

highs, and capital investments in plan and equipment rose by 114%, while the relative importance of agriculture in the national economy sharply decreased. As the older textile firms completed their conquest of the domestic market and enlarged their export activities, modern steel, hydroelectric, and machine industries arose. In a highly favorable international economic climate, the state, capable entrepreneurs, and new commercial banks helped stimulate the greatest relative economic advance of any European country in the years from 1896 to 1908.

Turin rapidly emerged as a major player in the general economic expansion of these years. Indeed, the old royal capital enjoyed the highest rate of industrial growth of any city in the country during the first decade of the new century. Already in 1903 Turin ranked among the top three urban centers in numbers of workers, energy consumption, and mechanization of production. Between 1905 and 1911, its industrial population more than doubled, while warehouses and factories accounted for one-fifth of all the new constructions in the city. From outset, Turin's industrial take-off displayed certain distinctive features. In contrast to developments elsewhere, armaments, machinery, and electrical equipment played a relatively minor role in the city's transformation. The most impressive growth in Turin took place instead in the engineering sector, with the fledgling automobile industry leading the way. Guided by a new generation of captains of industry, this sector saw its workforce expand five-fold in just six years. By 1911, it employed one-third of the city's entire manufacturing population. Moreover, firms in this sector were distinguished by their adoption of the most modern organizational, technological, and marketing innovations.

One company above all others most clearly embodied the new industrial Turin that began to emerge after 1900. The *Fabbrica Italiana Automobili Torino*, or Fiat, developed into one of the most dynamic enterprises in the country in the decade and a half after its founding in 1899. In the summer of that year, the young entrepreneur, Giovanni Agnelli, joined with a small group of wealthy private investors from the aristocratic and financial communities of Turin to launch the auto manufacturing company. From the outset, Agnelli embraced innovative advertising and promotional techniques to create and expand a market for cars. He was instrumental, for instance, in exploiting the success of Fiat in the first automobile races to raise the profile of the company and increase its prestige. At the same time, Agnelli developed a commercial network to expand export markets. In 1902, Fiat already had import agents in the United States and France; foreign consumers accounted for roughly two-thirds of the company's sales by the middle of the