, issued a bill of praise and recognition to Milan's Guardia di Finanza on 1st April 1848, for its contribution during the famous Five Days. Everywhere throughout Lombardy the military of the Guardia di Finanza rose up together with the civilian population. Many were those who went down in history; among them we can quote Sergeant Santo Negri, who led the uprising at Varese, and the High Commissioner, Stefano Barbarich, who led the revolt at Gallarate.

During the First Independence War, Lombard customs officers massively enlisted in the ranks of the volunteers of the Corps of Lombard Bersaglieri (Italian light-infantrymen), who turned out to be glorious in the defence of the Roman Republic under the lead of Luciano Manara, after Novara's defeat.

7.2.6 Customs after 1848

The 1848 riots and the consequent secession attempt made by Hungarians had convinced the Austrian monarchy to give birth to a constitutional and economic reform over the Empire. Such reforms were also suggested by the need to offset Prussian policy which was gradually excluding Austria from the German Confederation both economically and politically, through the Zollverein (customs union).

In 1851 the old customs border between Austria and Hungary was abolished and, for the first time, all countries under the Austrian rule were united into a single customs territory with free movement of goods. At the same time, the Minister of Commerce, Von Bruck, further reduced customs tariffs. The attempt to enter into the Zollverein being failed, he tried to create a customs league with the other Italian States. However, this plan was bound to be blocked by the Prime Minister of the Kingdom of Piedmont, Camillo Benso Conte di Cavour. Nevertheless, in 1853, the Kingdom of Lombardy-Venetia, as an integral part of the Austrian Empire, together with the Dukedoms of Parma and Modena - which were historically and politically dependent on Austria - formed a customs union in a last attempt to offset the German Zollverein.

The union did not last long since the union's treaty was denounced by the Dukedom of Parma in 1857. As a matter of fact, Lombard products were unsustainably competitive compared to goods from Parma. The Kingdom of Lombardy-Venetia was clearly at its end. In 1859 Prince Eugene of Savoy-Carignan, Lieutenant General to His Majesty Victor Emmanuel II, signed the Decree by which the new Customs Tariff of the Kingdom of Sardinia was enacted. Such a Tariff also concerned Lombardy which had been annexed following the above-mentioned war.

7.3 Customs in the Papal State

In the lapse of time between the restoration of the Pope's temporal power and the annexation to the Kingdom of Italy, the Papal-State's customs administration depended on the Reverenda Camera Apostolica (Reverend Apostolic Chamber) established at Monte Citorio where the Directorate General of the Papal Customs also had its seat. This Chamber, which had competence in all fiscal matters, derived its name from the German word "Kammer" - the council institution which

supported the sovereign in making financial decisions and, under a different name, represented what was called a Ministry in other States.

7.3.1 The Organisation

The Papal Customs were composed of civilian officers and a Military Corps named "Truppa di Finanza" (Finance Troop). Such a Troop was established by Monsignor Ruffo - Treasurer General of the Papal State -, in 1786, following the example of the Light-Troop Legion which had been created in the Kingdom of Sardinia a few years before in order to fight against rampant smuggling. Such a Corps was dissolved by the Austrian General, Enzo Caprara, in 1797, during the reorganisation of the Papal Army.

The French customs order which replaced the Papal's during the Napoleonic era was traditionally organised with a civilian service and an active military service. Such an order restored the military organisation of the papal customs guards, which was also maintained during Pope's restoration.

The Treasurer General, Cardinal Guerrieri, restored the Finance Troops which reached a number of 100 men. In 1817 they became completely independent from customs authorities and had a sharply military organisation. In order to assure the control of the territorial sea, Cardinal Guerrieri set up coast-guard squads besides land soldiers in the free ports at Ancona and Civitavecchia.

The Finance Troop's new military organisation had long been hampered by customs authorities since they claimed a weakening of the synergy and of effective co-ordination which were absolutely necessary for a serious fight against smuggling. A 1833 report on papal customs quoted that: "as regards the Finance Troop, any reform would be useless until that Corps left its nature of a line troop and abandoned military discipline and instruction, in order to play the role of a customs armed force charged with the sole repression of smuggling" [19]. Such a Corps, endowed with elegant light-blue uniforms[20], took massively part in Carbonari's riots of 1831. Such actions earned them a consideration of no-reliability by the repressive papal government.

7.3.2 The Territorial Structure

The main customs offices of the Papal State were established at the two free ports of Ancona and Civitavecchia and at Ferrara. Rome had a lot of customs offices:

- the Land Customs Office, at Piazza Colonna, was charged with verifications on people and goods coming by land;
- the Customs Office of Ripa Grande, at Porta Portese, was charged with foreign trade carried out through the river Tiber, where it linked the city to the sea;
- the Customs Office at Fiumicino, at the mouth of the Tiber, which was charged with hauling vessels and controlling their movements;
- the Ripetta Customs Office, in the port of Ripetta between the bridge and the Ara Pacis, was charged with the control of internal traffic;
- the Popolo Customs Office, at Porta del Popolo, which was charged mainly with the control of traveller traffic since it was where the main streets of the Papal State met - Via Cassia and Via Flaminia.

Rome's main Customs Office was certainly Ripa Grande's where the bulk of incoming foreign goods converged. It was also there that the majority of smuggling cases took place. In 1849 the Director General, Carleschi, established a water-guard customs service which was essential to counter smuggling especially at night.

Water-guard vessels had a crew made up of a boatswain and three sea finance guards and depended on the Port Captain and on the Regulator of the Ripa Customs Office.

The other main customs offices had their seats at Ancona, Civitavecchia and Senigallia, which were the State's main trade centres. The first two cities were free ports while the third hosted a famous annual Free Fair dating back to the Middle Age. Since Ancona was the seat of a Customs Directorate, the presence of a free port called for a steady customs control for smuggling to be countered.

7.3.3 Trade

Commercial and sea traffic was flourishing and entailed intensive interchanges with Austria, England, Spain, Greece, France, Belgium as well as other Italian States.

Ancona was the main trade centre of the Adriatic, whilst Civitavecchia played the same role in the Tyrrhenian sea though at a lower level. The first edict issued by Urbano IV in 1630 quoted: "in order to promote international trade at Civitavecchia's port ... every incoming vessel will be allowed free port ... notwithstanding the goods being transported which will be free from any duties or taxes ... and traders, captains, owners and supervisors concerned will be granted the faculty to dispatch goods to Civitavecchia's inland or to Civitavecchia's public customs. Customs guards will be paid for every package in order to look after goods".

The edict concerning Civitavecchia's Free Port was confirmed by Clement IX in 1669 and the privileges it enjoyed were widened by Innocent XII in 1692. In 1742 it was Pope Benedict XIV who set up a Free-Port Consulate charged with supervising trade and the relevant jurisdiction, created an appropriate Trade Court, fixed portage tariffs and also allowed transit operations through the State.

Trade interchange was particularly active with England, Holland, France, Germany, Spain and the Italian States. The Customs Office at Senigallia was mainly concerned with the old Free Fair which took place every summer. The Fair envisaged a special privilege which consisted in putting incoming foreign goods under a guarantee while only the goods which were sold in the State were subject to customs duties.

The Customs Office at Ferrara and the subsidiary Port Customs at Pontelagoscuro were also very important. The first, thanks to trade traffic near the Kingdom of Lombardy-Venetia, the second, as a border crossing point and as Ferrara's port which was very well equipped.

7.3.4 The Customs Policy

Customs rules were not the same throughout the State's territory, but, not only were they applicable by each province, they also regulated the real customs matter indiscriminately as well as all questions concerning internal consumption duties.

The City of Rome enjoyed its own customs regime which was regulated by an Act issued by Clement XII in 1738. Even if the Act confirmed that "everybody has to pay the tax", many were those exempted: Cardinals, the Tribunale del Santo Offizio (Tribunal of Holy Office) as well as different clerical orders.

As regards the land customs, carriers and drivers were obliged to submit all goods to ordinary customs controls. The City of Rome was surrounded by walls and the door-keepers were not allowed to open the doors without customs approval. If carriers did not submit to the Customs Officer all their carriages including both goods and travellers, they were punished with three strappados, goods and carriage seizure and a money penalty. An incorrect declaration was punished with a one-hundred-scudo fine and false certifications by customs officers with three strappados to be inflicted in public. The customs legislation envisaged the institution of transit (i.e. "merci da passo") which was only allowed upon guarantee and if goods were accompanied by a bond note. As regards incoming goods by sea, they had to be delivered to the port-customs Commissioner and to the Ripa della Nota Customs Commissioner.

Delation was also a special institution which was adopted in order to facilitate the detection of smuggling or corruption cases. The information had to be laid within 24 hours after the event. The secret accuser was granted a one-hundred-scudo reward. The Customs Regulation was revised by a decree issued by the Treasurer General in 1824. By such a Regulation corporal punishments were repealed though heavy money penalties up to two thirds of the cargo value as well as seizures were maintained. On that occasion, more precise provisions were issued regarding load manifests, incoming vessel verifications and foodstuffs at the crew's disposal.

The Customs Tariff issued in 1738, at the same time of legislative rules issued by Clement XII, was very simple: 14% on the value of incoming goods, 3% as for outgoing goods. Such a Tariff was replaced by the French one, during the period when the Papal State was annexed to the French Empire, but was restored in 1814, after the comeback of Pius VII. In 1830 a new Tariff was issued, which was more detailed than the previous one. In 1847 the Papal State joined the above-mentioned Customs Union with the Grand Duchy of Tuscany and the Kingdom of Sardinia. Such a Union, however, did not become operational owing to the riots which took place the following year. The receipts of the Papal State's main customs offices concerning the year 1858 were the following:

- Rome's Land Customs Office: 420,000 scudos; Rome's Customs of Ripa Grande^[21]: 396,000 scudos; Ancona's Customs: 229,000 scudos; Bologna's Customs: 228,000 scudos; Pontelagoscuro's Customs: 180,000 scudos; Civitavecchia's Customs: 92,000 scudos. Furthermore, foreign trade was focused on the following main product headings:
- on import: coal, timber, metals, salted fish, colonial products, yarns, wool, paper, sugar, clothes, oil, luxury items, glassware, chinaware, metals and their manufactured goods;
- on export: hemp, silk and wool yarns, cheese, charcuterie, antiques, terra-cottas, flour, raw skins, cordages.

7.4 Customs in the Kingdom of the Two Sicilies

The Administration of Customs and Indirect Duties was a fiscal body of first relevance in the Kingdom of the Two Sicilies, since the Bourbon customs policy was more oriented towards the collection of financial resources for the Treasury than towards trade regulation. By the end of the 18th century, economic and administrative conditions were quite good in the Kingdom, thanks to the fruitful activity of some Neapolitan economists such as Filangieri, Genovesi and Galliani.

7.4.1 Napoleon's Rule

With the French domination and Napoleon's family members subsequently replacing the Bourbons, French administrative and customs regulations were introduced into the territories of the Kingdom of Naples (mainland regions only, since Sicily was still under the Bourbon rule as the Kingdom of Sicily). These regulations were the most effective ever accomplished up to then.

The Customs Administration was run by a State councillor holding the office of Director General, being directly dependent on the Ministry of Finance and advised by a Board of Directors.

On the example of French reforms and on the push of revolutionary ideas, internal customs were also abolished in the Kingdom of Naples (1810) as well as other heavy taxes which used to be paid partly to the State and partly to feudatories and private collectors. Tax collection was assigned to the State so that the Customs Administration continued to be charged with the collection of customs and consumption duties, salt and tobacco-products monopolies as well as with selling spoils of war and sharing their receipts. The Customs Administration was made up of two enterprises: the enterprise of customs and consumption duties and the enterprise of reserved rights. It had an armed corps dating back to the French domination. In 1714 the customs control service had been assigned to the so-called "country soldiers" which were stationed in every province. In 1806, by the establishment of the General Administration of Indirect Taxes, the Corps of the Armed Force was also reorganised on the French model. It was made up of infantrymen (quartermasters, sergeants and guards) cavalrymen (sergeants and guards), seamen (pilots, boatswains, gunners, marines, ship-boys), and was territorially divided into directorates, control points (run by inspectors and controllers), districts under lieutenants, and stations, including a staff of about 6,000 men as a whole.

7.4.2 Customs after the Reunification of the Kingdom of the Two Sicilies

After the fall of the political system imposed on Europe by Napoleon, the Bourbons got back all their territories. As a result, there was the reunification of the Kingdom of Naples and the Kingdom of Sicily into the Kingdom of the Two Sicilies, under Ferdinand I of Bourbon. It included the

current regions of Campania, Calabria, Basilicata, Abruzzi, Molise, Apulia, Sicily. Mainland provinces were called "Domains this side of the lighthouse" and Sicily "Domains on the other side of the lighthouse". Within these territories there were two enclaves belonging to the Papal State: the Dukedoms of Benevento and Pontecorvo. The non-belonging of these two provinces to the customs territory of the Kingdom of the Two Sicilies was a source of continuous and serious smuggling against the Kingdom. Therefore, on 7th December 1819, a Customs Convention was signed, whereby: "Benevento and Pontecorvo shall be treated in the same way as all the other municipalities of His Majesty's Domains and shall be considered as such". In practice, it was a customs union. The Kingdom of the Two Sicilies was almost surrounded by sea and had only one land border with the Papal State. Owing to the lack of control and to high duties, smuggling against the Kingdom was rather widespread. In order to counter it, a Convention regulating land traffic was signed between the two neighbouring States. It was decided that two customs offices would have the task of controlling transit in both directions and a special "accompanying bill" was created, which certified traffic regularity.

7.4.3 The Organisation

The financial administration of the Kingdom was up to the Minister of Finance and included the management of Customs, consumption duties, direct taxes, government duties and records, lotteries, the mail system, State property, the Mint, the national debt, the Treasury and the Collectories.

The Directorate General of Indirect Taxes was within the Ministry of Finance which was located in the Palace of the State Ministry in the so-called "San Giacomo's Room". Customs in the Kingdom of the Two Sicilies had two Directorates General: one in Naples and one in Palermo; each one was divided into Regional Directorates ten of which were located in the mainland and five in Sicily. Every Regional Directorate was headed by a Director assisted by secretaries, accountants and clerks. The customs operational staff was made up of three categories: a "sedentary" service, a mixed service and an active service. The first one was composed of inspectors, controllers, collectors, clerks, stampers and interpreters. The mixed service was performed by active controllers and by lieutenants operating along borders and internal control lines. The active service was divided into three branches. Actually, there were foot, mounted and sea officers. The first and the second were quartermasters, sergeants, subsergeants, guards; the third were pilots and marines. The two Directorates General were subdivided into sections having each a Board of Directors. This was headed by a Director General and was also formed by two Secretaries General who were entitled to vote, a Secretary without the right to vote, an Advisor to the State Audit Court as Public Prosecutor. The main matters lying within the competence of the Board of Directors regarded: public-supply and construction contracts, smuggling cases not exceeding 350,000 ducats, judgements on collectors' assessments, staff disciplinary matters, budgets.

Wages and salaries^[22] varied from 2,000 annual ducats earned by Directors General to 60 annual ducats earned by marines. It is worth noting, however, that the staff of the "active service" was granted special benefits, - besides fine receipts and the revenue from the sale of seized goods -, as well as a travelling allowance for customs operations carried out at the traders' place.

7.4.4 Staff Structure and Organisation

Customs were arranged in different classes - three for sea customs, two for land ones. The territorial sea was fixed within six miles from the coast and control was assigned to the sea active service which disposed of schooners, boats and duty boats.

The staff summed up to 6,200 units as a whole. Its task was to prevent smuggling across a long borderline, which was not easy because of high duties and of the poverty of the population.

The staff wore a sea-gray uniform with green tabs, white buttons bearing the letters "D.I." (Dazi Indiretti - Indirect Duties) under a crown. Regional Directors had each green oversleeve, blue trousers, boots, a sabre, a hat with a cockade and a silver stripe; inspectors had uniforms resembling

the Directors', with fewer badges, while controllers and lieutenants had the same uniforms with even less decorations.

The active service was armed as follows: controllers and lieutenants had a sword each; quartermasters and pilots had a short sabre; sergeants, guards and marines had a rifle with a bayonet and a sabre. Quartermasters, sergeants and guards wore simpler uniforms, with jackets provided with red collars and shakos decorated with a metal plate. The active service's staff was obliged to wear a uniform at any time, while controllers and the staff of the sedentary service had to do so only on duty.

All employees in the Kingdom of the Two Sicilies were appointed by the king. Every customs officer or agent was provided with a licence to be shown upon request.

Naples' Customs Office had its seat at Piliro and was the main centre of foreign trade; for this reason it was called "Dogana Grande" (Grand Customs); other branches were operational at Molo Grande, Molo Piccolo and Mandracchio. The second main Customs was established at Messina and regulated the free port which embraced the whole town. The Free Port had two customs perimeters; within this territory goods were subject to the obligation of a special bill in order to counter smuggling.

In 1844 besides the Messina Free Port another free port was established at Brindisi. These were, in general terms, the organisational facilities in the Kingdom of the Two Sicilies.

7.4.5 Legislative Rules

As regards legislative rules we should take into consideration the re-organisation of customs rules, which was carried out together with the reorganisation of navigation and customs tariff, by the Royal Decree of 15th December 1823. Such rules were extended to Sicily on 24th August 1824 and unified on 30th November 1824. By the Royal Decree of 13th April 1826 a new organisational structure of the Directorate General of the "Royal domains this side of the lighthouse" (mainland provinces) was set forth.

The Customs Law was approved on 19th June 1826. The Law on the Contentious Jurisdiction of indirect taxes was approved on 20th December 1826. Infractions were judged by the Court, while customs officers carried out verifications through minutes. The procedure and the competence for the cognisance of infractions were included in the Act of 20th December 1826 and assigned to two judges in Naples and to one in Palermo. These judges should exclusively be charged with matters concerning customs, consumption duties and monopolies, and navigation.

The products which were more likely to be smuggled were salt, tobacco products, coffee (coming from Trieste) and valuable finished products, especially textiles, made in England and France.

In order to stem widespread smuggling, the greatest care had to be exercised as for the movement of cleared foreign goods and national products within the customs territory. Art. 177 of the Customs Law envisaged that: "all foreign manufactured goods being introduced into the "Royal domains either side of the lighthouse", which are subject to a stamp after verification and duty collection are lead-, dry- or colour-stamped, before being delivered to their owners, depending on their nature". As a consequence, "all items, tissues and other products not bearing such a stamp will be seized together with transport means. If the means is a cargo-ship, instead of confiscation a fine is comminated, which will be ten times as much as the duty on seized goods". According to Title XX of the Customs Law "the yields of seizures, fines and transactions" were divided into eight parts: one to the profit of the Royal Treasury, four to captains, two to high employees, one (which was sub-divided into another two parts) to General Administration's officers and to the Lieutenant General. If a smuggling case was detected following a denunciation made by an outsider to the Administration, the latter was rewarded with one third of the product, while the rest was divided as indicated above.

The staff of the active service was subject to disciplinary sanctions envisaging arrest, degradation and dismissal. Arrest up to five days was inflicted by the Controller or the Inspector; up to ten days by the Director and exceeding ten days by the General Administration. The Bourbon Customs

Administration envisaged a form of deferred payment within a maximum term of six months, which was granted to sound traders who were classified in seven credit levels varying from 120,000 to 5,000 ducats. A special institution was the retention^[23] envisaged by Article 67 of the Customs Law. It stated the following: "if, on verification, indirect-tax agents notice that the value declared is lower than the real one, they can retain the improperly valued items, paying the price declared and 10% more within 48 hours". The faculty could be exercised before liquidation; after that the right was lost. Goods were checked by clerks who followed all the operations concerning visiting, weighing, liquidation and stamping, upon Inspector's delegation. Visits could be attended by the heads of the active service (controllers or lieutenants). At the end of the operations, higher officials (inspectors, controllers) revised the clerks' work.

Customs Contentious Jurisdiction was made up of two branches: civil and correctional. Civil Contentious included goods classification and assessment - differences in classification did not give rise to contravention proceedings if the owner was able to demonstrate to have stuck to common trade denominations. In other cases and for value differences legal action was taken unless the infringer asked for a "transaction" ^[24]. The correctional branch was about infractions concerning smuggling and quantity differences detected after clearance, infractions of import and export interdictions, infractions of stamp rules^[25] on foreign and national goods, and infractions concerning shortages of goods occurred in the Messina Free Port. Furthermore, a number of articles was about infractions made by employees: undue requests for goods or services, incorrect duty collection, extortion under threat, stretch of authority.

7.4.6 Privateers

A special institution was about "sea preys", which was regulated by Title XV of the Custom Law. There was also a primary Act of 2nd September 1817, regulating this jurisdiction and determining whether the booty was to be considered good or not. Captains of privateers had to lodge cargo summaries as well as detailed declarations about their vessels and captured ones to Bourbon customs. They also had to submit bills of lading to the Court of Preys for the judgement of legitimacy. If the judgement stated that the prey was good, goods were subject to customs duties and were put into domestic consumption; if the prey was bad, that is to say unlawfully captured, goods were returned to their owners and re-exported under duty exemption. The plundering crew was entitled to get a part of the earnings from the sale of the "good prey" booty, according to Sea Administration's provisions.

7.4.7 The Caravans of Customs Porters

One of the fundamental links in the trade chain is the loading and unloading of goods. At Customs places there are still some "caravans of porters". However, this are almost useless now since keeping the goods in customs warehouses is a decreasing practice because production processes are organised on a "just in time" basis. The institution of the caravans of customs porters was very flourishing in the past.

During the visit of Ferdinand II of Bourbon at Bari in 1859, the then existing portage service at the old wharf, which used to be gathered near the customs office, was acknowledged as an association called "Carovana facchini doganali di Bari". The association did not have any organisation at that time - dock workers shared their earnings in front of the Colonna del Leone, at Piazza Mercantile.

One of the advantages enjoyed by the association was the possibility to replace a deceased or removed member with the children of other members. This way, the transmission of the right from father to son was ratified. Among other things, the group of customs porters bore the cult expenses of the little church of Vallisa, having 96 members in 1867.

In 1885 with the monopoly of the portage service at Customs, the Carovana Facchini doganali di Bari got a juridical capacity. The association encountered many difficulties due to its aim of

maintaining its activity at Customs in order not to abandon the loading and unloading service to unbridled competition.

For the preservation of customs interests themselves, the portage service was guaranteed by the Royal Decree No.2046 of 4th December 1864. Through such a juridical instrument, the portage service at Customs was regulated - as regards the appointments of porters, at least - by the Regional Director of Taxes, on proposal of the Chamber of Commerce.

Starting from 1878 the privilege enjoyed by the Caravan of replacing deceased members with the children of other members was no longer valid, and from 1882 the Caravan began to be equipped with its own wagons and other instruments. In 1889 a temporary provision was approved by the Finance Office whereby, for the first time, a fixed weekly remuneration was established for porters, while the remainder had to be divided every four months. In 1899 the Caravan had 74 active workers, 5 half-board retiring workers, 15 widows and 9 porters who had retired for old-age or infirmity.

The service provided by the Caravan was subject to frequent discussion by the Chamber of Commerce which traders turned to in order to express their complaints. However, the considerable privileges enjoyed by the Caravan, among which was the customary domiciled transfer of goods, were often infringed upon due to the setting up of other dock-workers' associations in free competition.

So, on 28th May 1977, ninety-nine inactive workers asked the Chamber of Commerce the licence to set up an association in order to be entitled to be employed in loading and unloading operations from and onto vessels. The initiative of the ninety-nine workers from Bari resulted from the crisis which had started affecting the merchant navy following the transition from sailing to steam vessels. As a matter of fact, in the post-unification period a great number of sailing ships were destroyed because they were judged antieconomical and were replaced by very few steamships. As a consequence, the Chamber of Commerce published a special regulation on the portage service. The regulation pointed out the obligations binding the members of the different associations. Workers had to serve commerce and satisfy their customers' requests; they had to contribute supporting the mutual benefit society, to respect and observe the provisions set forth by their heads or by any other of their authorities.

Such a regulation applied to the representatives of the Caravan only, with the exception of those working in customs offices, who were regulated by another legal instrument.

Every team of workers was made up of twenty individuals. It was headed by a foreman who was under the surveillance of a consul, of a town council's delegate and of another delegate from the Chamber of Commerce. The consul was appointed every two years by the corporation as a whole and had a salary which was twice as much as a porter's average salary. Foremen distributed work to porters, according to their shifts. The consul directed all teams' operations, carried out law-enforcement activities, kept order and discipline, and informed the mayor and the Chamber of Commerce about the unloading operations at wharves. In 1916 there were four work associations: Cooperativa Lavoratori del Mare, Carovana Facchini Doganali, Cooperativa Stivatori e Distivatori del porto, Cooperativa Imbarchi e Sbarchi.

These associations owed their activity to the large increase in goods traffic during the first twenty years of the century. During the thirties they underwent a re-organisation, when Fascism set up the Nazario Sauro - a harbour company which incorporated the four companies -, and provided it with a business seat which still exists.

7.4.8 The Messina Free Port

The Messina Free Port was a particular commercial and customs institution dating back to the 17th century. Since the relief had been extended from the port to the whole town, we should call it a free town rather than a free port.

Such an extension collided with the concept of free movement since it entailed some movement restrictions concerning vessels and goods. In this regard, a request was put forward, concerning the

possibility to revise the Free Port's Charter. Such a request was granted by His Majesty who "expressed his willingness to re-organise the Free Port on the basis of its primitive state, in order to make Messina enjoy the advantages of both a free port and free movement". As a consequence, a number of provisions were set forth concerning:

- the transfer of goods kept in warehouses scattered throughout the town into the Port enclosure;
- the payment of customs duties on products destined to Messina;
- the total duty exemption of products introduced into the Free Port, which were subject to a stabling charge of one per cent;
- the exclusion from the Free Port of salt, tobacco products, gunpowder, nitrates, considering the fact that they were subject to monopolies in the "Royal domains this side of the lighthouse";
- freedom of transaction within the Port;
- the obligation for traders to inform the customs office about the destination of missing goods. In case of unjustified shortage a fine which was twice the amount of the duty was comminated.

In the Free Port there were two operational Customs - one for import of goods destined to the mainland and another for goods going to Sicily. The receipts were lodged respectively in Naples' and in Sicily's Treasuries. The Free Port had two customs walls; within this territory goods could only circulate with an accompanying bond note.

The mixed service was charged with the surveillance, headed by two active controllers and two lieutenants.

Movement of goods from and into the Messina Free Port was regulated by Title XII of the Customs Law^[26].

7.4.9 The Trade and Tariff Policy

The Customs Tariff, enacted by the Franco-Parthenopeans in 1806, had a rather free-trade approach (light duties on raw materials and high duties on finished products), while satisfying some French policy needs. Actually, it turned out not to be useful owing to the "continental blockade" imposed by Napoleon on England and its allies. By means of this Tariff, export duties on oil, corn, silk, wool decreased and, in 1814, the stamp on national manufactured products was abolished. Tariffs were "ad valorem" with very different rates getting to 100%, in some cases. Because of the trade fight with Great Britain, high taxes were imposed on colonial products, through specific duties^[27]. Following a number of modifications, the Tariff was lightened. The new version was enacted by Joachim Murat in 1814, with the aim of breaking with the French policy and approaching Austria and Great Britain which had turned out to be the winners on the battlefield. After Napoleon's rule, Ferdinand I of Bourbon assigned the Ministry of Finance to Sir Luigi Medici, who, besides other provisions, enacted a new Customs Tariff in 1818. This Tariff was very incoherent - high duties on export and on raw materials, export prohibitions - and was consequently chastised by economists. The negative outcome of this Tariff imposed the preparation of a new Customs Tariff, enacted in 1824, which was more moderate but not less burdensome.

This Tariff, which was often revised, envisaged both specific and "ad valorem" duties. It was rather a fiscal instrument - according to it some goods were lightly taxed or even exempted and others were subject to very high duties in order to preserve the Kingdom's industry (from 3% to 30%). The Tariff also constituted a goods inventory since goods were listed in alphabetical order.

As regards trade policy, it is worth noting that after the fall of Napoleon's rule, the main commercial partners of the Kingdom were France, Spain and Great Britain. These countries, claiming some old privileges imposed by the Treaty of Madrid and the Pyrenees (1667) and by the Treaties of Utrecht and Rastadt (1713 and 1715), asked for a reduction up to 10% to renounce to the old privileges.

In general, customs policy was confused and contradictory and, for balance reasons, raw materials were more taxed than finished products, unlike what happened in all the other States.

With the development of a moderate manufacturing activity - wollen items, glassware, processed coral, skins, paper, milling industry and oil production - a more coherent customs policy were needed and Tariffs were improved. Furthermore, the entering into commercial treaties with other European powers, starting from Great Britain in 1845^[28], called for duty reductions to offset the situation.

A new Customs Tariff was drawn up, which had a goods classification similar to the 1824 one but lower duties. A taxation reduction of 20 to 50 per cent was registered. While duties on wollen items, velvet and cotton dropped, protection duties on gloves, leather articles, wax, processed coral, soaps and glassware remained unchanged and those on other products were diminished.

A last Customs Tariff of the Kingdom was composed of the Royal Decrees of 1st March, 15th March and 15th May 1860, which were signed by Francis II following the conclusions of a special Commission charged with the revision of the Customs Tariff. The Commission's proposals envisaged a further duty decrease of 25 to 70 per cent. However, they were not bound to last long since the Italian Customs Tariff - which had been borrowed from the Kingdom of Sardinia's Tariff of 9 July 1859 - was extended to the whole territory after the assimilation of the Kingdom of the Two Sicilies to the Kingdom of Italy, on 24th September 1860. The Kingdom of the Two Sicilies belonged to the past by then.

7.5 Smaller Dukedoms

It is worth noting that since the Dukedom of Parma and Piacenza and the Dukedom of Modena had been under the political and economic influence of the Austrian Empire for a long time, their Customs Tariffs, which were enacted in 1857, turned out to be strictly protectionist-oriented.

An exception was the Grand Duchy of Tuscany, which was regulated by the Customs Tariff which had been issued by Leopold in 1791. This Tariff envisaged very low customs duties which were made possible by the economic well-being of the region that was guided by the most enlightened and effective government in Italy.

The Grand Duchy of Tuscany's autonomous customs policy is also demonstrated by the fact that, in 1847, it had joined a customs union with the Papal State and the Kingdom of Sardinia which was a political opponent to the Austrian Empire. In 1853 the Grand Duchy of Tuscany did not join the customs union supported by the Hapsburg Empire itself. Such a union included all other Hapsburg territories in Italy.

8. ITALIAN CUSTOMS AFTER UNIFICATION

8.1 Unification (1859-1862)

On 9th July 1859, Prince Eugene of Savoy-Carignan, Lieutenant General to His Majesty Victor Emmanuel II, who was engaged in the war for national independence, signed the Decree enacting the new Customs Tariff of the Kingdom of Sardinia, which was also valid for Lombardy that had been annexed as a result of the war. The Decree was countersigned by two famous statesmen: the Prime Minister, Camillo Benso di Cavour, and the Minister for Finance, Giovanni Lanza. The Tariff of the Kingdom of Sardinia was gradually extended to Italian provinces as they were annexed between 1859 and 1860, and became the first Italian Customs Tariff after the proclamation of the Kingdom of Italy. Before unification, it came into force in the different States at different times^[29].

Political unity brought about customs unity through a unification process which was the opposite of the one occurring in Germany in the same period. In that country, for instance, the customs union (Zollverein) preceded political unity and it was rather the economic instrument for its accomplishment.

Even in the past there had been attempts to create a sort of customs union on the Italian territory. A first attempt, forebode by the federalist, Carlo Cattaneo, had occurred in 1847 and had led to a

union between the Kingdom of Sardinia, the Grand Duchy of Tuscany and the Papal State. Such a union, however, had not become operational owing to war events of 1848. In 1853 a second attempt had been made, directly or through satellite States, by the Austrian Empire which possessed many regions in Northern Italy. Such an attempt, started by the Austrian Minister of Finance, Von Bruck, in order to offset the exclusion of Austria from the Zollverein, had not been successful because of the firm opposition of Cavour. In fact, only the Kingdom of Lombardy-Venetia and Emilia's Grand Duchies had joined it.

8.1.1 The Customs Policy

Italy had been unified starting from a central predominant core (Kingdom of Sardinia). Consequently, at first at least, its trade and customs policy followed the one implemented in the politically most relevant area, that is Piedmont; this supported a moderate, British-like free-trade policy which, due to its geographical position, implied many exchanges with France. France and Great Britain were the international reference points of the Italian independence, therefore the implementation of a free-trade policy aimed at winning the favour of these two nations. The extension of the free-trade Piedmont Tariff to all Italian provinces, which, except Tuscany had so far been subject to a protectionist regime, exposed them to foreign competition; their economies in fact were in some cases underdeveloped and would have needed a progressive adjustment to the new situation. Moreover, all commercial agreements signed by the single States before being unified were repealed, while the agreements between the Kingdom of Sardinia and other European or non-European Countries were extended to Italy. The cause for the economic underdevelopment of some Italian regions was identified in the political division and customs protectionism; therefore it was believed that the mere implementation of a free-trade policy would have produced a rapid economic development, just as it had happened in Piedmont with the customs reforms applied between 1851 and 1859. That Piedmont had switched to a free-trade policy only when it was deemed strong enough to and after its consequences had been deeply studied, was ignored. While the agricultural sector stood up to the impact, the industrial one, especially in Southern Italy^[30], was seriously damaged; in fact it was still too weak: it had started under a protectionist regime and could not resist the competition of northern regions. A positive effect of the unification was the elimination of internal customs barriers and costs and of their limitations to trade. The 1859 customs Tariff was made up of: preliminary provisions - appurtenances - general alphabetical register - import, export and tare tariffs. The duty list had 260 headings, divided up in 750 subheadings which were grouped in 20 categories. Specific duties were more than ad valorem ones. There were few export duties concerning coal, timber, weapons, oils, rags, sulphur, citrus fruit and fruit. The various duties included: war tithes (abolished in 1879), differential duties^[31] on wine, aquavita, olive oil, oat and glassware according to their origin, reexportation duties abolished in 1870, transit duties on tobacco products, cards, salts (abolished in 1862), consignment duties (abolished in 1878), stamp duties on customs entries and warehousing duties. Preliminary provisions disciplined litigations, goods classification, abandoned or damaged goods, exemptions, samples and ship's stores, return of national goods, temporary importation. Together with the unification of duties it was necessary to carry out the harmonisation of the new national customs administration both from a legislative and organisation point of view. Minister Sella already in 1862 issued an Official Bulletin regulating the Customs Administration^[32]. We should mention Pietro Bastogi and Quintino Sella, Ministers of Finance, Conte Angelo and Cappellari della Colomba, Directors General, who inspired and co-ordinated the legislative and organisation efforts.

The Customs Administration was part of the Directorate General of Taxes and Monopolies that included sections on consumption and production duties, monopolies (on tobacco products and salts) and the Customs Guards Corps. The 1862 Customs Regulation replaced another regulation issued only a year earlier that was unsuitable to protect the interest of the Nation (due to limited controls and sanctions) Law of 21st December 1862 abolished the privileges concerning the free towns of Ancona, Leghorn and Messina, the free ports of Genoa and Brindisi and the free fair of

Sinigaglia. The organisation, classification and territorial competence of districts were ruled by Royal Decrees dated 9th and 20th October 1862, both of them countersigned by Quintino Sella. The first divided the customs territory in 27 Regional Districts^[33]. These were further divided into 57 Inspection Offices and 91 Vice-Inspection Offices. Such division has nothing to do with the modern one; therefore no comparison could be made between current Regional Offices or Districts and the above-mentioned offices. The second Royal Decree divided offices in first-rate and second-rate customs offices; each rate was then further divided in four classes^[34]. The term "customs office" referred to all offices, even to those currently called customs sections or customs posts, and this explains why there were so many of them.

8.1.2 Customs Staff

Two problems immediately arose concerning the customs staff of the newly-born Italian nation: a) the inclusion of the personnel who had been servicing in the Customs Administrations of formerly separate States; b) the considerable shrinking of borders and the unvaried length of sea frontiers. The situation was made worse by the people hired by Garibaldi himself in Southern Italy during his dictatorship; these were political refugees and former Bourbon-army soldiers who were held in place for political reasons. Before the unification^[35] the personnel globally amounted to 21,712 officials^[36]. We do not know if the redundant staff coming from the customs Administrations of the various Nations was held in place or not. The personnel of the Italian Customs Administration, called Directorate General of Taxes, included both civil and military servants^[37] (these latter servicing in the Customs Guard Corps). They were paid very different wages^[38].

8.1.3 The Customs Guard Corps

It was an armed force organised in a military way (disciplined by measures similar to the ones in force in the army) that, in case of war, would be employed by army or navy officers, as it was in the 1866 war and the fight against brigands. The Corps was divided in circuits, districts, lieutenancies and brigades. Circuits and districts were directed by customs inspectors and viceinspectors; these were customs and not military officials. As a result the military hierarchy was limited to the lowest ranks.

From a functional point of view, the staff depended on Customs Directorates, but such an organisation was not well accepted by the military part of the corps that remembered the exclusively military organisation of the previous bodies in charge of frontier surveillance. In 1881 the creation of a military force directed by its own officers was obtained. The organisation of such body was established by Manna in a Royal Decree issued on 13th November 1862 and countersigned by Sella.

In the years immediately following the unification, a report drawn by Director General Cappellari della Colomba painted a black picture of customs, defining smuggling as "an uncurbed and insolent" practice.

8.1.4 Tariff Policy

Soon, the Italian tariff policy was faced with a dilemma: soon had to choose between two opposite trends; on the one hand, the need to integrate the Italian economy in an international context where free trade prevailed demanded a free-trade approach; on the other hand, State-budget reasons and the need to support the newborn industry demanded a protectionist policy. Finance Ministers^[39] of the period immediately following the unification had to try and reconcile these opposed trends.

It was a moment of financial straits even if there was a substantial increase in imports. The drop in customs-duty revenues (amounting to 77 millions in 1858 and to 61 in 1861) and the trade deficit contributed to the modification of the customs procedures in force. Import duties^[40] on wool, silk and cotton materials were reduced; export duties on cereals, citrus fruit and legumes from southern regions were abolished^[41].

Subsequent modifications were even more radical: in 1862 the tax relief enjoyed by free towns and ports was revoked, the duties applied on colonial products increased^[42] and a duty on grains, amounting to 0.50 liras each hundred kilos, was applied. Meanwhile, various trade agreements were signed, these being the first ones of the kind to be made by Italy after the unification^[43]. That with France of 1863 was the most important agreement signed by Italy because of the considerable commercial flow between the two Countries and the range of reductions concerning the tariffs of the two contracting parties.

Such an agreement presented both advantages and disadvantages, but as a whole it was considered to be fair and politically useful, even if premature from an economic point of view.

In fact, the reduction and in some cases the abolition of French duties favoured the exportation of Italian agricultural products (oil, rice, citrus fruit, nuts, hemp, raw silk); this helped national agriculture exposing at the same time the Italian market to French industrial products. In this way our new-born industry, already affected by the negative situation in the silk and cotton sectors, was further depressed.

A new factor influenced the relationship between the Customs Administration and duty-payers, provoking a negative effect on the customs-duty revenue: the agreement between France and Italy created many ad-valorem duties that encouraged importers to declare goods for a value lower than the actual one; for this reason many legal proceedings started between the Administration and traders. As the Ministry of Finance, Mr. Sella, wrote in his 1872 report, the tax Administration very often was a loser in such proceedings, being traders predominant in trade courts. When the war against Austria broke out in 1866, in order to bear its costs, the Parliament granted the Government special powers, including the one of readjusting import duties up to a maximum of 10% and export duties up to 3%^[44]. Import duties on 57 kinds of goods (especially on the so called luxury goods) and export duties were applied^[45] to many goods such as agricultural products and livestock. It was decided that duties were to be paid exclusively by means of gold or silver coins^[46] and the Government was authorised to create free warehouses in the main sea towns^[47]. After signing the peace treaty, Italy and Austria made agreements on trade and navigation; they mutually limited their import duties, disciplined fishing in the Adriatic and fixed co-operation rules for fighting smuggling. Italian olive oil, cheese, wine, rice, fruit and legume exports took advantage of such agreements. Italy granted Austria the most favourite nation clause; the same clause was mutually granted by Italy and Switzerland in the 1868 agreement. At the beginning of the seventies, Italy applied to all world's major countries duties fixed according to bilateral or multilateral agreements and the Italian customs Tariff was considered as one of the most liberal. In 1870 the Parliament debated the Italian customs policy that had been severely criticised since many European countries were abandoning or mitigating their free-trade policy. The debate resulted in the creation of a Commission for the study of the Italian industry in order to prepare the renewal of the many trade agreements expiring in those years. Antonio Scialoja and Luigi Luzzati, two well-known economists, were named chairmen of such Commission: .

Pending the result of the study, some tariff measures were taken in order to curb the State deficit^[48]. Moreover, in 1873, import duties on items belonging to foreign sovereigns, Heads of State and Princes were relieved on a basis of reciprocity.

8.1.5 Legislative and Administrative System

In the period considered, the laws in force were not modified; only lieutenant Decree of 28.6.1866 n. 3002 established more severe sanctions for smuggling and specified the cases in which the aggravating situations of relapse and professionalism occurred. Instead, the administrative system was more deeply and continuously modified. The territory and staff organisations, decided as such with Royal Decrees of 9 and 20 December 1862, were slightly modified in 1863 and 1864 and radically changed in 1867 by the pro tempore Minister Urbano Rattazzi. Four measures were taken^[49] concerning:

- the creation^[50] of new customs districts and new organisation of the personnel;

- the personnel was redistributed^[51] in 22 Regional Directorates, in customs districts and in Inspection offices;
- the creation^[52] of four Regional Directorates in the Venetian and Mantua regions, allocation of the personnel to them and the establishment of Inspection offices' seats. The most important measure was the Royal Decree 4009/1867 that established the 22^[53] customs districts in which Regional Directorates had to be divided and the staff assigned to them (596 officials)^[54].

8.1.6 Organisation

From a historical and administrative point of view the creation of Local Revenue Offices^[55] is very important.

These offices were attributed all the tasks carried out by the Regional Directorates of the different finance Administration branches: a) State property and business taxes; b) direct and land taxes, weights and measures; c) duties and taxes once collected by Inspection and Treasury offices.

Though stating that customs staff depended on Local Revenue Offices, Royal Decree 5286/1869 envisaged many exceptions, holding Customs Office Heads responsible for customs services and leaving all their powers provided for by the Regulation and Customs Tariff unchanged. As for customs Guards, they were divided in headquarters commanded by a Chief Inspector who belonged to Local Revenue Office staff. Chief Inspectors, due to their unusual grade, were soon abolished^[56]. Customs Guards were reorganised with Royal Decree n. 844 of May 1872^[57]. The changes of staff and location did not correspond to modifications in the legislation; in fact it envisaged that inspectors and vice-inspectors were civil servants servicing in correspondent grades. They, therefore, played a double role in the two branches of the Duty Administration, originating dissatisfaction among lower-rank military officers who expected better career developments. The reorganisation of the Duty Administration carried out by Minister Depretis^[58] should be mentioned. Regional Directorates were replaced by 113 Inspection offices^[59], varying in importance and extension. Inspection offices depended on Local Revenue Offices and were located in commercially strategic areas or in the main centres along sea or land borders. Inspection offices included Customs offices of different classes and customs sections. They were headed by inspectors who, in the main centres, were supported by vice-inspectors^[60]. In 1877, the staff of the Directorate General of Taxes, including the Customs Guard Corps, amounted to 18,480 units. We want to underline that the General Directorate of Taxes included the following sectors: Customs, Production Taxation, Warehouses for State Monopoly Goods and Customs Guards; considering the different sectors it was in charge of, the high number of local customs offices and of personnel units is easily explained. Customs offices needed to be located also in the inner part of the Country or in places with no thriving commercial activity. Moreover^[61], the Directorate General of Taxes was entrusted with the lotto management.

The reorganisation carried out by Depretis may be considered to have consolidated and shaped the Italian Tax Administration which, replacing the various pre-unification Administrations, was finally given its characteristic features.

8.2 Protectionism (1878-1890)

8.2.1 Tariff Policy

The Commission responsible for the study of Italy's economic situation, chaired by Scialoia and Luzzati, ended its activity in 1874 drawing a final report entitled: "The Industrial Survey and Trade Agreements".

The result of the survey was a rejection of free trade that, during Italy's early industrialisation, had "taken a very heavy toll especially in the South"; therefore a moderate protectionist policy was desirable.

The requests for modifications concerned: increasing 48 import duties and 5 export duties; reducing 20 import duties and 10 export duties; abolishing 15 import and 13 export duties. Together with

these economic requests, further duty modifications were called for by fiscal and budget policies. Since the issuing of a new customs Tariff required an exhaustive analysis of the situation and was therefore taking a long time, the Government implemented single fiscal provisions and approved various trade agreements (most of which were to expire in 1874/75 and were extended for short periods of time) [62].

In fact, the tariff policy of the Government was expressed in trade agreements.

In 1875 the agreements with France and Switzerland were denounced; in 1876 all agreements were extended only to 31st December 1877 and not for the usual 10 years, this because the customs Tariff was going to be issued soon. Some of these agreements (those with Germany, Austria, Hungary, Belgium, Switzerland, Great Britain) were extended to 1878; negotiations for a new agreement with France started (in order to replace the one denounced in 1875 and expiring the following year). Negotiations lasted from August 1875 to July 1877, while the 1863 agreement was still in force. These negotiations resulted in a more balanced agreement that applied duties on some French products and excluded other products from the list of goods to which duties fixed in the agreement were applied. In April 1878 the Italian Parliament approved the agreement, but in June the French Parliament rejected it; two factors had influenced this decision: the pressure of Norman textile entrepreneurs and the new protectionist trend started by President Thiers. Therefore, commercial exchanges between the two countries were disciplined by the general tariff that was quite high for Italy. In order to prevent a customs war, the two parties signed a provisional agreement (15th January 1879) in which they agreed to grant one another the most favourite nation clause until a new agreement was signed.

Meanwhile, the study for the new customs tariff had come to an end; it had started in 1874 and ended in 1878 passing through three Finance Ministers: Minghetti, Depretis, Magliani. The main authors of the Tariff were Mr. Axerio and Mr. Vittorio Ellena, the latter being an expert in international trade who was to become Director General of the Duty Administration.

The Tariff was issued with Law 4390 of 30th May 1878 and came into force on 1st July. Expectations on the tariff review concerned: economic protection, increase in tax revenue, updating of the goods classification, reintroduction of specific duties, improvement of the previous Tariff whose rates for raw materials and semi-processed products were higher than those applied to the correspondent processed goods.

Not all expectations were fulfilled, anyhow the 1878 Tariff attained important results. It was divided in 16 categories that included 309 tariff headings divided in 644 subheadings. The Tariff established 350 import duties and 17 export duties according to what had been provided for by customs agreements.

From a technical point of view, the nomenclature^[63] was more specific and permitted a more precise goods classification. From a fiscal point of view, the most important result was the adoption of specific duties, that eliminated the phenomenon of underinvoicing thus and substantially increasing fiscal duties^[64].

The introduction of specific duties-related to the quantity and quality of goods- boosted commodity science whose onset was remarkably supported by the Chemical Laboratory of the Directorate General of Taxes and Monopolies.

Duties on raw materials were eliminated or reduced and those on processed and finished products gradually increased. The most substantial increases concerned duties on tanned hides (100%), glassware (70%), woollen cloths (67%), cotton yarns (55%), cotton (33%) and silk materials (20%). Fiscal results were as showed in the table:

Year	Amount	Year	Amount
1877	100 millions	1882	156 millions
1878	108 millions	1883	179 millions
1879	123 millions	1884	208 millions
1880	136 millions		

The results achieved in the sector of economy protection were considered less brilliant. Some sectors such as paper, glass, furniture, wool and silk industries benefited from this new situation and could compete with foreign production; in that period other industries (cotton and sugar) started and grew considerably.

Agricultural products were less protected and in Parliament landowners supported a more protectionist agricultural policy. Even though the criterion that dictated the 1878 Tariff was more of a fiscal than protectionist nature, a valuable contribution was given to national industry, above all to the textile sector.

Once the Tariff came into force, trade negotiations restarted: the first agreement to be made was the one with Austria-Hungary (1878) which favoured exportation of Italian products to the Austrian Empire. Compensatory measures were granted to Austria-Hungary such as "the most favourite nation clause" and the non application of border additional taxes. Other agreements were signed with Belgium (1882), Great Britain (1883), Germany (1883), Switzerland (1883) and Uruguay (1885); besides mutual duty reductions, the most important aspect of such agreements was "the most favourite nation clause" which extended to one State the facilitations granted to another.

8.2.2 Trade Policy

Drawing up the agreement with France (1881) was quite a difficult job: in the end it resulted to be rather fair for both parties even if Italy obtained "the most favourite nation clause". Among the tariff provisions set forth we should mention temporary imports and exports^[65], the elimination of some export duties^[66], tare regime^[67] and customs Index^[68]. In some economic sectors the results hoped for were slow to come. Consequently the tariff was thought to be insufficient to protect and spur national production especially since the duties fixed in bilateral or multilateral agreements had reduced the economic protection against those countries with which Italy had signed new economic agreements. Various international and national reasons required the strengthening of the protectionist policy:

- many countries, such as Germany, Austria-Hungary, Russia, Spain and United States had abandoned free-trade principles and applied a protectionist policy;
- the opening of the Suez Canal made sea freights decrease and introduced competitive Arab products (rice, silk, hides and cotton) in the market;
- improvement in transportation favoured the exportation of agricultural products from overseas Countries to the detriment of European ones and producers requested protection.

The above-mentioned reasons induced the Government to take urgent measures:

- tariff modifications^[69] aiming at: 1) increasing the fiscal pressure on luxury commodities (spirits, cocoa, chocolate, tea, sugar); 2) protecting determined industrial sectors (textile companies and tanneries); 3) favouring developing industries (through the refund of the salt duty on salted cheese, meat and butter exports, and exemptions for barley, hop, grease, coconut and palm oil);
- the Customs Index was reviewed^[70];
- duties^[71] on sugar, cocoa, tobacco and sugar products were increased;
- duties^[72] on colonial and agricultural products were increased.

8.2.3 Tariff Review

A new Commission for reviewing the customs tariff was created^[73].

The protectionist trend supported by agriculture and industry entrepreneurs was not taken into consideration in the final report presented by the Commission in 1886. Mr. Lampertico objected to the introduction of a duty on corn and on agricultural products in general while Mr. Ellena proposed moderate duties on foreign goods. Anyhow, the influence exerted by economic sectors was so urging that the conclusions achieved by the Commission were disregarded. In January 1887 Minister Magliani presented a very protectionist draft Tariff that was approved after a long

debate^[74]. The 1887 Tariff was divided in 17 categories including 346 tariff headings grouped in 773 subheadings. This one was therefore wider than the 1878 tariff and made a better distribution of duties on products. Possible differential duties were introduced on the goods of those countries applying a differential treatment to Italian products. The Tariff sensibly increased duty rates. It granted special protection to industrial products, particularly those of cotton, iron and mechanical sectors; it granted, instead, moderate protection to other products (cereals, oils and cheese). Practically all tariff headings were subject to a duty increase while the application of export duties was reduced from 36 to 16 headings. Along with tariff provisions, legislative, fiscal and economic ones were adopted: the customs law concerning goods seizure was modified, the obligation of cargo manifests and some production taxes were introduced and all trade agreements expiring in 1887 were denounced.

8.2.4 The Staff

In 1881 Minister Antonio Magliani completely reorganised the Ministry of Finance and the Treasury personnel, both at central and local level^[75], as well as customs staff. The number of customs civil servants was fixed at 2025 units^[76]. Salaries remained the same as those fixed in Royal Decree of 30th October 1862.

An innovation was introduced in the Customs Guard Corps. The Government of Prime Minister Cairoli proposed a law for the transformation of Customs Guards in Finance Guards, thus stressing their military character^[77]. Such law represented the start of the modern Guardia di Finanza. Art. 1 established that Customs Guards should be replaced by Finance Guards.

Finance Guards were an integral part of the police and were intended to:

- prevent, prosecute and denounce smuggling or whatever violation and breaching of financial laws and regulations;
- safeguard executive tasks of the Finance Guards;
- supervise the collection of consumption duties on behalf of the State and of those Municipalities that requested such supervision;
- contribute to the defence of the public policy and security.

Finance Guards had to service in their own Corps and were not allowed to be employed otherwise except in special cases. Art. 2 established the Guards personnel organisation^[78].

8.2.5 The Administrative Organisation

Legislative modifications (of 1880, 1883, 1889), the drawing up of the 1887 protectionist Tariff, important economic and commercial changes occurred in country that was undergoing an important industrialisation process and was finally establishing its borders after independence wars. The situation called for the reorganisation of the Tax and Monopoly Administration. In 1887, together with the tariff, other decrees were issued that represented a wide reform of the customs system. It was Magliani who promoted and co-ordinated the reform, thus concluding his term as Minister of Finance (1881-1888) who had been supported by the Director General, Mr. Castorina. The legislative means included:

- Royal Decree 5072 of 17th November 1887 that established the categories of customs offices and the operations they could carry out,
- Royal Decree 5073 of 17th November 1887 that approved and issued the Regulation on Customs staff;

*Ministerial Decree of 23rd November 1887, establishing the seats of Local Customs Directorates, first and second-category customs offices, customs sections, staff to be allocated to each office, and travel allowances to Directors and allowances for hardship posts. The organisation was as follows: 20 Local Customs Directorates^[79] including 57 1st- class customs offices, 98 2nd class customs offices, 192, 3rd class customs offices, 204 customs sections. With reference to the above-mentioned subdivision it can be noticed that: a) there wasn't any office comparable to the current Regional Directorates as the surveillance and the customs direction was entrusted to the

”Intendenza di Finanza” to which the local customs Directorates were subordinate; b) the latter are comparable to the current Customs Districts; c) in relation to their competences customs offices could be of first or second-category further divided in first, second and third class offices; d) although there were many customs offices, most of them were comparable to actual Customs sections. The staff reached the 2,351 units^[80].

8.2.6 Service Chart

The service chart played a leading role in the creation of customs rules. Such Chart established the tasks of:

- Directors depending directly on the ”Intendenza di Finanza” and also managing the pertaining customs office);
- visiting and accounting inspectors, carrying out similar activities to current Heads of service of both sectors;
- warehouse inspectors, responsible for the custody of goods in state-owned and private customs warehouses;
- collectors also responsible for records and statistics;
- all other professional profiles.

It should be stressed that collectors, cashiers and warehouse inspectors had to pay a guarantee, which as for the first two profiles was proportional to the customs class concerned.

A discussed aspect of the reform was represented by the mixture of civil and military staff, as the roll shows, mainly made up of non-commissioned officers of ”Guardia di Finanza”. Furthermore, high-rank officers of Guardia di Finanza (inspectors and vice-inspectors) could autonomously control goods also inside customs areas. The clerical staff was divided in two categories: directors, vice-directors, collectors, visit inspectors and officers belonged to the first one, while accounting and warehouse inspectors, cashiers, accounting officers to the second one. Salaries slightly increased in comparison to that established in 1862 due to the reorganisation of Customs professional profiles. The Directorate General for Taxes comprised the following sectors:

- Customs
- Production Duties
- Excise Duties
- Fiscal Monopolies
- Guardia di Finanza
- State lottery

8.2.7 The Chemical Laboratory

In that period a very important happening was the institution of the Chemical Laboratories^[81].

The laboratory, located in Rome, was divided in two sections. The first was for research, analysis, and procedures referring to the manipulation and production of salts and tobacco products, the second was charged with quality controls on exported sugars and with the analysis for the right application of the Customs tariff and excise duties. As the first section activity was prevailing to the second, the laboratory was included in the Fiscal Monopoly and not in Customs.

Following the reform of the Directorate General for Taxes made by Minister Gagliardo in 1893, the Chemical Laboratory was included in the Customs Administration. Senator Cannizzaro, a famous scientist, was in charge of the first organisation of Customs Laboratories.

Among the outstanding Directors of the Customs Chemical Laboratories, Vittorio Villavecchia, is to be mentioned; he was eminent professor in commodity technology at the Institute of Economic and Commercial Sciences of Rome, and he is the author of the Dictionary of Commodity Technology and Applied Chemistry, which is still in use.

We can therefore say that the modern commodity technology started in the Customs Administration.

8.2.8 Customs Legislation

Since the unification of the country, the legal basis of the Italian Customs Administration had been the Customs Regulation issued with Royal Decree of 11th September 1862 and ratified by Law 1061 of 21st December 1862,. Due to the legislation and customs-technique development over the years, the customs regulation was repeatedly amended. In order to include all customs provisions in one single text^[82], the Government was empowered^[83] to set up a Consolidation Act which^[84] was enacted after only 10 days.

The new Customs Law, more complete and articulated than the preceding Regulation, was made up of 137 articles subdivided into 10 titles: General Provisions - Arrivals and Manifests- Imports - Forwarding Between Customs Offices and Transit- Warehousing and Re-exportation (comprising three chapters: Customs Warehouses, Bonded Warehouses, Free Warehouses) - Exports - Coasting Trade and Circulation - Surveillance and Searching- Fines and Smuggling (including three chapters: Fines, Smuggling, Common Rules) - Final Provisions.

9. FROM 1891 TO 1919

9.1 The Tariff Policy

The 1887 Customs Tariff entailed the denunciation of the bilateral commercial treaties and the beginning of commercial negotiations on the basis of the new Tariff. The expiration of the commercial treaty with France (31st December 1887) triggered a dispute between the two countries. France wanted to keep the 1887 rates unchanged, which would have made the Italian tariff reform useless. The stiff attitudes of the two parties in a context of strict protectionism and political hostility, (Italy had just joined the Triple Alliance), lead to the end of negotiations and to a customs war.

The French Parliament passed a law establishing that Italian goods should be subject to the autonomous General Tariff, to which differential customs duties could be added in case the General Tariff were lower than the Italian one. As a retaliation the Italian government, already authorised ^[85] to increase customs duties to protect the interests of national economy, if necessary, applied differential duties on French goods. In many cases the rates mutually applied by the two nations, exceeded those of the general tariff by 100% (France) and by 50% (Italy). Exchanges between the two countries dropped by 50% because of the war. As a result, Italy intensified its commercial relations with other countries, particularly with Germany, Great Britain, Russia and the British Colonies. Therefore Italy was spurred to conclude bilateral commercial agreements with other countries. Soon the agreements with Austria-Hungary (1887), Switzerland (1888), Spain (1889) Greece (1889) were signed. Then Italy abolished differential duties on French goods, ^[86] and applied only the autonomous General Tariff as an example of good will. France adopted similar measures by issuing the Tariff of 1st February 1892. The period following the adoption of the 1887 Tariff was characterised by a severe economic depression, largely due to financial reasons and to the commercial war with France. Between 1885-1890 the trade balance recorded remarkable and progressive liabilities. In order to stop this trend the obligation of paying customs duties with gold liras was introduced. To offset the drop in the exchanges with France, Italy looked for new commercial outlets through closer economic co-operation within the Triple Alliance. When Von Caprivi took over as Chancellor of the German Reich, replacing Bismarck, he encouraged a more flexible customs policy which was based on mutual tariff preferences with the allied countries. Such policy was carried out through a number of commercial treaties based on customs-duty reduction and on the mutual granting of the most favourite nation clause. Such agreements, named "December treaties", made the so-called "Caprivi's system" which regulated the commercial relations of the Triple Alliance from 1892 to 1904. Italian exports towards Austria and Germany, favoured also by the opening of the Alpine railway (Pontebba, San Gottardo), remarkably increased as well as those towards Switzerland, Great Britain, Belgium and Ireland. The signature of December 1891 treaties could not be considered sufficient for the relations between Italy and the

other commercial partners as a whole. So in order to renew the commercial treaties expiring in 1892, a Royal Commission [87] was appointed with the task of examining the tariff situation and making appropriate proposals.

On the basis of the 1887 Tariff, the final report [88] called on mutual facilitations and the opening of the international market through the application of conventional customs duties and of the most favourite nation clause. Commercial agreements with Germany and Austria-Hungary were the first steps towards the definition of further commercial agreements with Switzerland, Spain, Rumania (1892), Paraguay (1893), Argentina, Japan (1894).

The general provisions on autonomous duties were repeatedly amended in the last decade of the century [89]. In 1898, the customs war with France was over and thanks to the negotiation conducted by Luzzati, Member of Parliament, an agreement was reached envisaging the application of the minimum French tariff to Italian goods and the most favourite nation clause to France.

9.2 The Commercial Situation

At the end of the century, industry developed considerably: the cotton sector was competitive in world markets; the iron and engineering sectors made good business; at the same time, some minor but first-quality sectors proved to be successful such as the industry of paper, glass, ceramics, gold, furniture, pasta, tinned food and olive oil. The Italian economic situation during the signing of 1892 commercial treaties was different from the one of their renewal (1902). The customs policy in almost all European countries had changed owing to the agricultural crisis. Consequently, many European Countries raised their customs tariffs, in order to protect national agricultural production. This penalised countries mainly exporting agricultural products, such as Italy.

The protectionist trend characterised the customs reform of 1902 in Germany, the Austria-Hungary Tariff of 1903, the Russian Tariff of 1903 and Swiss tariff variations of 1902.

The resulting commercial situation called for the revision of the Italian stance and the renewal of the decennial commercial treaties expiring in 1902-3. With the aim of planning a tariff reform "taking into account, on one side, the new needs of national industry and, on the other, possible threats to Italian exports to the world market", a "Commission for the customs economic regime" was created [90], being chaired by the economist Bonaldo Stringher. The Commission did not mean to adopt a retaliation measure, but to renew commercial treaties correcting the faults contained in the 1887 Tariff. In 1903 the Commission ended its works by submitting to the Government a draft customs tariff made up of 491 headings (as against the 370 of the Tariff in force), subdivided into 1188 subheadings (as against the previous 847).

The reform was not submitted to the Parliament. However, the conclusions therein contained were used by the Government to negotiate the renewal of commercial treaties in order to better identify the customs headings covered by the agreements. Between 1904 and 1906 the most relevant negotiations took place with Germany, Austria-Hungary and Switzerland. The context was quite complex as countries were oriented towards tariff increase and the implementation of protectionist measures as for agricultural products. When signing the treaties with Germany (1904), Austria-Hungary (1906) and Switzerland (1904), Italy had to grant customs duty reductions on industrial goods in order to keep facilities on agricultural products. Though 1904/1906 treaties showed fewer advantages than previous ones, they didn't affect the Italian economy. Indeed, it was performing well and was competitive at international level.

The customs duties negotiated with these three countries constituted the structure of the Italian conventional Tariff after 1904 and the model for the agreements stipulated later on with: Bulgaria (1906), Rumania (1907), Russia (1907) and Serbia (1907). As a consequence of the most favourite nation clause, the customs duties negotiated with the above-mentioned Countries were automatically and fully applied to almost all the remaining Countries, with some limitations for the United States, Canada, Spain and Portugal. In 1910 the Parliament approved the Consolidation Act [91] which included all tariff provisions enacted after the previous Consolidation Act of 1895 [92].

The main commercial treaties would expire in 1917, but before then the First World War broke out and so world-wide resources were devoted to the military effort.

Nevertheless, it has to be underlined that in 1913, since main commercial treaties were about to expire, a Royal Commission was set up [93] on Mr. Nitti's proposal. Its task was to review customs policy and identify guidelines for future trade negotiations.

The Commission continued its works also during the World War, taking into consideration the economic changes of the 1913-15 period which should be the basis for the re-evaluation of customs rates after the end of the war. However, as stressed by Mr. Calderoni [94] in his work on the Italian tariff policy, "to talk about customs policy during a war period means only listing a number of measures to be taken by governments having full powers in order to achieve full self-sufficiency, the highest tax revenue as well as supply of raw materials and foodstuff." Many measures were adopted in order to reach this goal [95]. The particular situation caused by the war influenced the members of the Commission for the customs economic regime who supported self-sufficiency and a tariff system based on autonomous customs duties. The economic and commercial situation created by the war led to the deferment of any decisions concerning the new customs tariff, since trade was altered by different factors such as bans, quotas and a strict exchange-rate system.

9.3 Law Provisions

Most of the many provisions issued during the war period concerned tariff exchange-rates and economic bans and therefore belonged to commercial policy rather than customs legislation.

Customs legislation was implemented in 1896, under the supervision of Paolo Boselli, Minister of Finance, who already in 1894 had reorganised the local structure of the Customs Administration. Mr. Boselli was empowered [96] to reorganise the customs provisions then in force and to draw up a Consolidation Act of customs laws, replacing the 1889 customs law [97]. The following year the new Consolidation Act was issued and, together with it, the Enforcement Regulation and the law concerning the reorganisation of the "Guardia di Finanza". In only 3 years, Mr. Boselli completed the legislative and administrative reorganisation of customs, both at central and local level. In his work, the minister was helped by other Administration officials, first of all the Director General, Mr. Gioacchino Busca. The administrative structure will be examined in an ad-hoc chapter. Here the customs law and regulation will be briefly outlined. The customs law, issued by Umberto I with Royal Decree of 26th January 1896, and countersigned by Paolo Boselli, included all the provisions enacted after Royal Decree of 8th September 1889 [98]. Note should be taken that the customs law and its enforcement are still on as far as not clashing with subsequent legislative provisions. The review and updating of customs laws were completed with the law on temporary imports and exports, issued when Minister Facta was in charge [99].

9.4 The Staff and Law Structure

In 1891, Minister Giuseppe Colombo reorganised customs offices from a territorial point of view; this did not change the previous situation. Indeed customs offices continued to depend directly upon the "Intendenze di Finanza". There were 543 offices divided in two categories and three classes, including the sections and customs stations. Twenty of them [100] were run by Directors having the supervision on the offices situated in their Customs District.

This marked the creation of customs districts, local organisation was similar to today's. The staff amounted to 2245 units [101]. An important reform of that period was carried out by Minister Gagliardo during his short term (1893), dividing Directorate General of Taxes in two different General Directorates: Taxes and Monopolies [102]. The latter gave rise to "Azienda dei Monopoli di Stato" (State Monopolies).

The General Directorate of Taxes controlled customs services, excise duties, manufacturing duties, surveillance services of the Guardia di Finanza; the Directorate General of Monopolies dealt with salts, tobacco products and state lottery. Expert with customs matters and author of studies and investigations in the tariff field, Mr. Paolo Boselli was appointed Minister of Finance in 1894.

During the 1887 negotiation between Italy and France for the renewal of the trade treaty, Mr. Crispi had already assigned Boselli the office of head of delegation. Mr. Boselli began a complete review of the customs legislation [103].

The reform was completed two years later with the issuing of the Customs Law and Regulation, mentioned in the previous paragraph, and with the Consolidation Act on the Guardia di Finanza [102]. The total staff [105] amounted to 1383 civil units and 821 military units. The staff Regulation divided the personnel in two categories. The first one was made up of: Directors - Visit Inspectors-Tax Collectors of the first three classes. The second Accounting Inspectors, Tax Collectors from the fourth to the sixth class, Cashiers and Officials. Customs Districts were headed by Directors who supervised all offices within their customs districts.

Visit Inspectors were responsible for the control and verification of goods and replaced Directors during their absence.

Tax-collectors were responsible for collection, cash surveillance, book-keeping, statistics, movable property, customs warehousing and performed the tasks of archivist and treasurer.

Accounting Inspectors were responsible for the management of printed publications, stamps and customs marks, of warehouse records, and performed the tasks of cash controller.

Officers were entrusted either with visits or accounting.

As for the territorial organisation, we should underline the already occurred separation of the Customs Administration from the "Intendenze di Finanza" and the creation of the Regional Customs Directorates.

Offices were still divided in two categories and three classes, and, from an accounting point of view, in main and minor offices. There were 18 districts [106]. Not all districts were the seat of a director, as the number of districts (18) exceeded that of Directors (14). One of them was appointed to the "Ufficio revisione delle Scritture doganali" (Customs Audit Office) and one to the Chemical Laboratory at the Tax Directorate General. Eventually, the Guardia di Finanza was restructured [107]. The institutional tasks remain those established by law, while as regards grades, Division Inspectors became High Inspectors (corresponding to the rank of Colonel or Lieutenant-Colonel) and Assistant Inspectors became Inspectors (corresponding to the rank of Major).

Article 37 still envisaged the cadre of vice inspectors thanks to the incorporation of Customs officials - who had won an appropriate competition and were physically fit - into the Corps of the Guardia di Finanza.

The inclusion of Customs personnel into the Guardia di Finanza was then stopped with a subsequent law [108]. This law gave complete independence and an outright military character to the Guardia di Finanza. The command of the corps was assigned to a general of the army and any traditional customs ranks disappeared only to be replaced by military ones. In this way surveillance on land and sea borders necessary to fight smuggling was entrusted to a military corps, whereas implementation of customs legislation in the field of excise duties, commodity control, application of tariffs and duty collection still lay totally within the province of the Directorate General of Customs and Indirect Taxation [109]. A final structural review was worked out by Minister Carcano in 1902 [110]. As to permanent staff higher importance was attached to Table 2 annexed to the law at issue, establishing for the first time the personnel of customs chemical laboratories. The total number of employees amounted to 1502 units [111].

The Directorate General of Taxes was then converted [110] into the Directorate General of Customs and Indirect Taxation which, as the previous one, was made up of three branches: Customs, Taxes on Manufactured Goods and Excise Duties.

10. THE PERIOD BETWEEN THE TWO WARS

10.1 Tariff Policy

As mentioned in the previous chapter, every decision concerning the structure of Customs Tariff had been postponed to the end of the war, thus limiting tariff action to prevailing war economy

needs. Nevertheless studies on customs matters went on, their aim being to collect elements so as to establish which tariff policy would be better tailored to Italy's economic situation.

The Royal Commission, set up in 1913, had continued working and the main problem it had run up against had been the structure of the duty system.

The alternative was either keeping a general and autonomous tariff, made up of general duties subject to reduction through bilateral negotiations, or introducing autonomous tariffs with a maximum and a minimum duty, the latter being applicable to goods coming from the countries with which trade agreements had been signed. The second system was applied in France and due to its inflexibility (the maximum limit could not be reduced through agreements) was supported by protectionists. It was not a case that the National Committee for Customs Tariffs and Trade Agreements, replaced by the Limited Company Association, had shown to be in favour of the double-tariff system. The same conclusion was reached by the Royal Commission at the conclusion of its works (1918). The end of the war had particularly highlighted the solution of the tariff issue since the abolition of administrative controls on trade had undone any protectionist effect and, what is more, the Italian economy was undergoing the competitiveness of both countries with rapidly devaluating currencies and of foreign industries strengthened during the war.

Therefore, the huge work carried out by the Commission was taken into consideration and updated by two Commissions. The first one (1920) was responsible for assessing the changes that had occurred in the industrial sector and the second one (1921), composed of expert officials, deemed the Tariff project appropriate under the technical and commodity viewpoint and so modified the original duty rates adjusting them to the different situation of international economy and new political trends. This was achieved by applying multipliers to basic original duties. The Government did not adopt the double-rate system and established that the Tariff draft [113] to be submitted to Parliament should be based on the traditional system of negotiable general tariffs. The discontent provoked by the Tariff, which was regarded as not very protective by economic classes, caused it to be converted into law as late as 1925.

The new Tariff was made up of 953 headings, subdivided into 52 categories and grouped in 8 sections. The taxation system was mainly based on specific duties, although there were some ad valorem or mixed rates. The decree approving the new Tariff authorised the Government to adjust increase factors according to modified production conditions and international trade.

The delegation of such a power to the Government was explained by the Minister of Industry and Trade, Mr. Alessio, as due to the need of being empowered to reduce duties in case of a decrease in internal production costs. Anyhow, this principle, which allowed the Government to modify duties without Parliament's control was considered as very dangerous by public opinion and Parliament. This caused the law to be amended through Royal Decree Law 1545 of 11th July 1923, which limited Government's power only to diminish increase factors. Owing to various reasons Italy's traditional trade policy was not given up and a general tariff was not adopted despite the opposite opinion of the Royal Commission.

The Government deemed the general Tariff system to be "better in order to ensure the development of and the increase in exports of some typical Italian goods, above all agricultural products, and to leave negotiators the possibility of granting duty reductions on products of little national interest in order to get preferential treatment for certain Italian goods". On one side the replacement of the conventional system with the autonomous one would have then entailed a deep change in Italy's trade policy that the Government could not carry out through an emergency decree. On the other side, the internal situation and the protectionist policy pursued by many States, as well as the denounce of trade agreements, made the approval of the new Tariff undelayable, in order to both adjust duty rates to the huge price increases and have an appropriate means in the oncoming negotiations of trade agreements.

The Tariff appeared to be general and negotiable; however, in line with the domestic and the international situation, it had a protectionist character stressed by both the increase in rates and a detailed nomenclature. Protectionism was strengthened by the obligation to pay duties in gold Liras

or paper money plus an exchange rate. Landowners and free-trade advocates protested against protectionism, whereas the supporters of the autonomous system, represented by industrialists, complained about the non-adoption of such a system and the almost total abolition of prohibitions. In this sector the Government had thought that the restrictions imposed during the war could be made less rigid. A number of decrees issued between 1918 and 1924 limited ^[114] the goods subject to prohibitions to a few items (25 for import and 19 for export).

As for exchange rates State control and the obligation to transfer currency was maintained until Royal Decree 125 of 12th March 1930 was issued, thus involving the liberalisation of such trade.

The 1921 Tariff was fully applied for a short period since a number of customs provisions were introduced soon. They reflected the policy pursued by the fascist Government which, between 1922 and 1925, adopted a series of measures aimed at diminishing customs duties especially on food and consumer goods, as well as at granting customs relief and reductions in case of purchase of machines, fertilisers and raw materials. Obviously the main reason for the reduction of duty rates was the signing of trade agreements.

10.2 International Trade Situation

At the end of the First World War the political and commercial situation appeared rather complex.

As many as ten new States had been created and with them ten customs barriers and currency systems.

Whereas some of them had restored already existing structures, others had no historical past and needed to establish brand-new relationships with the rest of the world.

The renewal of trade agreements, all denounced or expired by 31st December 1917, was extremely complex. At first, owing to obvious reasons, the existing treaties with allied countries ^[115] were prolonged until 31st December 1918.

The exceptional conditions of the post-war period entailed an extension of the above-mentioned treaties ^[116], which were gradually replaced by new trade agreements ^[117].

Very interesting trade agreements were signed with or, better, imposed on defeated powers, which, as established by Peace treaties, were obliged to unilaterally grant "the most favourite nation" clause and not to exceed tariff barriers in force before the war.

After the expiration of these clauses, it was deemed appropriate to normalise relationships through standard bilateral trade agreements with Austria and Turkey in 1923 and with Germany and Hungary in 1925.

As far as the new States created by the 1919 Treaties are concerned, a number of new agreements needed to be negotiated. They were signed with Poland (1921), Albania (1924), Czechoslovakia (1921) and Luxembourg (1922).

With Finland, Latvia, Estonia, Lithuania, the agreements consisted in the adoption of the Treaty signed with the Russian Empire in 1907, to which they used to belong.

Starting from the treaty made with France in 1922 a number of agreements were entered into, in addition to those mentioned before, also with other trade partners: (Canada (1923), China (1928), Siam (1926), Central America Countries, Russia (1924), while other already existing treaties were still in force (Great Britain, Belgium, Holland, Egypt, United States, Portugal, Japan, Switzerland, Sweden).

Besides trade effects, the agreements signed in the period at issue were inspired also by the acknowledgement of the legitimacy of the new states and the intention to overcome existing discriminations towards defeated countries.

The 1929 crisis, which dragged on for most of the Thirties, brought about- at international level - a return to protectionism which caused duty rise, economic prohibition ^[118] worsening, revival of state control on foreign payments ^[119], restrictions of trade agreement clauses.

Tariff policy was dealt with in a special session of the National Corporation Council (1921) and the talks revealed that the classical bilateral agreement policy was still considered as the most productive for national interests.

Despite all the attempts made by the League of Nations, customs duties continued to increase. In Italy such policy was pursued with Royal Decree Law 348 of 13th April 1933 which empowered the Government to apply additional duties amounting to 50% of general Tariff on goods from countries hindering the importation of Italian goods. The Government was authorised to apply duties from 20% to 40% on goods from countries having no trade agreements [120] with Italy and compensatory factors on goods from countries with devalued currencies [121] were raised. All these measures had a very limited impact on the whole tariff policy because, following the example of what was happening in France and Germany, the system of balanced trade was adopted all over the world.

It consisted of bilateral agreements through which the two countries established annual quotas of goods to be traded and settled the mutual debt and credit situation using a clearing system through ad-hoc governmental agencies.

For this purpose a national exportation body was set up and then converted into the National Fascist Institute for Foreign Trade [122].

The trade system was subdivided into four sub-systems:[123]

- free importation goods;
- licence goods;
- quota goods;
- goods subject to licences issued by customs offices.

It is clear that in such a system duties had a relative and a merely fiscal role, the economic function being totally carried out by trade and currency legislation.

In the short term bilateral agreements on trade quotas covered almost all trade between Italy and the other countries.

Since sanctions were applied to Italy in 1935 as a consequence of the campaign in Ethiopia, Italy adopted retaliation measures [124], implementing a policy based on economic nationalism or self-sufficiency; such measures characterised Italian politics up to World War II, notwithstanding the repeal of sanctions and the resumption of regular trade relationships with other countries, by means of a number of agreements signed in 1936-1937.

When the war broke out, Italy had already signed trade treaties with 72 countries; with 55 of them "the most favoured nation clause" was valid; with 16 of them Italy had negotiated tariff agreements and with other 25 countries had signed agreements on quotas, payments and clearing.

10.3 Italian Colonies

The policy adopted by the Italian Customs with the colonies resembled the one of other colonialist nations: colonies applied a preferential, and sometimes exclusive, treatment to goods coming from the motherland, while keeping their customs independence towards third countries.

On the other hand, tariff concessions were granted to goods coming from the colonies, protecting them from the competition of other countries by means of a system of bans and prohibitions.

In 1921 the Italian tariff established that all colonies should be granted the same treatment [125], whereas after the conquest of Ethiopia two different tariff treatments were agreed upon, the first one was applied to Libya, the second to Italian colonies of East Africa.

Each colony applied a different tariff:

- Libya applied a tariff with specific duties granting a special treatment to goods imported from Italy or Italian colonies;
- Italian colonies of East Africa (Eritrea, Ethiopia, Somalia) applied a mixed tariff which foresaw reliefs from Customs duties for goods imported from Italy or Libya;
- in the Somali region south of the 5th parallel, under the provisions established by the General Act signed in Berlin in 1885, all goods imported, whatever their origin, were subject to the same treatment;
- Dodecanese isles applied an autonomous ad valorem tariff supplemented by a preferential tariff with Italy.

Special provisions were in force in the Dalmatian territories (Zadar, and the Isles of Lagosta and Pelagosa) and the free zone of Quarnero (Fiume, Abbazia, Volosca, Lauriana).

In Albania a customs Union was created by means of a Customs Treaty, ratified by Law 1046 of 6th June 1939.

10.4 Administration Structure

During the Fascist period, four administrative reforms were passed, respectively in 1923, in 1927, in 1931 and 1942. The first one was brought in by Alberto De Stefani, Minister of Finance (1922-1925) who balanced the budget and introduced changes in the fiscal system and the Administration. Such reform [126] provided for the seats, the rate and the class of each customs office, customs routes, customs formalities concerning warehousing and transit of goods.

Later on [127] customs districts, second class customs offices, sections and customs posts were created, including for the first time the provinces conquered in World War I in the Italian customs territory. The structure was quite complex [128].

Moreover the first reform provided for the separation of the Ufficio Trattati e Legislazione Doganale (the competent body for Customs treaties and legislation) from the General Directorate of Customs and Indirect Taxation, becoming part of the Ministero degli Scambi e delle Valute (Ministry of Trade and Exchange) which later became Ministry of Trade with Foreign Countries.

Later on [129] the competent office for internal duties on consumption was separated from the General Directorate of Customs and Indirect Taxation, becoming part of municipalities, under the supervision of a Central Commission for internal duties on consumption.

Such duties were abolished by means of Royal Decree 141, of 20th March 1930 which suppressed internal duty barriers. Therefore, the General Directorate of Customs and Indirect Taxation carried out its activity in the following sectors: Customs, Production duties, and Consumption duties.

The second reform, passed in 1927, was introduced by Minister Volpi di Misurata and entered into force by means of Royal Decree 1349 of 30th June 1927. Regional Districts were increased to 20 by creating a new customs district at Fiume [130]. Subsequently, Customs offices were reorganised by Minister Antonio Mosconi [131] and then by Minister Thaon di Revel and Ivo Bagli, Customs Director General.

Such rearrangement, as happened also in 1896 when Paolo Boselli's reform was passed, was part of a wider reform, which involved also the enactment of a new Customs Law and a new internal regulation on personnel. Customs offices were divided into six classes [132] depending on the operations they were authorised to carry out, Customs sections, Customs posts and observation posts were created, whereas some offices, once situated in the French territory, which had become Italian after the armistice with France, became part of the Customs districts of Savona and Turin. Moreover, Regional Directorates were established, competent for the control and supervision on Customs offices situated in their own Customs territory. Furthermore, International first-class Customs offices were created, which acted as independent Customs districts. There were 7 Regional directorates competent for 22 Customs districts and 5 international Customs offices [133].

10.5 Customs Legislation

Before the legislative reform was passed in the 40s, other important legislative measures were adopted which influenced the actions taken in the following decades [134].

Such reform was envisaged in a bill introduced on 23rd April 1940 by Mr Thaon di Revel, Minister of Finance, and Mr Riccardi, Minister of Trade and Exchange [135]. The bill was passed in the same year and Customs Law was enacted as Law 1424 of 25th September 1940. It was made up of 52 articles, divided in 10 titles: General Provisions, Arrivals, Importation, Consignments Between Customs and Transit, Customs Warehousing, Exportation, Coasting and Circulation, Surveillance Areas, Customs Infringements, Final and Temporary Provisions. The reform was completed by means of the enactment of the Customs Internal Regulation [136], establishing the competence of Customs controllers in service in the Regional Directorates and in the Supervision Service of the

Ministry, as well as the competence of the personnel in service in Customs offices and the personnel with special tasks: Substitute Directors, Head Controllers, Treasurers, Storekeepers, Auditors. The personnel was divided into groups and ranks [137].

11. THE POSTWAR PERIOD (1946 - 1960)

11.1 Tariff Policy

As the Second World War broke out, the law of war [138] which banned exportation to and transit of goods through enemy countries, as well as importation and transit of goods coming from enemy countries within the national territory and in the territory of occupied countries.

Ministerial Decree of 6th March 1942 [137] sums up the multifarious provisions issued while the countries involved in the war were forming alliances.

Italy was defeated and at the end of the war was completely dependent on U.S. aid.

In the second half of the 40s the Italian economy began to flourish again together with international trade. From 1947 to 1949 115 trade agreements were signed, whose aim was the regulation of prohibitions and payments.

In that period, pushed by the U.S.A., there was a world-wide economic growth, whose foundations were laid at the Bretton Woods conference. At the same time international trade was progressively liberalised, while the U.S.A. promoted the independence of English and French colonies, giving start to a period of internationalisation and globalisation of trade.

In this framework bilateral agreement appeared to be out-of-date and multilateral agreements were preferred, aimed at developing and liberalising international trade. International agencies were created, e.g. the International Trade Organisation (I.T.O.), which carried out its activity within the U.N.O. and was the first step for the institution of the General Agreement on Tariffs and Trade (G.A.T.T.).

The U.S.A. laid the foundations of such organisation in an international conference aimed at regulating liberalised trade. A "Draft of a charter for an international trade organisation" was introduced in the course of such conference which was later discussed during the Conference which took place in Havana in 1947. Industrialised and developing countries expressed divergent opinions on this Charter, which was not ratified. However, in the same year, in Geneva a multilateral Customs agreement was signed, giving birth to the G.A.T.T., whose General Agreement was signed by 23 countries and into force in 1948. Such agreement aimed at

- reducing tariff barriers;
- eliminating quantity restrictions;
- general application of the most favoured nation clause.

G.A.T.T. activity was carried out in general sessions [140].

The Charter of the United Nations, signed in San Francisco in 1946, aimed at improving economic and trade development.

The U.N. activity in this sector did not result only in the institution of G.A.T.T., but also in the organisation of the U.N. Conference on Trade and Development (UNCTAD), which took place for the first time in Geneva in 1964. The following periodical sessions of this conference resulted in a number of international agreements on primary commodity trade: corn, sugar, cocoa, coffee, olive oil, rubber, etc.

In the postwar period there was the need for an organisation competent for the facilitation of commercial relationships among European countries.

Therefore, in 1948, the European Economic Co-operation Organisation was established, including 17 countries and the U.S.A. as associated country.

A committee was created within this body, whose task was the preparation of Customs unions based on a common technical language and classification as well as on common tax systems.

However, the activity of the committee was not successful and the G.A.T.T. became competent for Customs issues, whereas the O.E.E.C. tried to eliminate quantity restrictions and rule multilateral

payments. To this end in 1950 the so called "Liberation Code" entered into force and the European Payments Union was set up. After the creation of G.A.T.T., E.C.S.C. (European Steel and Coal Community), E.C.M. (European Common Market) and E.F.T.A. (European Free Trade Association), in 1960 the O.E.E.C. turned into O.E.C.D. (Organisation for Economic Co-operation and Development).

Other countries joined this organisation, which was therefore no longer exclusively European: the U.S.A., Canada, Japan, Australia and New Zealand.

Here follows a list of the main results of the O.E.E.C. activity:

- Agreement on the institution of the Customs Co-operation Council;
- Agreement on the nomenclature for products classification;
- Agreement on the value.

Such agreements were signed in Brussels in 1951.

Between the autumn of 1947 and the spring of 1948 in Europe there was a unification drive and on 21st January 1948 the Brussels Pact was signed by France, United Kingdom and Benelux.

On 5th March 1949 the European Council was set up and sixteen Western European Countries joined it.

On 9th May 1950 The French Minister for Foreign Affairs proposed the creation of ECSC to which Italy, Belgium, Germany, Luxembourg and the Netherlands adhered.

At that time the attitude of France was completely opposite from that of the United Kingdom, the latter being always against French initiatives in the 50s and 60s, not joining ECSC and objecting to Rome Treaties.

France and the United Kingdom played an autonomous and active role in international policy; it was not so for Italy and Germany. They, in fact, had achieved unification less than a century ago and had lost the war and were therefore more inclined to a unification movement.

The three Benelux countries have followed the course of events, with few exceptions.

Italy joined all these international organisations, deciding to liberalise its trade policy.

In the second half of the 50s, when Italy signed the Treaty of Rome, the Customs Tariff, implemented by means of Presidential Decree 453 of 8th July 1950, proposed by Minister Vanoni, appeared to be a protectionist means of Customs policy. Therefore, adjustments were necessary. The new Customs Tariff introduced ad valorem duties which, together with subsequent duty reductions and application of duties fixed in bilateral or multilateral agreements, made it a free-trade tariff. Duties amounted to less than the specific duties abolished, many products were granted exemption or relief. Duty reductions resulted from the economic policy adopted by the Government and highlighted the new nature of customs duties that now played a more important role in the economic and social policy. The fiscal structure of the Tariff was as follows: 35% of the goods (in particular raw materials) included in the Customs tariff were tax-free, 40% were granted a reduced or zero rate, whereas 25% a high rate (finished products, luxury articles, etc.).

Originally the Tariff provided for a 25%-duty rate on average; this percentage was lowered to 17% due to the temporary provisions applied in the first stage.

Later, on the basis of trade agreements with other countries and exemptions granted to end-use products, the incidence sank to 7.3% in 1950 and 6.7% in 1952, raising to 8.57% in 1953 and 9.5% in 1954.

After the first five years of implementation, the Tariff in 1950 had an average incidence of 7.7% (15.33% in 1938, 12% from 1945 to 1950). Therefore, the tariff implemented in 1950 is to be considered as a step towards free trade. However, many changes were taking place in that period.

On 25th March 1957 the Treaty establishing the European Economic Community was made in Rome by Belgium, Germany, France, Italy, Luxembourg and the Netherlands; it was based on the implementation of a common market aiming at:

- eliminating Customs barriers among Member states;
- eliminating quantity restrictions;
- applying a common Customs tariff to goods imported from Third Countries.

It is important to quote the principles inspiring the Treaty in question: "...Determined to lay the foundations of an ever-closer union among the peoples of Europe; decided to ensure, through a common action, the economic and social development of their countries, eliminating the obstacles dividing Europe; giving to their efforts the essential aim of constantly bettering the life and employment standards of their people; prompt to strengthen the union of their economies and to ensure an harmonic development, reducing the differences among the regions and the delay of the less favoured areas.....the Presidents of the six promoting Countries have decided to create the European Economic Community..." Such changes did not take place all at once. In the transitional period (beginning on 1st January 1958) Member States should have progressively reduced barriers and harmonised duties on goods imported from Third Countries, by means of a number of duty reductions. To this end, a series of duty reductions was decided to be applied in given moments [141]. The Treaty did not establish provisions on zero-rate duties, which should be agreed upon by the Council of European Communities. However, on 1st July 1968 Customs duties were eliminated in intra-Community trade. The following chapter briefly outlines the steps taken to achieve Community integration and extension, while G.A.T.T. negotiations will be analysed further on. From now on Tariff policy will be more appropriately referred to as Community policy.

11.1.2 Customs Legislation

In this period there were not major changes as far as legislation and administrative provisions are concerned. The Customs Law, Customs Regulation, Internal Regulation, laws and regulations on temporary importation/exportation, on bonded warehouses, and free zones were the same as those in force before the war. Indeed, Customs institutions were reorganised a decade later, whereas the Customs administration was reformed 30 years later. In both cases such innovations were due to the necessity of implementing technical and legislative modifications required by the European Community.

11.2 Administration Structure

The administrative sector was reorganised by Minister Ezio Vanoni. In particular the Customs administration was reformed by means of Ministerial decree of 1st September 1949, establishing new Regional districts [142] (further districts had been established by Ministerial Decree of 1st February 1942).

12. THE EUROPEAN SITUATION

12.1 Tariff Policy

On 1st July 1968 the Common Customs Tariff (CCT) [143] entered into force. As a consequence, tariff barriers and quantity restrictions in intra-Community trade were eliminated, achieving a tariff union among the six countries which had signed the Treaty of Rome. This was a first step towards a Customs union.

The common Customs tariff was made up of two parts: the first one included General and Special Provisions, whereas in the second autonomous and conventional duty rates were listed, concerning the products mentioned in the relevant 99 Chapters.

Products listed in the five Annexes, coming from certain countries or having a special end-use, were granted reduced or suspended rate of import duties. They corresponded to the mean of duties applicable in all Member States on 1st January 1957.

In general, duties entered into force on 1st July 1968 were lower compared to those provided for by the Italian and the French Tariff. The difference with the duties set forth in the Benelux Tariff was not so striking, and there was only a slight difference with those in force in Germany.

The Italian Tariffs [144] issued in the lapse of time from the Treaty of Rome and the first Community Tariff were influenced by the gradual elimination of duties in intra-Community trade and tariff reduction, agreed upon in GATT multilateral negotiations.

The tariff issued in 1958 took into due account the goods classification set forth in January 1950 in Brussels by the Customs Co-operation Council.

The 1958 Tariff kept the same duty rates as the 1950 one, except for EEC-Country products on which the duty reductions agreed upon were applied. Thanks to the application of the Brussels Convention, it was the first time that six countries applied the same nomenclature.

The Community Tariff replaced national tariffs and the tariff policy was decided in Brussels. As a result of an international customs strategy, duty rates were discussed in GATT multilateral negotiations, in the UNCTAD conferences and multilateral agreements on economic co-operation at global as well as regional level, between the European Economic Community (EEC) and Developing Countries.

As regards GATT ACTIVITY [145], IN THIS PERIOD THE FOLLOWING SESSIONS TOOK PLACE:

- Dillon Round (Geneva 1960/62), in which a 7% average reduction of duties was agreed upon and a revision of the American traditional protectionist policy began;
- Kennedy Round (Geneva 1967/68) in which Developing Countries were granted concessions, i.e. unilateral duty reductions;
- Nixon Round (Tokyo 1973/79) in which a number of rules and provisions were set forth, essential for the international trade in the 80s: duty reductions, agreement on Customs value, subsidies, provisional countervailing duties, import licenses, etc.;
- Uruguay Round started in 1986 at Punta de l'Este (Uruguay) and concluded on 15th April 1994 in Marrakech by signing the final act, which provided for further duty reductions and a higher liberalisation for Developing Countries.

In the meantime UNCTAD planned global economic co-operation and Third World aid programmes during a number of conferences [146].

The United Nations and connected bodies have not been the only organisations to foster co-operation for economic development.

The EEC too signed various trade agreements with Third-World Countries (Multilateral co-operation agreements, Regional co-operation agreements, Bilateral association agreements, Generalised System of Preferences) planning co-operation strategies meeting specific regional or national needs.

Such preferences, initially granted on a ten-year basis, provided for total or partial relief from Customs duties on goods coming from Developing Countries; depending on the degree of development of the beneficiary country such relief was either subject to quantity restrictions or not.

As a result, the EEC autonomously implemented a policy aiming at the progressive elimination of tariff barriers, anticipating GATT provisions and agreements.

From a technical point of view, the activity of the Customs Co-operation Council [147] was essential, allowing the implementation of a new nomenclature for goods classification, the basis of the Community Customs Tariff, enacted by means of Regulation (EEC) 3816/86, which came into force on 1st January 1988 [148].

The World Customs Organisation carries out its activity in connection with the WTO, aiming at the harmonisation of Customs legislation, nomenclature and value.

In 2001 within WCO was set going a Custom Enforcement Network (CEN) connecting all world customs administrations through the RILO (Regional Intelligence Liaison Office).

The above tariff agreements show that the global Customs policy of the postwar period aimed at achieving free-trade and "global market".

Remembering the economic unions, customs unions and free zones established in the last forty years means making a rather long list that includes the EFTA (European Free Trade Association), LAFTA (Latin American Free Trade Association), ALADI (Latin-America Association for Economic Integration), COMECON (Mutual Economic Assistance Council), ASEAN (Association of South-East Asian Nations), the Carthagena Agreement on Andean Integration, CACM (Central America Common Market), CARICOM (Caribbean Economic Community), etc.

In the meantime other European Countries joined the European Economic Community:

- United Kingdom, Ireland and Denmark on 1st January 1973;
- Greece on 1st January 1981;
- Spain and Portugal on 1st January 1986;
- Austria, Finland and Sweden on 1st January 1995.

In 1998 the "Customs Blueprint" were set up to identify the requirements that countries must have in order to join the European Union [149].

The EEC is not merely a Customs Union of a more or less wide territory, since it aims at achieving a full, though gradual, economic union by means of the implementation, of the free circulation of capital, goods, services and labour.

In 1985 Jacques Delors, President of the European Commission, presented to the Parliament the main targets of the Community.

It was meant to change the image of a feudal Europe divided by barriers, customs borders and bureaucratic formalities.

By the end of 1992 all internal borders of the Community were to be abolished, according to the programme for the consolidation of the internal market presented by the preceding Commission [150].

On 14th June 1985 the European Commission passed to the Council a "White Book" concerning the completion of the internal market.

Such document contained about 300 suggestions about directives and regulations aiming at implementing the Single European Market.

The suggestions mainly concerned physical, technical and fiscal-barrier sectors.

The European Council, in its meeting of 2nd and 3rd December 1985, agreed upon the Commission's proposal of issuing a "single legal framework"; the "Consolidation Act" is that legal instrument.

These documents integrate the Rome Treaty, establishing the guidelines for the European integration until the end of the century: to complete the single market by 1992, to strengthen the economic and social cohesion among member States and to lay the foundations of the economic and monetary union.

Such union was achieved on 1st January 1993, through the implementation of the Integrated Single Market. In the near future other unions will be achieved, in order to complete the integration process also at political and social level.

The Italian Customs and other Community Customs played a leading role in such unification - a real pacific revolution - showing that alternating protectionist and free-trade policies have never affected Customs activities; indeed, such revolution shed light on Customs flexibility and adaptation capability to new economic conditions and to ever-changing government trade policies.

In this context, Customs administrations, being no longer merely an instrument of fiscal resources collection, but more and more an instrument of trade and security policy implementation, appear to be essential in order to implement any kind of policy, both at Community and national level.

12.2 The Community Customs Code

The Community Customs Code [151] and the Regulation [152] that followed are the basis of the economic union of the Member States; these represent a single body as against all other Countries called "third Countries".

The Community Customs Code is the only legislative means in force in all E.U. Member States. It provides for identical rules and procedures for all Member States and it is the only fundamental customs law that disciplines trade between EU and non-EU Countries.

The Code is made up of 253 articles disciplining the competences of customs. It starts from the scope of application and basic definition, determining the activity of customs, its principles and implementing regulations. On 1st January 1993, the single market started and all national customs laws ceased to be in force; a Consolidation Act has been issued that may be modified only by the

competent Community bodies. The Community Customs Code is the result of more than 35 years of continuous harmonisation and modification of Member States' customs legislations. The first target that has been achieved is the elimination of all obligations and limitations in intracommunity trade. Goods can now be transferred from one EU Country to another without completing customs formalities. Of course some limitations are still in force. These are:

- temporary VAT regime: pending harmonisation measures (different rates are still applied in the various Member States), VAT is collected in the destination rather than in the origin Country and checks are carried out at buyers' premises;
- transit procedures concerning goods shipped from one EU Country to another and crossing a third Country (indirect transit).

The second target achieved regards trade between Community Countries and third Countries. Without prejudice to some general (GATT) and special agreements between the Community and third Countries, each Member State will apply only Community agreements signed within the meaning of the Code.

Since all customs formalities between Community Countries were abolished with the creation of the single European market, all rules disciplining checks, both normal and simplified-procedure related, were repealed. As a result, except the VAT controls carried out "a posteriori" in this transition period, the free movement of goods is not limited in any way. Normal and simplified control procedures are still carried out only between Community and third Countries. It should be mentioned that provisions are arranged differently in the Community Customs Code and in the Consolidation Act on customs provisions [153], since the former does not cover all customs subjects. In fact, ship's stores and equipment, even if they concern all Member States, and the sanctions to repress violations have not yet been disciplined.

Therefore, in some cases, Member States have to apply their own national rules, running the risk of diverting trade. In 1999 was set up within the European Commission the OLAF (former UCLAF) in order to combat Community frauds; OLAF is endowed with an independent administrative investigation power.

The Code has then introduced the right to information (art. 12) that, for our Country in particular, represents an important novelty; according to such right, behaviour that could imply possible violations of national and Community trade legislation shall be communicated at intra-Community level (AFIS - Antifraud Information System).

12.3 Administrative Structure and Legal System

In order to adjust to the European situation, Ministerial Decree of 8th August 1967 concerning organisation was adopted, involving the organisation of personnel in Customs local offices and Special services. All together Customs employed 6160 persons.

As Italy joined the European Common Market, the problem arose of adapting Customs structure and procedures. However, no measures were adopted immediately to achieve harmonisation.

This was due to the Italian legal bureaucracy and the rapid development of Customs issues, so that when projects were discussed, they already seemed out of date with respect to the commercial situation.

Moreover, it didn't seem wise to introduce a Customs reform in a wider and more complex reform project of the Ministry of Finance.

However, considering that Customs were so strongly intertwined with the national economy, the Customs reform became a political question, whose solution was demanded by traders, who highlighted structure and staff inefficiency and the need of administrative autonomy.

In 1971 [155], Customs offices were reorganised, through Presidential Decree 424 of 12th June 1972 that improved their deployment on the territory, abolished 42 offices and created 40 new offices.

Later on [156], territorial competence of regional directorates and Customs districts was established, defining Customs sections, posts and offices, dividing them in categories (1st, 2nd and 3rd category) and establishing the competence of each category.

12.4 Compliance with European-Union Requirements

In 1984 [157] effective measures [158] were taken in order to solve the problem of Customs structure. A study was issued by the CNEL (Economy and Labour National Committee) and proposals were introduced by the Deregulation Commission of the Council Presidency. On their basis the Minister of Finance felt it necessary to discuss the problem together with all the parties concerned, in order to adopt provisions taking into due account the achievement of the Single Market on 1st January 1993.

A Commission [159] was set up, "competent for verifying the compliance of Customs services and control procedures with industry and trade needs as well as with tax-law enforcement. The Commission was also in charge of assessing whether the personnel was adequately organised so as to meet its new tasks and responsibilities. Such Commission [160] was known as "Commissione Anelli", being Mr Anelli the President of the Commission. It was active from 11th September 1985 to 24th July 1986, holding 46 meetings. The final report was submitted in July 1986 and from that time on efforts have been made in order to take effective measures taking into account the principle defined to achieve Administration modernisation.

Such measures aimed at the institution of a Customs Department with accounting and administrative autonomy and at the acknowledgement of the operational and legal status of the Department and its personnel.

Such measures were mainly enacted by means of Law made under delegated power 349 of 10th October 1989, updating provisions regarding Customs and reorganising the Customs and Excise Administration.

Following to Law 349/89 various Decrees were passed, providing for the structure of the Department [161].

In this way the status, structure, competence and operational procedures of Italian Customs was revised; it was attributed a functional and administrative autonomy in order to offer an efficient and effective service that would serve the needs of the industrial sector as well as of trade [162].

The Department was structured as follows: a Directorate General divided into 4 Central Directorates located in Rome, 14 Regional Directorates [163] plus a Directorate dealing with FEOGA financing, 49 Customs Districts, 150 Customs offices, 41 Uffici Tecnici di Finanza (Local Excise Offices) and 16 Chemical Laboratories (i.e. 12 regional and 4 special labs).

The setting up of the Customs and Indirect Taxation Department implied the acknowledgement of a functional autonomy and an important role in the European Community and provided for the unification of the roles of both central and local personnel. Moreover, the Department became responsible for all sectors once controlled by the Intendenza di Finanza (Provincial Revenue Offices) and the management of personnel, litigations and software development. Furthermore, the reform established the necessity for audit streamlining and the presence of Customs attachés in embassies.

The information system (AIDA) is an effective computer software. First of all it enables the telematic lodging of Customs declarations and lists concerning intra-Community trade; secondly, it gives access to the computerised Common Customs Tariff and lastly it is an effective means for carrying out audits and controls based on risk analysis. So far almost all procedures have been computerised.

The Customs and Excise Department carries out its activity at Community level, thus supporting both Italy's and Member States' industry and trade worldwide.

In fact the Department has proved to be flexible and able to adjust to the different situations. As a matter of fact, it has become a fundamental instrument regulating international trade.

Consequently, the former administrative tasks of the Department have been replaced by the investigation activity, carried out by means of risk analysis and targeted checks, with the help of

computer software connecting the Department with local and Community data banks and therefore enabling the dissemination and collection of information in real time, as well as the adoption of measures aiming at combating fraud. Within the European Commission the former D.G. XXI (Customs and Indirect Taxation) is now called D.G. for Taxation and Customs Union - Customs Policy.

Today's Customs activity in the Community is characterised by the use of software (AFIS, VIES and SEED)¹⁶² enabling data collection. Emphasis should be laid on the harmonisation of Customs legislation, achieved through the Common Customs Code ^[165] and the Consolidation Act concerning taxes on production and consumption and their relevant penal and administrative sanctions ^[166].

However, there is the need for a common definition of Customs infringements and sanctions, so that all violators are subject to the same penalties in all Member States.

Such investigation activity can not be considered completely new, since it was already part of the Customs activity in the past. However, Customs and Excise Antifraud Services are also making considerable efforts in the sectors covered by the Schengen Agreement (drugs, weapons, toxic waste), in tackling illicit trade of works of art, counterfeited products, endangered plant and animal species and in carrying out controls on transported goods and on cleared goods at traders' premises within the Common Agricultural Policy as well as on intra-Community trade. Moreover, the Customs Chemical Laboratory activity has been recently developed ^[167]. The Laboratories are responsible for the issue of certificates and analysis carried out in order to classify goods upon request of the Customs Department, Local Excise Offices and other offices ^[167]. The present Customs Administration, resulting from several reforms and adjustments to the requirements of the single market, appears to be still in a transition period, since it is bound to develop into a Community Customs Administration, able to guarantee equal treatment to all EU traders.

It is desirable to see a further development towards a Community Customs Administration in order to ensure equal treatment to all EU traders.

12.5 Customs in the third Millennium

In order to respond more promptly to the needs of economic operators in Customs, Excise and Commodity analysis matters, Customs Administration was attributed a new legal configuration with law n. 59 of 15th September 1997 and subsequent legislative Decree n. 300 of 30th July 1999.

On the 1st of January 2001 the legislator set up the Customs Agency providing thus the trade with a more dynamic Administration. The Customs Agency is a public body endowed with juridical personality and wide administrative autonomy. In application of its Statute a new central structure was made up whilst the local ones, which are at present in realization, will gather all the local offices in polyfunctional offices.

The Customs Agency was also set up to respond to the needs of the single market, consequently it is desirable to consider that achievement as the commencement of the process leading to the realisation of a Community Customs Administration in order to ensure equal treatment to all economic operators.

NOTES

1. Under "tariff" we mean all applicable duties listed for any kind of goods.
2. Mario De Lorenzo: *La dogana, questa sconosciuta - Tradizione ed evoluzione delle Dogane*. (Published on *RASSEGNA DI DIRITTO E TECNICA DOGANALE E DELLE IMPOSTE DI FABBRICAZIONE*).
3. In all Community languages the word used to define customs derives from the denomination of the duty to be paid to cross borders: zoll (Germany), tuld (Denmark), tull (Sweden and Finland),

telonion ([border duty on goods] Greece). In other cases the word is derived from the Arab word for office (diwani): dogana (Italy), douane (France), aduana (Spain), douane (The Netherlands). The Portuguese word alfandega stems from the name of the place where goods were deposited, whereas the English word customs comes from the adjective “custom”, meaning “what is due according to traditions”.

4. “Ad valorem” means based on the value of goods. Nearly all duties applied nowadays are based on this criterion.

5. D. XXXIV, IV De publicanis, et vectigalibus, et commissis; D. XL IX, XIV De iure fiscali; D. LXVII De regulis iuris, De fisco.

6. From “diwani” stems also the word divano (sofa), referring to the fact that the Lord used to receive his citizens and to “make them feel comfortable” when they came to pay taxes. Also the word ufficio (office) comes from the Arab language, in which it referred to the place where all records were kept.

7. Piedmont (1802), Liguria (1805), Dukedoms of Parma, Piacenza and Guastalla (1805), Tuscany (1808), Latium and Umbria (1809).

8. The Italic Kingdom, ruled by Viceroy Eugene in the name of Napoleon, included Lombardy, Veneto, Romagna, The Marches and part of Emilia, while the Kingdom of Naples was ruled by Murat and consisted of Campania, Apulia and Calabria.

9. The system of a (2%) share on sanctions applied was kept until 1973, as it was unexpectedly abolished through Law 734/73.

10. See Appendix 1

11. See Appendix 2

12. The duty was imposed only on the fact that goods were crossing the territory.

13. Royal Edict of January 26th 1816 signed by Victor Emmanuel and countersigned by the Ministers Pateri, Brea, Serra and Borgarelli.

14. Both the location and the function of this warehouse recall the current warehouse of Genoa’s port in the area of Rivalta Scrivia.

15. See Appendix 3

16. See Appendix 4

17. At the moment, the customs agent list records about 2,400 members. This professional class is undergoing some changes due to the setting up of the European Union and the agreements within the W.T.O. (World Trade Organisation), which have streamlined procedures entailing the need for more skilled customs agents.

18. See Appendix 5.

19. Besides the traditional tasks of anti-smuggling customs control and military national defence carried out by the Guardia di Finanza, other extremely important tasks of public order as well as of judiciary and fiscal police were added.

20. Italian Customs’ staff in the traveller service wears a blue uniform and has a personal badge.

21. A River Port Customs Office is still located on the Tiber.

22. Fixed by Royal Decrees of 28.04.1856 and 18.09.1856.

23. A similar institution is the right of redemption contained in the United States’ Customs Legislation.

24. The transaction could be granted by:

- Directors, for matters not exceeding twenty ducats;
- the Board of Directors, for matters from 20 to 350 ducats;
- the Minister of Finance, for matters from 350 to 1,000 ducats;
- upon Our Approval (of His Majesty the King), above 1,000 ducats.

25. In 1997 the Department of Customs and Indirect Taxes adopted new plastic and pre-codified seals that replaced old lead seals which were stamped using special pincers.

26. See Appendix 6

27. Depending on the goods’ quality and quantity.

28. See Appendix 7
29. See Appendix 8
30. The consequences of those years' customs policy are still evident in the underdevelopment of some Italian regions.
31. Higher than those applied to other Countries.
32. See Appendix 9.
33. Ancona, Bari, Bologna, Brescia, Cagliari, Catania, Chieti, Como, Cosenza, Florence, Foggia, Genoa, Girgenti, Lecce, Leghorn, Messina, Milan, Modena, Naples, Novara, Oneglia, Orbetello, Palermo, Parma, Reggio, Salerno, Turin.
34. There were 8 first-category, first-class customs offices, 12 first-category, second-class customs offices, 9 first-category, third-class customs offices, 10 first-category, fourth-class customs offices, 23 second-category, first-class customs offices, 63 second-category, second-class customs offices, 70 second-category, third-class customs offices, 210 second-category, fourth-class customs offices.
35. See Appendix 10.
36. Royal Decree of 30th.10.1862 established that the staff in operational Customs offices amounted to 2,162 officials, Royal Decree of 30th.11.1862 established that Customs Guards amounted to 14,153 units and Royal Decree of 11th.10.1862 fixed at 719 the number of heads of office and officials servicing in Regional Directorates and depending offices. The personnel globally amounted to 17,034 units.
37. See Appendix 11.
38. See Appendix 11.
39. Bastogi, Sella, Scialoia, Minghetti
40. Royal Decree of 18th.8.1860.
41. Royal Decree of 28th.8.1861
42. Law 2006 of 24th.11.1864
43. Venezuela (1861), Sweden and Norway (1862), Liberia (1862), Persia (1861), Turkey and Egypt (1862), Great Britain (1863), Russia (1863), The Netherlands (1863), Denmark (1864), Belgium (1863), Uruguay (1866), Spain (1860), United States (1871), Zollverein (1865), France (1863).
44. Law 3019 of 28th.6.1866.
45. With Lieutenant Decree 3086 of 14th.7.1866 emanated by Eugenio di Savoia-Carignano, Lieutenant of the Kingdom.
46. Decree of 14th.7.1866
47. Law 3261 of 6th.8.1866
48. In 1872 duties on oil, machines and coffee increased; in 1875 customs reliefs concerning the Venice and Civitavecchia ports were repealed; in 1874 a duty on statistics was applied amounting to 0,10 liras each package or ton of goods.
49. Royal Decree 4009 of 13th.10.1867.
50. Ministerial Decree of 17th.11.1867.
51. Royal Decree 4044 of 21st.11.1867.
52. Ministerial Decree 21st.11.1867.
53. See Appendix 12.
54. 22 Directors, 22 Head Secretaries, 22 Head Book-keepers, 54 Secretaries, 66 Assistant Secretaries, 130 Book-keepers, 280 Scribes, 30 Sealers, 64 Attendants.
55. Royal Decree 5286 of 26th September 1869 issued by Vittorio Emanuele II, upon proposal by Cambray di Digny.
56. Royal Decree 5345 of 17th.11.1869.
57. See Appendix 14.
58. Royal Decree 3614 of 31st December 1876 and Ministerial Decree of 28th January 1877.
59. Ministerial Decree of 28 November 1877 implementing the Royal Decree.
60. See Appendix 15.

61. Royal Decree 3954 of 30th.12.1876.
62. Law 3189 of 30th.6.1876 repealing the storage duty on goods deposited in free ports in order to make Italian ports competitive and prevent the hoarding of stocks abroad;
Law 3860 of 2nd.6.1877 imposing a production duty on sugar;
Royal Decree 3862 of 4th.6.1877 approving the Regulation for free warehouses that were established with Law 3261/1866.
63. It is a description of the goods enabling the tariff classification.
64. Fiscal duties are those aiming at increasing State revenue more than protecting the national production.
65. Law 197 of 11th May 1881.
66. Law 320 of 23rd.7.1881.
67. Royal Decree 5287 of 1st.2.1880.
68. Royal Decree 4420 of 13th.6.1878.
69. Law n. 1445 of 6.7.1883.
70. Royal Decree n. 1487 of 8.7.1883
71. Law n. 3479 of 29.11.1885.
72. Law n. 3754 of 2.4.1886.
73. Royal Decree 1445 of 6th 6 1883. The Commission was chaired by Brioschi and Luzzati; Vittorio Ellena was appointed rapporteur for the industrial sector and Lampertico for the agricultural one.
74. It was issued with Law 4703 of 14th.7.1887 and came into force on 1st.1.1888.
75. Royal Decree 116 of 6th.3.1881.
76. See Appendix 16.
77. Law 149 of 8th.4.1881 enacted by King Umberto I.
78. See Appendix 17.
79. Ancona, Bari, Cagliari, Catania, Como, Florence, Genoa, Civitavecchia, Leghorn, Messina, Milan, Naples, Palermo, Rome, Savona, Turin, Udine, Venice, Verona, Ventimiglia.
80. See Appendix 18.
81. Established with Royal Decree of 7th June 1886 upon proposal of Minister Magliani
82. See Appendix 19.
83. By means of Law 6363 of 29th.8.1989.
84. Royal Decree 6387 of 8th.9.1989.
85. Law 5190 of 10th.2.1888 and Royal Decree 5221 of 29.2.1888.
86. Law 6558 of 25th.12.1889.
87. Royal Decree 167 of 2nd April 1891.
88. Drawn up by Di Rudinì (Prime Minister), Colombo (Finance) and Chimirri (Agriculture, Industry and Commerce).
89. See Appendix 20
90. Royal Decree of 25th.10.1899.
91. Approved by means of Royal Decree 577 of 28th.7.1910.
92. Approved by means of Royal Decree 679 of 24th.11.1895.
93. Royal Decree 42 of 23rd.3.1913.
94. Ugo Calderoni, "I cento anni della politica doganale italiana" (Ed. CEDAM - Padova).
95. See Appendix 21.
96. Royal Decree 643 of 8th.8.1895.
97. Approved by means of Royal Decree 6387 of 8th.9.1889.
98. It was made up of 128 articles subdivided into 11 titles: General Provisions - Arrivals and Manifests - Imports - Shipment and Transit Between Customs Offices - Warehousing and re-exports (including three chapters: Customs Warehouses - General Warehouses - Tax-free Warehouses) - Exports - Coasting Trade - Surveillance and Checks - Fines and Smuggling

(divisions: Fines - Smuggling and Common Provisions) - Temporary Imports and Exports - Final Provisions.

The customs law was provided with the Implementing Regulation, passed with Royal Decree 65 of 13th.2.1896.

99. Issued with Decree Law 1453 of 18th.12.1913; it was afterwards regulated with Royal Decree 547 of 6th.4.1922.

100. Ancona, Bari, Cagliari, Catania, Civitavecchia, Como, Florence, Genoa, Leghorn, Messina, Milan, Naples, Palermo, Rome, Savona, Turin, Udine, Venice, Ventimiglia and Verona.

101. See Appendix 22.

102. Royal Decree 557 of 27th.9.1893.

103. Royal Decree 265 of 28th.6.1894 established the territorial competence of customs offices; Royal Decree 380 of 22nd. 7.1894 approved the personnel organisation chart; Royal Decree 366 of 22nd.7.1894 established the tasks and the personnel units allocated to the offices.

104. Approved with Royal Decree 40 of 13th.2.1896.

105. See Appendix 23.

106. Ancona, Bari, Cagliari, Catania, Como, Florence, Genoa, Leghorn, Messina, Milan, Naples, Palermo, Rome, Savona, Turin, Udine, Venice and Verona.

107. With Royal Decree 40 of 13th.12.1896.

108. Law 367 of 19.7.1906 issued by Victor Emmanuel III on a proposal by the Minister of Finance, Mr. Massimini, and the Minister of the Treasury, Mr. Majorana.

109. See Appendix 24.

110. Law 176 of 12.6.1902 established the new staff structure and Royal Decree 361 of 2.8.1902 provided for the staff of customs offices and established territorial districts as well as their tasks.

111. See Appendix 25.

112. Viceregal Decree 235 of 3rd February 1918.

113. Such a draft was enacted by the Government on Minister's Soleri proposal and implemented through Royal Decree Law 806 of 9.9.1921.

114. Royal Decree Law 1462 of 25.9.1924. This decree was to be amended many times also due to the Geneva Convention of 8.11.1927.

115. France, Great Britain, Serbia, Rumania, Greece, Japan, Brazil then joined by Switzerland and Spain.

116. Decree Law 2077 of 31.12.1918.

117. France (1922), Rumania (1919), Greece (1919), Brazil (1919), Yugoslavia (1924), Switzerland (1921), Spain (1919).

118. Royal Decree Law 1574 of 1931.

119. Royal Decree Law 1680 of 21.12.1931.

120. Royal Decree Law 1428 of 28.9.1933.

121. Royal Decree Law 2023 of 10.12.1934.

122. Royal Decree Law 370 of 7.3.1936.

123. Ministerial Decree of 25.6.1935.

124. Royal Decree No 1891 of 3.11.1936.

125. Royal Decree No 1897 of 23.11.1921

126. Royal Decree 1314 of 19th.4.1923.

127. Ministerial Decree of 7th.7.1923.

128. See Appendix 26

129. Royal Decree 997 of 25th.5.1924

130. Therefore, there were 37 first-category, second-class customs offices, 64 second-category, first-class customs offices, 55 second-category, second-class customs offices and 57 second-category, third-class customs offices. The total number of Customs offices was reduced from 265 to 243.

131. Royal Decree 1349 of 16th.2.1931 and Ministerial Decree of 1st.7.1927.

The structure was thus modified: 20 Regional Directorates, 37 first-category, first-class customs offices, 63 second-category, first-class customs offices, 49 second-category, second-class customs offices, 51 second-category, third-class customs offices; they totally amounted to 220 customs offices.

132. Royal Decree 1484 of 16th.11.1941.

133. See Appendix 27.

134. See Appendix 28.

135. Such bill, besides concentrating in a single text modifications to Royal Decree 20 of 26th.1.1896 (Decree Law 1960 of 2nd-9-1923 and Law 2676 of 29th-11-1928), aimed at coordinating the general provisions contained in Law 4 of 7th.1.1929 with provisions concerning Customs procedures.

136. Royal Decree 1132 of 22nd.5.1941.

137. See Appendix 29.

138. Royal Decree 1415 of 8th.7.1938

139. See Appendix 30

140. See Appendix 31

141. 1st January 1959: 10% reduction; 1st July 1960: 10% reduction; 1st January 1962: 10% reduction; 1st July 1965: 10% reduction; 1st January 1967: 10% reduction; 1st January 1968: 10% reduction.

142. Aosta, Florence, Fortezza, Gorizia, Imperia, Novara, Reggio Calabria, Salerno, Syracuse, Taranto, Trapani, Verona.

143. It was enacted by means of EEC Regulation No 950 of 28.6.1968.

144. The Italian Tariffs issued in period in question were enacted by means of: Presidential Decree 1105 of 26th-12-58, Presidential Decree 1339 of 21th-12-61, Presidential Decree 723 of 26th-6-65. The first tariff, which came into force on 1st February 1959, was particularly important.

145. Now World Trade Organisation (WTO).

146. Geneva 1964, New Delhi 1968, Santiago 1972, Nairobi 1976, Manila 1979, Belgrade 1983.

147. Now WCO (World Customs Organisation)

148. The WCO nomenclature was approved by 118 Countries.

149. The requirements are the following: legislation - organisation and management - human resources management - customs ethics - training - duties collection - borders and inland controls - investigation and support - customs laboratories - infrastructures and equipment - trade facilitation and relationship with economic operators - transit and transfert of goods - level of information technology.

150. The European Council that met at Fontainbleu on 25th-26th June 1984 and was chaired by François Mitterand, charged an ad-hoc Committee to make suggestions in order to enhance economic and political cooperation.

151. EEC Regulation 2913/92 of 12th October 1992.

152. Commission Regulation 2454/93 of 2nd July 1993.

153. Presidential Decree 43 of 23rd.1.1973.

154. It is on the way to improve the Customs Information System (CIS) for the forming and the updating of information dossier on frauds. In 2000 the Unity dealing with Customs up-dating began an intense program for the development of a common risk analysis action in order to identify goods subject to control.

155. Within the meaning of Article 13 of Presidential Decree No 18 of 18.2.1971, implemented by Presidential Decree No 424 of 12 June 1972.

156. Ministerial Decree of 18.12.1972.

157. Mr Bruno Visentini was Minister of Finance at that time.

158. Law 302 of 13th.7.1984 met some of the personnel's economic and legal demands, pending a more complete reform.

Law made under delegated power 734 of 29th. 10.84 regarded the implementation of EEC Directive 643/83 for the streamlining of physical controls and administrative formalities from which Presidential Decree 254 of 8th-5-85 derived.

At that time Giovanbattista Cantiello was Director General.

159. Ministerial Decree of 14th.7.1985.

160. The Commission was formed by Carlo Anelli, President of the Commission and Chairman of a Section of the State Council and by the following members: Cardarelli, Manganiello, Cantiello, Moneta, Giordano, Primerano, Cervone, Zarmati, Valle, Attard, Favale, Pezzano, De Felice, De Mari, Mernone, Gagliasso, Boschetti, Silvano (Secretary).

161. Decree Law 105 of 26th April 1990; 374, 375, 376 of 8th November 1990.

162. Michele del Giudice: Le Dogane europee secondo l'Amministrazione italiana: cosa si sta facendo e cosa si farà" - (Edited on RASSEGNA DI DIRITTO E TECNICA DOGALE E DELLE IMPOSTE DI FABBRICAZIONE - May 1992).

163. Ancona, Bari, Bologna, Bolzano, Cagliari, Florence, Genoa, Milan, Naples, Palermo, Rome, Turin, Trieste, and Venice.

164. AFIS: Antifraud Information System;

- VIES: VAT Information Exchange System;

- SEED: System for Exchange Excise Data.

165. Council Regulation (EEC) No 2913 of 12 October 1992.

166. Delegated Law 504 of 26.10.1995.

167. In 1993 the Directorate Central for State Laboratories and Classification within the - Directorate General was instituted.

168. The State Laboratory performs almost 75000 tests a year in all commodity sectors, including drugs.