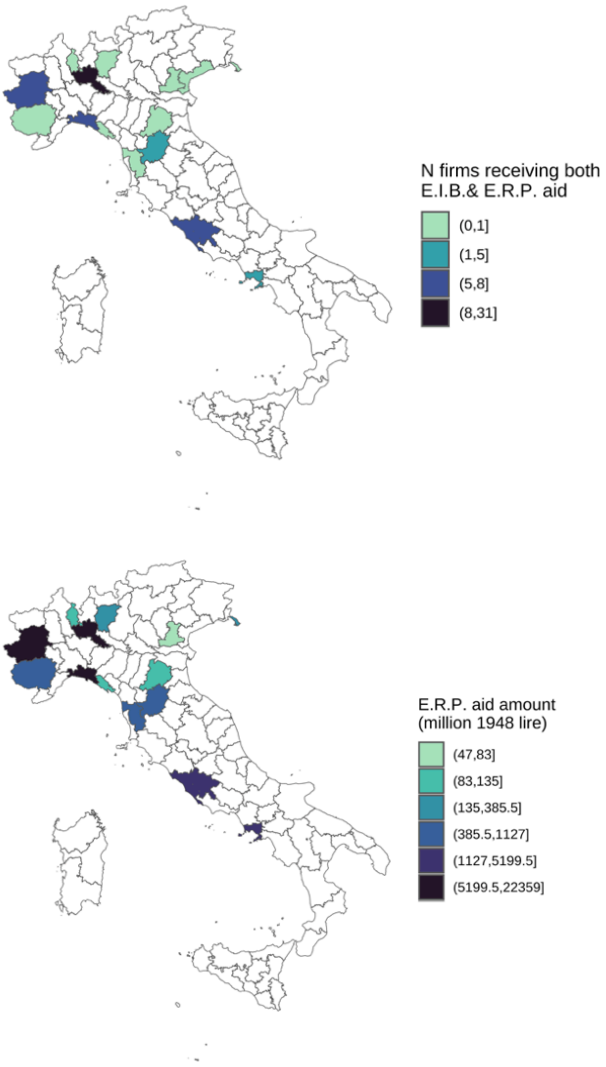
Appendix A. More information on U.S. aid to Italy

Figure A1. Firms receiving both ERP and EIB aid

(a) Number of firms (b) Amount of ERP aid



Source: Serie Mutui IMI, IMI-Sanpaolo Historical Archive. 1951 provinces from ISTAT.

Table A1. Amount of aid received by Italy and by Italian firms, 1943-1951.

Panel A: Allied aid received by Italy, 10 July 1943 - 31 December 1947 (1947 million USD)

Aid	Period	Type of aid	Amount			
			US	UK	CAN	Other
Foreign Economic Administration (F.E.A.) *ad interim* program (pre-UNRRA)	26 Sep 1944 - March 1945	Foodstuffs, medicinals	134	8		
UNRRA	08 March 1945 - July 1947	Foodstuffs,clothing, fertilisers, pharmaceuticals, weapons, and raw materials (coal, fuel)	375	71	15	
Post-UNRRA	11 Oct 1946 - 15 Sep 1947	Imports of raw material (coal, fuel)	117			
Ad interim aid (FEA)	August 1945	Coal, petrol and wheat	181			
Credits to the Italian Merchant Navy and from the Export-Import Bank	Autumn 1946 - 19 Feb 1947	Merchant ships (73), cotton (25), tobacco (5)	205			
Supplies of the US army to civilians	Summer 1943 - May 1945	Foodstuffs	376	103	32	
War supplies and surpluses	from 25 April 1945	War-related materials	141	61		
US troop pay and non troop pay (purchases in lire by US troops)	10 Oct 1944 - 15 Sep 1947 (under the control of the Italian government only by the end of 1946)	Financial	312	106	4	
Return of Italian gold reserves taken during the occupation	6 May 1945 - 1948	Financial	60	44		27
Other expenses (estimated)		Financial	20			
Total			1,921	393	51	27
				2,392		

Panel B: Aid received by Italian firms, 1 January 1947- 31 December 1951 (1947 million USD)

Aid	Law	Type of aid	Amount provided	%
UNRRA	9 November 1943	Raw materials (coal, fuel)	110,1	11,2
Fondo Industria Meccanica	8 May 1946, n. 449	Financial aid to steel and iron industry and mechanical firms	105,12	10,7
Export-Import Bank (EIB)	22 December 1947	Import of productive goods from the U.S.	102	10,3
European Recovery Program (ERP) - dollars	04 August 1948, no. 1108	Import productive goods from the U.S.	245,8	24,9
European Recovery Program (ERP) - *lire*	21 August 1949, no. 730	Credit to buy productive goods from Italian, European and U.S. suppliers	36,1	3,7
Fondo Acquisti in Lire - Sterline (FAS)	18 April 1950, n. 258	Credit to buy productive goods in british pounds	144	14,6
Fondo lire industria siderurgica - FLIS	28 July 1950, no. 722	Credit to large steel and iron industry firms	22,72	2,3
Fondo lire acquisto macchinari I-FLAM I	30 July 1950, no. 723	Credit to small firms to buy productive goods from Italian, European and U.S. suppliers	160	16,2
Fondo lire acquisto macchinari II-FLAM II	4 November 1950, no. 922	Credit to medium and large firms to buy productive goods from Italian, European and U.S. suppliers	32	3,2
RI-ERP	12 August 1951, no. 748 and 30 August 30 1951, no. 952	Credits to Italian firms	29,04	2,9
Total			986,9	100,0

Sources: own elaborations from Kamarck (1977, 125-146), Lombardo (2000, 193-206, 693), and Fauri (2010, 203).

Table A2. EIB loan amount by industry and type of goods received.

Industry	Fuel	Raw materials & semi-finished products	Machinery	Other	Total (%)	Total (million USD)
Foodstuffs	0	50.7	47.3	2	3	3,057.8
Minerary	81	1.2	17.8	0	6	6,115.5
Mechanical and electromechanical	0	52.8	43.6	3.6	42.7	43,522.0
Iron and steel	49.6	14.6	34.2	1.6	23.7	24,156.2
Chemical	46.5	39.8	12.4	1.3	11.1	11,313.7
Leather	0	90.1	9.9	0	0.9	917.3
Textile and clothing	0	35.1	64.9	0	1.7	1,732.7
Rubber	15.8	82.6	0	0	4.4	4,484.7
Telecomunications	0	99.8	0	0.2	0.7	713.5
Air travel	0	0	100	0	0.5	509.6
Paper printing	0	48.8	44.5	6.8	0.6	611.6
Craftsmanship	0	0	0	100	4.5	4,586.6
Unused residual	0	0	0	0	0.2	203.9
Total	22.4	38.1	32.5	6.8	100	101,925
	22,863	38,854.6	33,146.5	6,895.8	165.1	101,925

Source: own elaboration from IMI (1951).

Table A3. Funding of EIB. ERP-dollars and ERP-lire by industrial sector.

Sector	EIB			ERP-dollars			ERP-*lire*		
	Amount (million lire)	%	N firms	Amount (million lire)	%	N firms	Amount (million lire)	%	N firms
Mechanical and electromechanical	25,778.3	40.4	73	32,658	21.3	86	1,909	8.5	12
Iron and steel works	16,813.8	26.4	34	48,391	31.5	68	3,268	14.5	18
Chemical	5,492.5	8.6	22	2,194	1.4	8	72	0.3	2
Air travel	3,291	5.2	2	2,723	1.8	2	0	0.0	0
Rubber	3,124	4.9	9	1,052	0.7	8	39	0.2	1
Artesanship	3,092.8	4.9	5	42	0.0	4	0	0.0	0
Foodstuffs	2479	3.9	10	113	0.1	4	40	0.2	1
Telecomunications	1,394.8	2.2	12	1,665	1.1	13	362	1.6	3
Textile and clothing	1,035.3	1.6	15	9,163	6.0	70	2,105	9.3	7
Leather	568.1	0.9	5	94	0.1	3	0	0.0	0
Extractive	555.8	0.9	2	4,891	3.2	12	780	3.5	3
Paper and printing	116.4	0.2	5	4,954	3.2	69	0	0.0	0
Constructions	5.7	0.0	1	216	0.1	7	207	0.9	3
Energy	0	0.0	0	41,979	27.3	12	8,257	36.6	5
Financial intermediation (ARAR-SPEI)	0	0.0	0	3,142	2.0	1	4,516.6	20.0	1
Agriculture	0	0.0	0	87	0.1	1	1,017.5	4.5	1
Wood	0	0.0	0	206	0.1	2	0	0.0	0
Recreationary activities	0	0.0	0	30	0.0	1	0	0.0	0
	63,747.5	100	193	153,600	100	358	22,573.1	100	57

Source: own elaboration from Lombardo, (2000, p. 694-695).

Table A4. Industry of belonging of selected firms from the *Imita* database.

ISTAT code	Description
11.1	Extraction of crude oil and natural gas
15.3	Processing and preservation of fruit and vegetables
15.4	Other textile industries
15.5	Manufacture of veneer sheets; Manufacture of plywood
15.8	Manufacture of ceramic products not intended for construction purposes
17.1	Metal casting
17.2	Weaving of textile materials
17.5	Manufacture of electric motors, generators and transformers
18.2	Manufacture of industrial process control equipment
19.1	Manufacture of parts and accessories and their engines
19.3	Complete or partial construction of buildings, civil engineering
20.2	Trade intermediaries
21.1	Manufacture of pulp, paper and paperboard
22.1	Publishing
24.1	Manufacture of basic chemicals
24.3	Manufacture of paints, varnishes and enamels
24.4	Manufacture of pharmaceuticals and chemical and botanical products for medicinal uses
24.6	Manufacture of other chemicals
25.1	Manufacture of rubber products
26.2	Manufacture of ceramic products not intended for construction purposes
27.1	Production of iron and steel and ferroalloys (ECSC)
27.2	Manufacture of tubes
27.4	Production of precious and non-ferrous base metals
27.5	Metal casting
28.1	Manufacture of metal building elements
28.2	Manufacture of metal tanks, tanks and containers
28.4	Forging, drawing, stamping and profiling of metals; powder metallurgy
28.6	Manufacture of cutlery, utensils and miscellaneous articles of metal
29.1	Manufacture of machinery and apparatus for the production and use of mechanical energy
29.2	Manufacture of other general purpose machinery
29.3	Manufacture of agricultural and forestry machinery
29.6	Manufacture of weapons, weapon systems and ammunition
30.0	Manufacture of office machinery, computers and computer systems
31.1	Manufacture of electric motors, generators and transformers
31.6	Manufacture of other electrical appliances
32.1	Manufacture of other electrical appliances
32.2	Manufacture of other electrical appliances
33.3	Manufacture of industrial process control equipment
33.4	Manufacture of optical instruments and photographic equipment
62.1	Scheduled air transport
34.1	Manufacture of motor vehicles
34.3	Manufacture of parts and accessories and their engines
35.1	Shipbuilding: shipbuilding and ship and boat repairs
35.2	Construction of locomotives, including shunting locomotives, and rail-tramway rolling stock
36.3	Manufacture of musical instruments
36.6	Other manufacturing
45.2	Complete or partial construction of buildings, civil engineering
51.1	Trade intermediaries
51.4	Wholesale of other consumer goods
62.1	Scheduled air transport
63.1	Goods handling and warehousing
64.2	Telecommunications

Additional sectors targeted by the E.R.P - dollars program

ISTAT code	Description
10.1	Coal mining and agglomeration
14.1	Rock extraction
17.6	Manufacture of knitted fabrics
80.2	Secondary education
52.1	Retail trade in non-specialized establishments
92.1	Film productions and distributions

Additional sectors targeted by the ERP - lire program

ISTAT code	Description
13.1	Iron ore mining
33.3	Manufacture of industrial process control equipment
40.1	production and distribution of electricity

Table A5. Industry composition in the top 3 industries by macro-area

Macro-area	Top 3 industries	% firms	N firms	Aid received (million lire)	Per capita aid received (million lire)
North	Production of metals (27)	15.0	18	17,264.2	959.1
	Manufact. of general purpose machinery (29)	10.0	12	4,357.5	363.1
	Manufacturing of chemicals (24)	9.2	11	987.6	89.8
		34.2	41	22,609.3	
Centre	Production of metals (27)	14.8	4	5,422.4	1,355.6
	Manufact. of general purpose machinery (29)	11.1	3	691.8	230.6
	Manufacturing of chemicals (24)	18.5	5	145.2	29.4
		44,4	12	6,259.4	
South	Shipbuilding (35)	42.9	2	97.1	48.6
	Manufact. of general purpose machinery (29)	28.6	1	8.4	8.4
	Manufacturing of chemicals (24)	14.3	1	28.8	28.8
		85.7	4	134.3	

Source: IMI Historical Archive, *serie mutui*.

Appendix B. Additional results and robustness checks

Table B1. Robustness of the effects of the exposure to the Export-Import Bank loans to different specifications of clustering of standard errors

Panel A: Effects on net profits (deflated)

	Unmatched (only EIB)			Matched (only EIB)			Matched (EIB+ERP)		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
EIB Treated x 1948	3,540.7***	3,540.7*	3,540.7	1,676.5***	1,676.5***	1,676.5**	1,023.7***	1,023.7*	1,023.7*
	(818.8)	(1604.8)	(2245.7)	(322.1)	(353.9)	(847.3)	(228.5)	(487.2)	(591.3)
Obs.	42,304	42,304	42,304	28,652	28,652	28,652	30,269	30,269	30,269
Adj. R^2	0.436	0.436	0.436	0.273	0.273	0.273	0.338	0.338	0.338
Firm FE	YES	YES	YES	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES	YES	YES	YES
Standard Errors	Heterosk.-robust	Cluster: Industrial sector	Cluster: Firm ID	Heterosk.-robust	Cluster: Industrial sector	Cluster: Firm ID	Heterosk.-robust	Cluster: Industrial sector	Cluster: Firm ID

Panel B: Effects on return on assets (deflated)

	Unmatched (only EIB)			Matched (only EIB)			Matched (EIB+ERP)		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
EIB Treated x 1948	2.356***	2.356***	2.356*	3.478***	3.478***	3.478**	1.932***	1.932***	1.932
	(0.816)	(0.220)	(1.347)	(0.902)	(0.693)	(1.473)	(0.795)	(0.609)	(1.440)
Obs.	39,442	39,442	39,442	26,753	26,753	26,753	28,057	28,057	28,057
Adj. R^2	0.343	0.343	0.343	0.349	0.349	0.349	0.343	0.343	0.343
Firm FE	YES	YES	YES	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES	YES	YES	YES
Standard Errors	Heterosk.-robust	Cluster: Industrial sector	Cluster: Firm ID	Heterosk.-robust	Cluster: Industrial sector	Cluster: Firm ID	Heterosk.-robust	Cluster: Industrial sector	Cluster: Firm ID

Notes:

*p<0.1; **p<0.05; ***p<0.01

* The following covariates are included in all the models: North-Centre-South and industrial group. The industrial sector is included as an additional covariate in the models whose standard errors are not clustered by industrial sector.

Table B2. Short and long-run effects of the exposure to the Export-Import Bank loans on net profits (deflated) and returns on assets

	Unmatched				Matched			
	EIB + ERP		Only EIB		EIB + ERP		Only EIB	
	Net profits	ROA (%)	Net Profits	ROA (%)	Net Profits	ROA (%)	Net Profits	ROA (%)
Treated x Year 1953	5,110.1	0.3	4,475.2	-0.7	20.5	-0.6	418.2	2.1
	(4,488.4)	(1.3)	(3,019.8)	(1.1)	(288.4)	(1.6)	(357.5)	(1.6)
Treated x Year 1958	1,863.1*	2.5*	5,667.8**	2.3**	1,062.3**	2.6	1,361.0*	3.9**
	(1,072.1)	(1.5)	(2,562.8)	(1.1)	(501.8)	(1.7)	(721.4)	(1.7)
Treated x Year 1963	2,870.1**	3.2**	9,410.9**	2.8**	1,734.0*	3.0**	2,823.7**	4.0**
	(1,406.2)	(1.5)	(3,866.7)	(1.2)	(993.1)	(1.5)	(1,429.4)	(1.6)
Treated x Year 1968	4,088.1*	4.7***	8,473.3**	4.1***	1,907.7	4.6***	3,343.3	4.8**
	(2,206.1)	(1.8)	(4,121.9)	(1.3)	(1,345.0)	(1.7)	(2,078.3)	(2.1)
Observations	42,304	39,442	43,706	40,714	30,269	28,057	28,652	26,753
Adjusted R2	0.436	0.344	0.480	0.343	0.340	0.343	0.275	0.349
Firm FE	YES	YES	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES	YES	YES

Notes:

*p<0.1; **p<0.05; ***p<0.01

*The following covariates are included in all the models: North-Centre-South and industrial group, and industrial sector.

**Standard errors clustered by firm ID are shown in parentheses.

***Net profits are deflated and reported in 2022 thousand euros. Returns on assets are calculated as the percentage ratio between the deflated value of profits and the deflated value of physical assets.

Table B3: Robustness of the effects of the exposure to the Export-Import Bank loans to the exclusion of specific groups of firms

Panel A: Excluding provinces exposed to the Technical Assistance & Productivity Program (Pisa, Palermo, Vicenza, Monza, Salerno)

	Umatched (only EIB)		Matched (only EIB)		Matched (EIB+ERP)	
	(1)	(2)	(3)	(4)	(5)	(6)
EIB Treated x 1948	6,793.6**	6,876.9**	1,608.2**	1,682.6**	1,295.4**	1,547.5**
	(3,272.5)	(2,968.6)	(794.1)	(847.4)	(607.2)	(621.2)
Observations	41,848	41,682	27,977	27,909	29,537	29,441
Adjusted R^2	0.430	0.474	0.267	0.274	0.259	0.281
Firm FE	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES
Clustering of Std. Errors	By firm ID	By firm ID	By firm ID	By firm ID	By firm ID	By firm ID

Panel B: Excluding firms belonging to the iron and steel works sector (sector "DJ")

	Umatched (only EIB)		Matched (only EIB)		Matched (EIB+ERP)	
	(1)	(2)	(3)	(4)	(5)	(6)
EIB Treated x 1948	7,335.7*	7,936.1**	1,857.1**	1,922.2**	1,321.1**	1,551.9**
	(3,971.3)	(3,471.6)	(893.3)	(958.3)	(618.0)	(637.5)
Observations	38,615	38,453	25,975	25,907	27,393	27,297
Adjusted R^2	0.426	0.480	0.272	0.276	0.286	0.298
Firm FE	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES
Clustering of Std. Errors	By firm ID	By firm ID	By firm ID	By firm ID	By firm ID	By firm ID

Notes:

*p<0.1; **p<0.05; ***p<0.01

*The following covariates are included in all the models: North-Centre-South and industrial group, and industrial sector.

Table B4. Interaction of the exposure to the Export-Import Bank loans with the macro-area of belonging of exposed firms and with the amount of aid received.

Panel A: Triple differences by North, Centre, South

	Unmatched		Matched	
	Only EIB	EIB + ERP	Only EIB	EIB + ERP
EIB x 1948	1,359.6	981.7	1,367.6	507.9
	(17,68.9)	(2,043.6)	(1,293.8)	(1,000.4)
EIB x 1948 x North	2,705.4	7,949.1*	-176.5	388.3
	(2,604.9)	(4,124.2)	(1,540.8)	(1,182.2)
EIB x 1948 x South	5,35.8	2,988.8	4,869.6	2,926.4
	(2,469.7)	(3,158.7)	(5,008.5)	(3,311.3)
Observations	30,914	32,109	28,652	30,269
Adjusted R^2	0.433	0.483	0.313	0.350
Firm FE	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes

Panel B: Triple differences by loan amount

	Unmatched		Matched	
	Only EIB	EIB + ERP	Only EIB	EIB + ERP
EIB x 1948	2,142.5**	2,152.2**	2,009.3***	1,453.6**
	(865.8)	(867.9)	(753.1)	(660.1)
EIB x 1948 x High amount	7,206.6	11,043.3*	1,285.4	-79.0
	(7,076.4)	(6,397.5)	(2,995.2)	(1,407.5)
EIB x 1948 x Low amount	-1,320.3	-622.5	-1,078.0	-767.8
	(1,073.9)	(1,229.6)	(740.095)	(707.1)
Observations	30,982	32,205	28,72	30,337
Adjusted R^2	0.433	0.485	0.273	0.338
Firm FE	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes

Notes:

* Values are deflated according to the Istat consumer price index and expressed in thousand 2022 euros.

** The standard errors shown in parentheses are clustered by firm ID.

*** The following covariates are included: industrial group, and industrial sector.

**** The aid amount is 'high' if the total aid that the firm received is above the median value of 167.35 million lire, and 'low' otherwise.

Table B5. Difference in means of pre-determined firm characteristics among firms exposed to the European Recovery Program and control firms, balanced (panel A) and unbalanced (panel B).

Panel A: Difference in means among treated and control firms

	Mean		Std. Mean Diff.	Var. Ratio	eCDF Mean	eCDF Max
	Treated	Control				
Profits / Losses	-294.3	306.1	-0.1	12.6	0.1	0.2
Share capital	12,903.7	296.2	0.3	3.9	0.1	0.2
Total assets	107,956.7	1,945.8	0.3	5.5	0.2	0.4
Physical assets	61,353.9	14,575.0	0.2	4.4	0.2	0.3
Inventory	17,849.2	2,638.2	0.3	10.6	0.2	0.3
Cash & credits	21,394.5	1,811.3	0.3	9.8	0.2	0.3
Debts	43,992.7	3,623.5	0.4	12.4	0.2	0.4
Provisions	1,376.8	1,051.8	0.1	0.2	0.1	0.2

Panel B: Difference in means among treated and control firms

	Mean		Std. Mean Diff.	Var. Ratio	eCDF Mean	eCDF Max
	Treated	Control				
Profits / Losses	360.5	438.3	0.0	1.4	0.0	0.1
Share capital	4,540.3	4,109.2	0.0	1.0	0.0	0.1
Total assets	51,624.8	45,178.6	0.0	1.0	0.1	0.2
Physical assets	31,097.7	31,272.2	0.0	1.0	0.1	0.1
Inventory	8,241.1	6,928.7	0.0	1.1	0.1	0.2
Cash & credits	8,453.2	6,475.0	0.0	1.0	0.1	0.2
Debts	17,668.1	14,430.6	0.0	1.0	0.1	0.2
Provisions	933.6	1,384.2	-0.1	0.7	0.0	0.1

* Propensity score matching is implemented with the coarsened exact matching algorithm.
** The values are expressed in thousand 2022 euros.

Table B6. Descriptive by subgroup of ERP aid, closest available year before 1948

	Received ERP *lire* (only)		Received ERP dollars (only)		Comparison (*Imita*)	
	Mean	St. Dev	Mean	St. Dev	Mean	St. Dev
Profits / Losses	-2,612.5	13,790.4	470.9	2,732.1	329.7	2,653.7
Share capital	26,630.2	68139.8	6,304.1	26,114.1	25.6	20,276.6
Total assets	178,582.4	476,560.4	72,422.3	354,905.5	-2,143.8	117,435.1
Physical assets	102,379.5	273,818.6	50,493.2	278,914.1	11,892.0	90,474.6
Inventory	1,708.6	3,379.4	1,340.3	6,007.5	943.2	11,310.2
Cash & credits	34,343.5	86,925.2	9,523.6	27,459.6	1,294.2	16,574.7
Debts	62,892.2	183,226.1	17,604.8	49,007.8	2,333.9	28,109.3
Provisions	24,833.2	63,755.2	6,254.2	12,197.2	2,152.1	12,478.3
Observations	32	32	137	137	2,896	2,896

* The values are expressed in deflated thousand 2022 euros.