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THE PRESENT CONDITION OF POLITICAL ECONOMY IN ITALY.

I.

I DO not undertake in this article to make a critical study of the present condition of economic science in Italy, nor to delineate completely its various tendencies in their gradual development. Such a purpose would require a position of authority which I am certainly not justified in assuming. My aim is merely to furnish the American reader with a general view of the movement of economic thought in Italy during the last fifteen years, to acquaint him with the scientific methods in vogue, and more especially to call his attention to the principal works of the best economists Italy has brought forth in that time.

It cannot be denied that in the past few years there has been in our country a remarkable development of the social sciences, and particularly of political economy. This fact is attested, not only by the large number of students devoted to this latter science, but also by the volume of Italian literature on the subject, which, although surely not altogether of the highest quality, still presents a respectable array of good works in the various branches of the science. This literature deserves indeed to be somewhat better known in foreign countries than is actually the case. It may be that the knowledge of the Italian language is not very widespread; perhaps also Italy has failed as yet to assert herself in scientific contests, owing to her tardy entrance in the lists with great nations.

It cannot be said that there exists an Italian school of political economy, or that Italian economists follow original methods in their research. While not without representatives among the originators of the science, Italy has in more recent times fallen under the influence successively of English, of French and of German ideas, and to-day some of her economists are followers of the so-called Austrian school. However, foreign

theories have rarely been accepted *in toto*; often they have been remodelled and greatly perfected; oftener yet, their extreme doctrines have been softened down in a spirit which tends to become a little eclectic — a spirit which seems to be in a measure characteristic of Italian thought.

From this undeniable foreign influence on economic studies in Italy no harmful results have come during the period which I propose to consider. On the contrary, a wide acquaintance with the researches of others has facilitated the studies of some strong thinkers and enabled them to make valuable original contributions to science. Various factors have been at work in this development of economic studies in our country. These may be summed up in order of importance as follows: (1) the rapid intellectual and economic progress which followed the attainment of independence and of national unity; (2) the industrial development, still rather imperfect, but beginning already to manifest to the country its natural results, *e.g.* the friction and antagonism so characteristic of the modern social order; (3) the rise and increase of credit and insurance companies, which have attracted a great deal of attention and become the objects of careful investigation; (4) the economic and financial questions raised by the creation of a new political order, *e.g.* the regulation of credit, of money and legal tender, of railroads, of the tariff, the public debt, taxation, *etc.*; (5) the crisis and general discontent, especially in these last years, in industry and agriculture — facts which have attracted universal attention and given rise to various inquiries; (6) and finally, the development and regulation of governmental services and an extensive array of official statistics, which have yielded to students fruitful materials for further study. To this far from exhaustive list of factors found in the general conditions of the country, should be added others which may be called “scientific,” and which have exerted a most potent influence. Here belong the impulse given to the science by the university chairs of political economy, distributed throughout the whole kingdom; the introduction of economic instruction in technical schools; the recent establishment, in

the universities, of chairs for the science of finance, a subject which had heretofore met with a very scanty theoretical development. But above all, honor is due to a few economists of repute, who by their public teachings and private studies have given a most effective impulse to the science. Foremost among these, stands Luigi Cossa, who has been teaching for more than thirty years at the University of Pavia. There he has founded a true seminary of political economy, already possessed of honorable traditions, and from which have graduated the greater number of the younger Italian economists. I call it a seminary and not a school, because it devotes itself to no exclusive method, and aims solely at scientific research, utilizing whatever is best in every line of thought. Cossa himself is a learned economist and a profound thinker. He is well known as the author of the *Elementi di Economia e di Finanza*, and of a guide (*Guida*) to the study of political economy, which has met with a cordial reception even in foreign countries, and has been translated into different languages, including English. He is the untiring promoter of historical research relating to political economy in Italy. Under his inspiration his students have produced many special monographs of great value, which now await only his synthetic touches in order to constitute a complete history of political economy in Italy. Along with Cossa's name ranks that of another veteran teacher of economic science, Senator Angelo Messadaglia, professor at the University of Rome. His disciples have been many, and to him are due most valuable additions to the theories of money, credit, population and the taxation of land. His works are much appreciated in Italy, and their exceptional importance to science makes it a matter of regret that they are not better known in other lands.

Again, I must not omit the name of Senator Gerolamo Boccardo, who stands out in his more recent writings as an expounder of the new historical and sociological tendency. As editor of the *Biblioteca dell' Economista*, he has done much to spread throughout Italy a knowledge of the more recent works of foreign, and especially of German, economists. Neither can

I pass over Luigi Luzzatti, professor, deputy, and, at the present time, finance minister; advocate of the popular banks, defender of the co-operative and provident movement; a learned and brilliant writer on economics, social science and finance. Other younger economists, who have already made a name for themselves, I shall have occasion to mention later on.

II.

The renewed interest and fresh activity in economic studies in Italy dates from 1870. To convey any clear idea of the origin and nature of this movement, it is necessary to describe the long and stubborn controversy which was carried on in the reviews, at conventions and in various publications in 1874 and the following years.

Prior to 1870 the dominant influence in Italian economics was that of the distinguished Sicilian economist, Francesco Ferrara, who is still living. To Ferrara's strong and original mind the science owes important contributions, especially in the theory of value. His views on this subject are set forth chiefly in the prefaces to the first two series of the *Biblioteca dell' Economista*, of which he was editor until 1870. These prefaces have lately been brought together and published in two volumes (Torino, Unione, 1889).¹ His other writings are numerous but widely scattered. Those on statistics are to be found in the *Annali di Statistica* (Rome, 1890). Cossa characterizes Ferrara's influence with a master-hand:

It had many-sided usefulness; but it would have availed more if, along with many true sayings, he had not helped to spread Carey's and Bastiat's paradoxes, especially in reference to value and income. Neither should he have believed himself able to solve all problems of economic legislation by the simple negative principle of *laissez faire*, especially when he assumed an interpretation and application directly at variance with the ideas of Smith himself.²

The majority of Italian economists had experienced in a certain way the charm of these theories, which were brilliantly and

¹ Cf. POLITICAL SCIENCE QUARTERLY for March, 1891, p. 181.

² Guida allo Studio dell' Economia Politica (Milan, Hoepli, 1878), 2d ed. p. 249.

ably expounded and carried out to their last logical consequences. Italian economic literature bore little fruit, however, from 1849 on, outside of the works of Messedaglia, mentioned above, and of Boccardo, Jacini, Scialoja, Arrivabene, Minghetti and a very few others. But after 1870 a revival began, due to a number of causes, but particularly to the influence exerted by the modern German economists. This influence was manifested in the works of Nazzani,¹ in which the classical ideas of the English school were felicitously combined with the best results of the recent historical researches of Roscher, Schäffle and Wagner; in Lampertico's *Economia dei Popoli e degli Stati*, the first volume of which, published in 1874, contained a sober exposition of the conceptions of the German school; in Cossa's *Elementi* (1875), in which also the various tendencies were harmonized; and finally in Cusumano's work on the economic schools of Germany.² Cusumano came out as a decided and enthusiastic exponent of the German theories; and therein lies the difference between his work and the productions of former authors, who, while profiting by the results of recent investigations, had followed more temperate and eclectic methods.

These theories and their Italian advocates were met by Ferrara in 1874 with an outburst of fiery denunciation.³ He opposed the principles of the historical school, as expounded by Roscher, Wagner, Scheel and Brentano; he accused the modern economists of a tendency toward socialism; he criticised severely the conception of social reforms as opposed to the old *laissez faire* of orthodoxy; he charged the new school with exaggerating the friction between capital and labor and with introducing a form of socialism which their hypocrisy made by far the most dangerous of all. Then he turned with bitter words against the Italians who had shown tendencies to embrace these fatal doctrines. He singled out more especially

¹ *Sunto di Economia Politica*, 1st ed. (1873), and *Saggio sulla Rendita Fondiaria*, 1st ed. (1872).

² *Le Scuole Economiche della Germania in rapporto alla Questione Sociale* (Naples, 1875); a collection of articles published during the two preceding years.

³ *Nuova Antologia*, August, 1874.

Cusumano, Cossa and Lampertico, and their younger disciples Toniolo and Montanari. He rebuked them for seeking to destroy liberty, for paving the way back to barbarism and preparing the immediate ruin of Italy.

These scornful words of the old champion of economic orthodoxy were calmly answered by Luigi Luzzatti.¹ He avowed his adherence to the new ideas, but he stated them moderately. He extolled the merits of the historical school, and the works of its German founders. The historical method, he said, by clearing up the past, had justified the present and prepared for the future. By elucidating the historical conception of the state, he defended professorial socialism against intemperate and reckless criticism. Without exaggerating the importance either of the historical method or of the principle of governmental interference, Luzzatti met the attacks of the liberals by pointing to the vast body of economic legislation in England, the birthplace of their creed. In a word, Luzzatti examined the question in a temperate and scientific way, avoiding extremes, adopting all the good results of recent studies without sharing in their exaggerations, and laying down the most profitable lines of research for future Italian economists. Again, in a later article, he defined more clearly this new eclectic method which was developing in Italy under the influence of German doctrines.

Between the classical economists at one extreme and the socialistic iconoclasts at the other, there is to-day a mediator in the historical or inductive school. . . . Its adherents do not admit *a priori* either harmony or contradiction of interests. They investigate the world as it is, and not as it ought to be. . . . They admit liberty as a principle; they also put their faith in the energy of individual action. But they do not propose to construct economic romances on the presumption either of necessary harmony or necessary antagonism in human interests. They respect and uphold progress equally with liberty; and where compulsory social action, *i.e.* the action of the state, serves to prevent conflicts which liberty promotes and to procure benefits which liberty obstructs, they accept in their economic proceedings a directive action, *viz.* governmental interference.²

¹ *Nuova Antologia*, September, 1874.

² *Giornale degli Economisti*, September, 1875.

But the controversy between the liberals and the followers of the new method of research was spreading and growing bitter. In concert with Lampertico and Scialoja, Luzzatti summoned a congress of economists at Milan in January, 1875. Later on he founded in Padua an "Association for the Advancement of Economic Studies" (*Associazione per il Progresso degli Studi Economici*). Ferrara and some of his followers protested against each of these movements and in general against their heterodox tendencies, and held in turn conferences and conventions in Florence at the "Adam Smith Club." Luzzatti, Forti and Favaro retaliated by founding an important review, the *Giornale degli Economisti*, published in Padua from 1875 to 1878, which carried out the programme outlined by Luzzatti in the words quoted above. Chief among its contributors were Lampertico, Boccardo, Cossa and the best among the younger economists, such as Ferraris, Ricca Salerno, Cognetti, Toniolo, Errera and Lo Savio. It was in this periodical that Forti, the editor, published the researches of Roscher and Wagner, in a series of articles on the history of political economy and on professorial socialism. Carlo Ferraris contributed important essays in administrative science, based upon wide study and showing full acquaintance with the German literature. Lo Savio investigated the function of the state. Lampertico answered the attack of Ferrara by a temperate defence of the inductive method and of a progressive science, not to be held in check by the limitations of *laissez faire*. I have mentioned only those writers whose arguments serve best to show the tendencies of the new movement. It was characteristic of these tendencies that the *Giornale* dwelt largely on matters pertaining to the working classes, child labor, profit-sharing and co-operation.

But gradually the controversy lost its original bitterness. An indication of this was the attempt made in 1878 by Minghetti, Lampertico, Luzzatti and others to revive in Rome the old *Società d'Economia Politica Italiana*, founded at Florence in 1865, and by conciliatory measures to convert it into an organization open to all schools, where all Italian economists might

meet in friendly reunion. It may be said, however, that the victory belonged in great measure to the new movement,—though in more recent times there have appeared signs of a reaction toward the old abstract science. In this reaction another tendency is involved, of which I shall speak later on.

As I have already said, the victorious new method did not manifest itself in Italy with the harshness and all-absorbing tendency of the German school, but under a more temperate and eclectic form. The victory lay in the fact that few economists were any longer held in check by the barriers of economic liberalism or the absolute optimism of Ferrara. And even in those who still clung to the old school some tendency to compromise was to be noted. In the meanwhile, the majority of Italian economists kept on in scientific research, adhering more or less to the new methods, adopting German thought with various degrees of enthusiasm, often attempting to reconcile contrary tendencies, but in every case rebelling against that barren immobility in which orthodox science had wished to bind itself.

III.

I shall now sketch briefly the various tendencies observable to-day in Italian economics, beginning with the so-called liberalism. The preceding pages, I think, have given the reader a sufficiently accurate idea of Italian liberalism. It is not an exact reflection of Smith's theories, but is connected rather with the French optimistic school. The line of thought marked out by Ferrara, the prince of the Italian liberals, has great affinity with that of Bastiat, Leroy Beaulieu and de Molinari. It has already been said that a few liberal ideas are common property of nearly all economic schools: they have taken root in the English classical school, and are accepted in great part by Italian economists. But there are very few of the latter who now tolerate that absolute liberalism which prevailed a while ago. Thus, for example, in matters pertaining to commercial policy, all or nearly all Italian economists favor free trade,—at least in general theory, for in practice it is easy enough to adopt some sort of a compromise.

And there are very few — even apart from the decided supporters of the new theories — who have not shown some tendency to compromise. This is true in questions of economic and social policy and of governmental interference as well as in questions of method and of the importance to be assigned to economic laws. In respect to other questions most Italian economists are followers of Ricardo, Malthus, Cairnes, *etc.*, rather than of the optimistic liberals.

I have already spoken of Ferrara, and called attention to his works and to his great merits. His followers must now be considered. Among his disciples of greatest repute may be named the following: Martello, professor at the University of Bologna, author of a *Storia dell' Internazionale*¹ and of a volume of monographs on money;² Fontanelli, who died last year, the author of a study on strikes, — the legitimacy of which he denied, — of a popular manual of political economy, and of other publications all redolent of liberalism and of absolute optimism; Bertolini, who has recently translated Rae's *Contemporary Socialism*, prefacing it with an important study on socialism in Italy;³ Berardi, who has published a book entitled *Funzioni del Governo*;⁴ in which the question of governmental interference is treated at great length from a liberal point of view; Pareto, author of some articles, chiefly in the *Journal des Économistes* of Paris; and, finally, Pantaleoni, an economist of great talent and erudition, of whom I shall have occasion to speak later in connection with the most recent tendency which has manifested itself in Italian economic studies.

To-day the last stronghold of orthodoxy is in Florence, where liberalism has always had and still has followers. In this place, a good economic periodical, the *Economista*, chiefly devoted to practical questions, strenuously upholds old theories through

¹ Padua, Salmin, 1873.

² La Moneta (Florence, Le Monnier, 1882). In this work the author displays great *vis polemica*, and, under the head of polymetallism, propounds theories looking to a most complete freedom in monetary affairs. The volume contains an important introduction by Ferrara.

³ Florence, Le Monnier, 1889.

⁴ Florence, Le Monnier, 1887.

Franco, Dalla Volta and De Johannis, its editors. The tendency of the two last-named is to exceed the narrow limits of their school: this is due to the breadth of their studies, and to the benefits they have derived from modern investigations. De Johannis has even gone back again into positivism.

It is not possible in Italy to speak of a protectionist school in contrast to the liberal school; for protectionism has hardly any representative in Italian economic science. But mention should be made of Senator Alessandro Rossi, who deserves much credit on account of the impulse he has given to industry and to institutions for the benefit of the working classes in Italy, and who for a long time has laid stress on the necessity of adopting a tariff policy of a more decidedly protective nature, and neglects no occasion to proclaim his ideas energetically in Parliament and elsewhere. It is also necessary to speak of Egisto Rossi, who a few years ago travelled extensively in the United States, and made an exhaustive study of its agricultural and industrial conditions. He published in a most interesting book¹ the results of these studies and urged the need of strongly protective tariffs for the defence of Italian agriculture against foreign competition.

It cannot be denied that the ideas of protectionists have made headway in Italy, and have gained ground among farmers and business men. The chambers of commerce have repeatedly taken up the cause, and protective tendencies have also found an echo in Parliament, resulting in a partially protective tariff both for agricultural products and for manufactured goods. These facts go to prove that Italy also has felt the influence of that protectionist reaction which has so conspicuously manifested itself in Europe and the United States; but they do not affect in any way the theoretical side of the question. Upon the students of economic science in Italy, the doctrines of the protectionists have as yet made no impression.²

¹ *Gli Stati Uniti e la Concorrenza Americana* (Florence, Barbera, 1884).

² Thus, to cite an instance which may tell in the United States, take the case of Deputy Ellena, who is an expert in tariff matters, and was the chief author of the last Italian tariff. He advocated protection, but claimed only that there was a partial need of it in practice. He did not defend it in theory as a general tendency.

IV.

It is much more difficult to speak with any exactness of those schools which, with Gide,¹ we shall call the "new schools." The eminent French economist says, very cleverly, that it is much easier to define what they are not than what they are; because they embrace divers methods, and harbor all those economists—and they are in the majority—who do not belong either to the school of the liberals, or to pure socialism, or to the Catholic school. It is the more difficult to speak of the new schools in Italy, because Gide's remark of the school in general—that "it has nearly as many shades as it contains disciples"—is particularly applicable to Italian economists.

A few words, first, regarding the various new tendencies manifest in Italy, according to which our economists may be more or less roughly grouped. We may distinguish the following: the sociological tendency; that new historical tendency which has yielded a rich harvest of studies on the history of economic science in Italy, and also a few good studies in economic history; the various movements, more or less marked, in the direction of governmental interference; the numerous eclectics, with whom German ideas have modified orthodox English theories either as regards method or as regards doctrine; the pure socialists; and finally the followers of the new Austrian school, which in a comparatively short time has made a number of recruits among Italian economists.

The sociological tendency in economic science has its chief representative in Germany in the person of Schäffle. It has some disciples in other countries,—for example, Ingram in England and Denis in Belgium,—but in Italy its followers are few. There is evidently a close connection between the sociological and the historical schools. They have in common, first,

Again, by a singular paradox, Senator Rossi, to whom one's thoughts revert instantly at the very suggestion of protection in Italy, is known as a rabid adversary of factory laws; he energetically opposed their adoption in Italy. One is justified in remarking that sometimes extremes do meet.

¹ Cf. *L'École Nouvelle*, Conférence (Geneva, Richter, 1890).

a method in accordance with which scientific research is based on a rigorous objective study of facts in their history and in their contemporary manifestation, in their relation to their environment; and second, they have a common conception of social and economic laws, which are regarded as relative and historical. But the sociological school is distinguished by a broader and more philosophical conception of economic phenomena, the study of which, it holds, is intimately connected not only with that of all social phenomena, but also with that of the organic structure and internal order of society. It is thus in accord with the synthetic tendencies of modern sociology and the theory of evolution. The influence of this line of study has been strongly felt by Boccardo, — mentioned above as ranking high among Italian economists. He has taken up the new conceptions with a remarkable power of assimilation and breadth of view, and has completely recast in its latest editions his old *Trattato di Economia Politica*, resolutely defending the positive method and emphasizing the theories of modern sociology. He has also expounded and elucidated these theories in a masterly way, from the economic point of view, in his fine prefaces to some of the volumes in the third series of the *Biblioteca dell' Economista*.

Following the same tendency, Cognetti de Martiis, professor at the University of Turin, has furnished us with works notable for originality and breadth of scholarship — works which do honor to Italian science. In his *Forme Primitive della Evoluzione Economica*,¹ Cognetti enters a field which had been left almost wholly unexplored by economists, and employs in his researches the criteria of sociology and a method that is strictly inductive. He studies the natural development of economic functions, primarily, among the lower animals, and especially in the organization of the bee-hive and the ant-hill. He examines the characteristics of these primitive economic forms, and shows what advantages the economist can derive therefrom, and how he can find in these forms suggestions of human economic institutions. Then the author studies the economic

¹ Turin, Loescher, 1881.

life of primitive peoples in the savages of the present day, and examines in their case the two functions of production and exchange. By a careful scrutiny of the various savage tribes, he traces clearly the first outlines of the human economic function and the development of the principal social institutions. This line of study had no precedent either in Italy or in the economic literature of other countries. In the interest of economic science the author has exploited the vast material accumulated by naturalists, by students of anthropology and by travellers, and has opened the way for fruitful observations on the origin of economic institutions. This study is followed by an historical part, no less important and erudite, treating of the economic life of the most ancient peoples, — Egyptians, Chinese, Aryans, Mexicans, Phœnicians. Finally comes a felicitous synthesis in which the author takes a firm stand on the facts he has collected, and presents the primary characteristics of economic phenomena and the laws of their early evolution.

Of still greater depth and originality is another work of Cognetti, recently published — *Socialismo Antico*.¹ As in his preceding work he had studied the primordial phases of economic life, he sketches here the primitive forms of socialism, — that “economic Utopia” which springs from “economic reality” and advances step by step with it. For the primitive forms of economy Cognetti had found fresh material in natural science and archæology; in his new investigations he makes similar discoveries in literature, mythology, philology and history. He gives us an admirable scientific reconstruction of the “legend of socialism,” which we encounter among so many ancient peoples. This legend has a real economic basis; suggesting, as it does, to the sufferers of olden times a world of happiness where comfort was to be had without effort, in a general fraternity and in perfect peace and equality, it reminds one of that communism of property which existed in the first periods in the life of nations. The study which the author has made of this legend among so many tribes and under so many forms will be a lasting monument of diligence and erudition.

¹ Turin, Bocca, 1889.

The remaining two parts of the work deal with Oriental and Greek socialism. Here also the author moves from discovery to discovery, in a region nearly unexplored. I would call especial attention to his interesting researches on the school of Moh Tih, which disapproved egoism and proclaimed the principle of mutual love and the absolute equality of all men; also to his very original chapter on Wang An Shih,¹ the minister who governed China for eight years in the eleventh century, and who introduced into the social organization sweeping reforms involving an extraordinary amount of governmental interference. Commerce and prices were regulated; the right to divide up the land among families was reasserted by the state; free loans were made to husbandmen. The story of this socialistic reformer and of his final overthrow, illustrated by an able description of the historical and economic surroundings of the field of action, would suffice by itself to stamp the book with the mark of peculiar originality. No less important are the researches of Cognetti in Greek socialism: although this field is somewhat less unexplored, he has been able to bring out new and valuable points.

These two works of Cognetti de Martiis, for the possession of which other countries may well envy Italy, prove the fruitfulness of the sociological and positive method, as applied with strict scientific exactness to the study of social economy.

Of a sociological turn are also the works of Vanni on the theory of population; of Lo Savio, of Schiattarella, of Zorli, on economy and on finance; and, as regards method, the writings of De Johannis, whom I have named already, on *Teoria del Valore*, and *Preminenza dei Fenomeni Economici*.

In order to complete the list of ardent and sincere followers of this line of research, the author of this paper is obliged to enroll his own name and to mention one of his youthful studies, the *Evoluzione del Lavoro*.² His order and system differ some-

¹ Cognetti writes these names *Mih Teih* and *Uang Ngan Shi*. The transliteration here adopted was kindly furnished by the Chinese Legation at Washington.—EDS.

² Turin, Unione Tipografica, 1883.

what from Cognetti's. He sketches the primitive forms of labor, starting at their points of contact with the function of nourishment in organic structures; then, after studying the economic function of labor in the societies of the lower animals, among prehistoric men and among the savage tribes of to-day, he endeavors at last to lay down a few general laws. He would also mention other and later works of his, especially on co-operation; such as *La Cooperazione in Inghilterra*,¹ *La Cooperazione in Italia*,² *Le Società Cooperative di Produzione*.³ In these works, and more particularly in the last, the author has employed the sociological and historical method. He has studied the forms of co-operation in different countries, and, on the basis of strictly inductive observation, he has sought to establish the general lines of economic theory as regards these very important social forms.

The sociological school has been bitterly assailed by Lampertico, not on account of its method, but because of its philosophical system. He himself adheres in good measure to the German historical and social school, and in his works he assigns chief importance to the study of facts; but he does not accept the theories of evolution and does not admit the scientific consistency of the great modern structure of sociology.

V.

The historical movement may be considered from two different points of view, *viz.* the works to which it has given rise, and the economists who have more or less adhered to either its theory or its method. Let us first pass in review the works of a distinctly historical character produced in Italy under its influence.

With the exception of Germany, I know of no country where studies in economic history are so plentiful as in Italy. This abundance is due in great measure to the continuous incentive

¹ Milan, Dumolard, 1885.

² Milan, Dumolard, 1886.

³ Milan, Dumolard, 1889. Reviewed in the *POLITICAL SCIENCE QUARTERLY*, IV, 692.

of Professor Cossa's seminary in Pavia. The greater part of the Italian studies treat of the history of economic science in Italy; but there is no lack of economic history proper. Without in any way slighting the former, I am inclined to prefer the latter as constituting to all appearances the best preparation for an economic theory. The works of the first class already furnish nearly complete materials for a history of political economy in Italy, and may be subdivided into two categories:¹ those that deal with the general history of economic science at particular periods, either in the whole of Italy or in some distinct region; and special monographs relating to an author, to a given institution or to a given locality.

Among writings of a general character, the following deserve special mention: Fornari's complete but lengthy work on the *Teorie Economiche nelle Provincie Napoletane dal Secolo XIII al 1830*,² containing a summary of the studies of all Neapolitan economists of any importance; the more compendious researches of Gobbi³ on political economy in Italy during the sixteenth and seventeenth centuries, which gives a minute analysis of the works of the numerous economists and jurists of that period, — some of them very worthy of note, — followed by an important study of the characteristics of Italian economic theories during the same period; the equally important works of Supino⁴ on the same subject; the *Storia dell' Economia Politica negli Stati della Repubblica Veneta*⁵ in the sixteenth and seventeenth centuries, by Alberto Errera, remarkable both for its study of the literature and for its wealth in documents. Italian financial science has found in its turn an eminent historian in Professor Ricca Salerno, whose *Storia delle Dottrine Finanziarie in Italia*⁶ is a true model of its kind.

¹ Be it borne in mind that I do not take in consideration the writings of the last few years; otherwise I should have to allude to the works of Pecchio, Cibrario, and more recently yet, of Albergo, *etc.*

² Milan, Hoepli, 1882-88, 2 volumes. This work is accurate, although perhaps too minute and somewhat unsatisfactory in its synthesis.

³ *L' Economia Politica negli Scrittori Italiani del Secolo XVI-XVII* (Milan, Hoepli, 1889).

⁴ *La Scienza Economica in Italia nel Secolo XVI-XVII* (Turin, Loescher 1888).

⁵ Venice, 1877.

⁶ Rome, 1881.

Much more numerous and varied are the special monographs. Of those which treat of single authors I shall name the monographs of Lampertico on Ortes, that of Balletti on Scaruffi, and those of Fornari on Serra and De Santis. Among the studies relating to particular economic institutions as viewed by the old economists, we may mention the monograph of Alberti on the *Corporazioni negli Antichi Economisti Italiani*,¹ where Italian theories are compared and co-ordinated with those of foreign economists; that of Gobbi on the *Concorrenza Estera negli Antichi Economisti Italiani*;² that of Toniolo on the *Scolastica e l' Umanesimo in Toscana*; Loria's very important *Teoria del Valore negli Economisti Italiani*;³ and among more recent essays on this same topic, Graziani's *Storia della Teoria del Valore in Italia*,⁴ in which the development of this theory in Italy is considered in its relation to the changes which followed immediately in foreign theories, and Montanari's *Contributo alla Storia della Teoria del Valore*,⁵ — a very accurate study, rounding off the entire investigation.

Coming finally to the studies on the history of economic facts, we find ourselves in presence of an assemblage of noteworthy writings, although rich veins of material have yet to be worked before a complete economic history of Italy can be written. Studies on guilds are abundant. Much light has been thrown on this important mediæval institution by the very carefully prepared monographs of Orlando, on the *Fratellanze Artigiane*, and of Supino, on the *Corporazioni di Arti e Mestieri*; and through the special studies of Cuturi, on the *Corporazioni del Comune Viterbo*, bringing out new points of view as regards the rural guilds; of Portioli, on the *Corporazioni a Mantova*; of Gaudenzi on the *Collegi delle Arti in Roma*; and of others whom it would take too long to enumerate. To the history of banks very important contributions have been made by Lattes in his study on the *Banche a Venezia dal Secolo XIII al XVIII*, and recently by Cusumano in his *Storia dei Banchi*

¹ Milan, Hoepli, 1887. Reviewed in the POLITICAL SCIENCE QUARTERLY, IV, 335.

² Milan, Hoepli, 1884.

⁴ Milan, Hoepli, 1889.

³ Bologna, Goragnani, 1882.

⁵ *Ibid.*

di Sicilia, the first volume of which, dealing with private banks, is just out. This work, the result of patient researches in archives, casts much light on the commercial life of Sicily in the middle ages, and presents new material for the history of credit and of certain economic institutions which had their beginnings in the practices of private banks.

But for lack of space, I might speak of other works of consequence in the field of economic history, such as that of Toniolo on the *Fattori Remoti della Potenza Economica di Firenze*; of Alessandro Lattes on the *Diritto Commerciale nella Legislazione Statutaria, etc.*; but these few indications may suffice to give an idea of the importance which studies of this kind have assumed in Italy.

VI.

It has already been said that although the German theories have had a great influence in Italy, they have there assumed a milder and more temperate character. Nothing that can properly be called a school of "state socialism" exists or has ever existed in Italy. Not that theories of the kind have not made headway among us, but they have lost a large part of their absolutism; and among the numerous Italian economists who, without being true state socialists, still lack that sacred horror of governmental interference which is proper to ultra-liberals, we find all shades of opinion, — from strong faith in the efficacy of the state, with a consequent tendency to widen the field of its economic and social action, to that liberalism which is tempered by historical and positive influences; which is unwilling absolutely to reject the intervention of the state in economic life, but attempts to restrict its action within the narrowest possible limits.

Among the economists who come nearest to state socialism, the name of greatest authority in Italy is that of Professor Carlo Francesco Ferraris, of the University of Padua, the author of notable studies on monetary questions, on statistics and on administrative science. He is an advocate of the historical and positive method in the study of economic phenomena. He is

also a champion of social legislation, and inspired a recent bill for the compulsory insurance of workmen. This last question he has treated in a very remarkable study.¹

In another field, great importance is attributed to state action by Augusto Mortara, in an original and remarkable work on the *Doveri delle Proprietà Fondiaria*.² The author starts from the idea that the justification of private property in land lies solely in the impulse thereby given to production. He maintains that the extreme liberty granted to landlords results in insufficient production; and he asserts the right of the state to prevent improper use and inadequate exploitation of land, and actively to promote its cultivation, by obliging the landlords to till it, to fertilize it, and to improve the methods of husbandry. He asserts also the right of the state to enforce the adoption of agrarian contracts that will safeguard the position of the tillers of the soil. These ideas meet with the approval of an eminent Italian economist, Loria, of whom I shall speak later.

Passing from these extremists without as yet entering the camp of the pure liberals (and noting only the most distinguished names), we come to Luzzatti, who admits the necessity of governmental intervention but witnesses regretfully its growth, apprehending that socialistic laws "à la Bismarck" may obstruct the development of individual enterprise, to which he would like to give the highest place;³ and to the late Minghetti, who certainly could not be suspected of state socialism and was in the main a follower of English doctrines. It was he who proclaimed the historical character of the question of state interference, and admitted its legitimacy in the distribution of wealth in cases where individual interests do not coincide with collective interests, and where it is evident that private initiative and free association are not in position to subserve the general interest.⁴

¹ L' Assicurazione Obbligatoria per gli Infortuni del Lavoro (Rome, Botta, 1890).

² Rome, Botta, 1885.

³ Among other masterly writings of Luzzatti, see *Il Socialismo e le Questioni Sociali* dinanzi ai Parlamenti d' Europa. *Nuova Antologia*, January and February, 1883.

⁴ Cf. *Il Cittadino e lo Stato*, *Nuova Antologia*, November 1, 1885.

This same criterion, *viz.* necessity, has been adopted by an economist of the old school, Ciccone, who likewise admits an effective co-operation of the state in the solution of social problems, provided it does not impair free private initiative.

These eclectic and moderating influences and this desire to accept if necessary the intervention of the state—although very cautiously and in such a way as not to paralyze individual and associated action but rather to foster its development—reveal themselves in Italian social legislation. The laws relative to savings banks, the legal recognition of mutual aid societies, the dispositions concerning co-operative societies in the code of commerce, the abolition of the provisions in the penal code for the punishment of strikes,—all these facts certainly cannot be regarded as tending towards state socialism, but seem much more to favor the development of individual initiative. Although the promotion of the national bank for the insurance of workmen against accidents is due to the exertions of the government, still it is a free institution, and very different from the compulsory state insurance of Germany. The legal provisions regarding child-labor in factories are less rigorous both in their text and in their application than in other states. On the other hand the more advanced projects for arbitration and for pensions for the working classes have not become law; and the bill making employers liable for accidents to their employees has been strongly resisted in the parliamentary debates. This last project has recently been supplanted by another, proposed by the above-mentioned Ferraris, which to a considerable extent adopts the German system of compulsory insurance. It is impossible to say whether this project will be brought up, or whether if brought up it will meet with the approval of Parliament. A like uncertainty surrounds another project which has been announced, and which would have much social importance,—a project for “internal colonization.”

It is then an exaggeration to speak, as some do, of “state worship” as invading Italy, and of state socialism as dominant. But on the other hand it seems rather daring to assert, as Pantaleoni has recently done, that “the period of the historical

method and of state socialism has come to a close." In fact, the statement is more than daring, it is wholly inaccurate. It is inaccurate with reference to "state socialism," if the assertion implies that either in the country or in the minds of the greatest living Italian economists the prevailing tendency is hostile to state interference; it is still more inaccurate as regards the influence of the historical school on the Italian economic thought of to-day.

As I have already insisted, the prevailing tendency among Italian economists is towards compromise, eclecticism. We should be sorry observers if we could not recognize the deep influence which the classical English school has exercised upon the best living Italian thinkers, and upon a great part of the new generation, so fruitful in economists. But on the other hand, how can we ignore the influence which the historical movement has exerted and still exerts on these minds, even if it has not always been accepted in its entirety or has been associated with other tendencies? How can we proclaim the disappearance of a school which counts among its followers Boccardo, Cognetti, Luzzatti, Messedaglia, Ferraris, Ricca Salerno, Lampertico, and — to name only a few of the younger men — Supino, Gobbi, and above all Loria, who presents in his masterly works a profound and fruitful association of classical English theories with German historical tendencies, and of the abstract deductive method with the method of observation of facts, — Loria, who bases all his most original conceptions upon the principle of the historical character of economic phenomena? In truth, if we are to say that this school has died out, we may well ask what school is still alive!

VII.

In Pantaleoni's opinion, probably, the most active movement in Italian political economy is that of the new school styled, rather inexactly, the "Austrian." It claims to connect all economic and financial phenomena with the theory of final utility. Another of its Italian supporters, Graziani, makes an

assertion which is at least equally open to discussion, *viz.* that in the theory of value the utility theory "seems to close the evolutionary cycle of Italian thought."¹ In fact, in the last three years this theory, which has had a remarkable growth in various countries, has made headway also in Italy. Besides Pantaleoni and Graziani, it has won the adherence of other economists of repute, such as Mazzola, Professor Emilio Cossa, Conigliani and also, on its financial side, Professor Ricca Salerno.² Furthered especially by the efforts of Pantaleoni, Conigliani, *etc.*, this movement tends to reinstate in full honor the exclusive use of deduction and, in imitation of foreign economists, to reconstruct a "pure," *i.e.* an abstract political economy, characterized by a mathematical precision. Without passing a summary judgment on this school, it may at least be said that it seems still too young to attempt to bury the historical school alive—for this school was never more alive—and without even the funeral honors which its glorious traditions deserve. Nor has the new doctrine been so tested by criticism and experience that it may justly claim to have closed a cycle. To Italian thought, which resists crystallization in any formula whatsoever, a progressive future is happily still open.

It is needless here to do more than refer to the theories which, first announced by Jevons, were made the basis of a school by Böhm-Bawerk, Sax, Menger and other economists in various countries. It is well known that these theories deal more especially with value, the distribution of wealth and the science of finance. I shall confine myself to noting briefly a few Italian works in which these doctrines are accepted in part or as a whole, and very often amplified and carried out to new consequences.

Ricca Salerno has given us a very valuable *Manuale di Scienza delle Finanze*.³ Besides a very accurate treatment of the special institutions of public finance (some of which he had

¹ Cf. *Storia Critica della Teoria del Valore in Italia* (Milan, Hoepli, 1889), p. 175.

² The last-named, however, follows the historical method in his other works. Cf. the work mentioned above; also that on method in political economy, vindicating the inductive and historical method (Modena, 1882).

³ Florence, Barbera, 1888.

already thoroughly analyzed in other works, *e.g. Prestiti Pubblici*), this book contains a critical comparison of the various theories prevailing in the science of finance, based upon a comprehensive knowledge of contemporaneous financial literature. As a result of this comparison Ricca Salerno adopts in great part the financial theories of Sax, based on final utility. These he elucidates and explains, extending the applications of the theory of value in the field of finance.

In a short work,¹ Dr. Emilio Cossa has presented the theory of utility in a clearer and more concise form than is customary among the disciples of this school. He examines its applications to the theory of value and of the distribution of wealth, and seeks to show how the new theory may be applied to the study of all economic phenomena of which utility is to any extent the basis. From the "abstract forms" of social economy he passes over to the study of "concrete forms," basing his study of distribution chiefly on Loria's theories, and attempting to connect the study of these concrete forms also with the theory of utility. Here his results seem to me less felicitous; but his book is worthy of note on account of this attempt as well as by reason of its clearness and exactness. It is noteworthy also on account of an important admission. Although the author burns incense before the altar of the "exact deductive method," asserts that it enjoys the favor of "a good part of the workers in the field of economic science," and discourses at length in his preface on the advantages he derives from employing it in his work, he also recognizes the importance of the inductive method and declares that deductive research should be intimately connected with an objective study of facts. And he confesses that the deductive method has yielded "less fruit," especially as regards the applications of the science, than a later and mainly inductive method.

Pantaleoni is a distinguished laborer in the field of finance.² He has published several works of great value, but is noted

¹ *Le Forme Naturali della Economia Sociale* (Milan, Hoepli, 1890).

² I may say, incidentally, that the followers of the Austrian school in Italy are nearly all writers on financial matters.

especially for a study on *La Traslazione dei Tributi*,¹ a bold and original attempt to formulate laws governing the complex phenomena of the incidence of taxation. While the work reveals great learning and uncommon ability, it shows also a striking tendency towards abstraction and an exclusive use of the deductive method; and the author seems to care little to find out whether the results attained correspond in any measure with the facts of real life. Already in this work appear references to the utility theory. In his recent *Principi di Economia Pura*,² Pantaleoni has developed to their utmost limits both the theory of utility and the use of the deductive method. The *Principi* is a remarkable piece of work. As a monument of abstract logic, it bears fresh witness to the unusual qualities of the author's genius; but it is based on a method which, frankly speaking, I consider dangerous. In the face of pressing practical problems of every kind, both in production and in distribution, economic thought is drawn off into the field of barren abstractions. Under an attractive semblance of mathematical accuracy, these abstractions conceal much that is really false; for they do not correspond in the least to the complexity of concrete facts. While they distract the student with an imaginary logical construction, they lessen his interest in that positive study which tells us what is, whereas logic by itself gives us only what is thought. Thus in last result they deprive economic science of that great practical importance which it should have in society.

Pantaleoni makes economic science to consist in the study, in processes pertaining to wealth, of a single law, that of individual interest and the "least means" — *i.e.* the procuring of the greatest advantage with the least outlay, — and he finally reduces economics to the limits of a "science of value." He takes as his point of departure the *homo æconomicus* or, what amounts to the same thing, an abstract man, in whom the sole impelling force in every action is egoism or, as he styles it

¹ Rome, Paolini, 1882. I would also cite his investigations on the Ammontare Probabile della Ricchezza in Italia, and on the Pressione Tributaria.

² Florence, Barbera, 1889.

in a new terminology whose usefulness I fail to understand, "hedonism," which means pleasure. His "pure economy" consists in such abstract theorems as can be logically deduced from the "hedonistic principle," that is to say, from the hypothesis of the "economic man."

Space fails us to follow the author in his minute and often quite original investigations. Beyond all doubt these researches constitute an important contribution to abstract science. But let us consider for a moment his economic man. In him the author has personified the principles of the classical English school, exaggerating their range of application (and also, to my mind, their defects) and abusing abstraction. Let us ask ourselves whether this abstract man corresponds to the concrete man of flesh and blood, who eats, drinks and is clothed, but who feels also something else than simple egoism, — to that man, in fine, who is not a pure incarnation of a simple abstraction, but a complete being; in life and in action the highest expression of complexity. Let us inquire whether the laws of that abstract conception, whether the consequences which result from it, can have any connection with this concrete reality; whether, in presence of the entirely different nature of the latter, their absolute value and their pretended mathematical accuracy will not rather disappear like a mist in the sunshine. In the meanwhile, the few modest conclusions of induction, the few laws cautiously derived from history, are quite abashed in presence of the hundreds of laws and abstract principles formulated by the author of the *Principi di Economia Pura*. The former vary, indeed, with time and with locality, but they have at least one undeniable merit: they are *true*; that is to say, they find their application in real life.

But to come back to the theory of utility and to the so-called Austrian school. If it counts already some disciples in Italy, it has also found some critics. Among these may be mentioned Supino, who, while demonstrating in a recent article on value¹ the insufficiency of the principal theories that have been formulated on the subject, makes a clever remark concerning the

¹ Cf. *Giornale degli Economisti*, July and August, 1889.

utility theory. He says that it is based chiefly on a change of nomenclature, in that it includes under the single term utility two conceptions which hitherto have been held distinct, *viz.* utility and scarcity. He does not see the advantage of this change of nomenclature; for if the utility theory has availed in the explanation of some phenomena, especially in questions of finance, it becomes vague and uncertain when we consider value in respect to production. Recourse must be had to abstruse conceptions and the meaning of words must be modified in order to include under value those elements which previous definitions have expressly chosen to disregard. Moreover the subjective point of view which is taken in the study of value is one-sided and hence unsatisfactory.

Again, only last year, Loria¹ published a clear and succinct exposition combined with a searching criticism of the Austrian theories, in so far as they deal with circulation, distribution and finance. As to value, Loria observes that the utility of a product finds its exact measure in the sacrifice made to obtain it; for the sacrifice would not be made if the product did not compensate for it. The whole matter, then, reduces itself to the cost of production; and to say that the value of a ware is determined by its final utility is no more than to say that its value is determined by its cost. Accordingly the attempt of this new theory to simplify the law of value resolves itself into a mere question of words. For if we say that the value of a product is always determined by its final degree of utility, we do nothing more in substance than affirm that a product must be endowed with such usefulness as to compensate for the expense incurred in producing or in acquiring it. This is an incontestable fact, to be met with in all cases of exchange; but it in no wise gives us the law of value. Consequently Loria holds that the theory of final utility adds nothing to the theory of value, but simply makes a change of names.²

¹ Cf. La Scuola Austriaca della Economia Politica, in the *Nuova Antologia*, April 1, 1890.

² It seems to me that Böhm-Bawerk impliedly makes the same confession when, after having developed his theory of value determined by subjective estimates or "subjective values" of sellers and buyers, he acknowledges in the case of free com-

As regards the phenomena of distribution of wealth, the advocates of the utility theory justify profit, or value of the capital, as a difference between the utility of present and that of future goods. For the relation of capitalist to workman is only an exchange in which the capitalist gives a present good, capital, to obtain a future good, product. The workman, who has no present goods, derives from those advanced by the capitalist an infinitely greater utility than is possessed by the equal quantity of future goods which he will have to make over to the capitalist; it is necessary therefore that he make over a larger quantity, and in the very difference lies the profit. At this point Loria observes that this is no explanation, since it gives no reason for the fundamental fact that some possess capital and others do not; according to this theory profit appears to be a sort of monopoly revenue, and is rather discredited than justified. Nor, in the opinion of Loria, is the theory of utility more fruitful in tracing out the laws regulating profit and wages.

In conclusion,¹ Loria says that it is the fundamental fault of this school that it undertakes to carry all economic phenomena back to the principle of utility. Now utility is nothing but a relation between product and man. Utility is to commodities what the shadow is to the body. Instead of studying bodies, this theory studies shadows, and in place of a profound investigation it is satisfied with a superficial glance. Thus, he says, a searching analysis of social relations — an analysis which would have led to a criticism of the present economic system — is evaded. The prospect of this danger had brought classical economy to a stand-still; the new economy shuns it in its turn.

If I may be allowed an observation at this point, I should say

petition the truth of the law of cost of production, which coincides here with the subjective estimates in conformity with which value is determined. But could it not be said on the other hand that, if this is so, it is not because the "cost" coincides with those "estimates," but solely because the Ricardian theory seeks to penetrate to the very essence of the phenomenon, whereas the utility theory is satisfied with superficialities? Cf. Böhm-Bawerk, *Grundzüge der Theorie des wirtschaftlichen Güterwerts* (Jena, Fischer, 1886).

¹ For lack of space, and to avoid a digression into a special field, I omit Loria's criticism of the Austrian theory of finance.

that in its theory of value the new school does nothing more than express old ideas in new words, basing its system on double meanings, and introducing an obscure terminology and diction in a place where clearness at least was to be found, if not complete truth. Thus the utility theory is a notable step backwards from the Ricardian doctrine. As regards distribution, the theory furnishes a facile but unreal justification of social inequalities, in that it refuses to recognize the importance and true function of labor. Finally as regards method, this school, which claims to be in a measure a renewal and a continuation of the classical school, merely exaggerates to the point of abuse the latter's use of abstractions. With the classical economists these abstractions have at least the merit of depth ; but the new school is satisfied with a superficiality which at best conceals itself under a complicated and often unintelligible form of statement. Finally, in spite of its pretensions to exactness in substance and in method, the fact that it seeks to bring everything back to the conception of utility, a conception which in itself is undefined and undetermined, inevitably precludes any approach to precision.

VIII.

I have still to speak of "pure socialism" in Italy ; but the task is a brief one. Socialistic ideas have indeed been spreading through Italy and have gained serious and respectable followers. They exercise among us as in other countries a fairly good influence by criticism of social institutions and by furnishing effective incentives to better them. They have obtained a small representation in Parliament. But in the way of scientific socialism or theoretical works upon socialism, Italy has produced nothing worthy of special note. On one side a handful of anarchists, destitute of any kind of organic ideas, manifest their intellectual impotency by preaching unremittingly the doctrine of absolute abstention. Their tendencies may be gathered from the confused writings of Merlino. On the other side are the collectivists, with theories based more or less upon

those of Marx, Schäffle, Lassalle and Malon, and with a few representative personalities, such as Turati, Prampolini, Costa, Colajanni and Gnocchi Viani. The ideas of the Italian collectivists present no real originality. They are to be found scattered in reviews and especially in propagandist sheets, often of ephemeral existence. A few little books also present their views. The most important are those of Turati¹ and Colajanni,² which treat a special question, the relations between crime and economic crises, and make front against the new positive school of criminal law, with which these socialistic writers have entered into a controversy conducted on both sides with true scientific seriousness.³

To speak of the practical socialistic movement in Italy would be an entirely different matter. Although it has a shorter history and has obtained less importance than similar movements in other countries, it cannot lightly be passed by. But its treatment lies outside of my theme, and the reader who is desirous of details is referred to Professor Bertolini's *Cenno sul Socialismo in Italia*, a minute and accurate study, which was published as an introduction to the Italian translation of Rae's *Contemporary Socialism*.⁴

IX.

Now that I have described the various tendencies at present manifest in Italian economic theory, it may be well to briefly notice some of the principal works of contemporaneous Italian economists, in order to see wherein they have contributed to the science in its various branches. Of course I cannot undertake a complete enumeration either of authors or of writings. I have already mentioned many works, and the limitations of space forbid more than an imperfect sketch of some of the best works of Italian economists of which I have as yet had no occasion to speak.

¹ *Il Delitto e la Quistione Sociale* (Milan, 1883).

² *Socialismo e Sociologia Criminale*; three volumes (Catania, 1884-1889).

³ *Cf.*, on the side of the positive school, Ferri, *Socialismo e Criminalita* (Turin, 1884).

⁴ Florence, Le Monnier, 1889.

Some of the numerous treatises and compendiums of political economy deserve special notice. I have mentioned already Cossa's *Elementi di Economia Politica e di Finanza*,¹—a very clear and concise work of the most scrupulous scientific precision. The various scientific theories are reproduced synthetically and with conscientious faithfulness. The historical references and a remarkably careful bibliography are a valuable aid to the student. Cossa has also produced another didactic work which is unique in its character: the *Guida allo Studio dell' Economia Politica*.² Besides an extensive treatment of the question of method and of the relation of political economy to other sciences, the *Guide* contains also a history of economic science which is unequalled in point of brevity, completeness and scientific accuracy. Both the *Elements* and the *Guide* have been translated into English.

Nazzari's *Sunto di Economia Politica*, which also has been cited above, merits attention not only for its successful combination of the classical and historical methods, but also because it adds to the theoretical a special part, dealing in a remarkably concise and accurate manner with various economic institutions and practical questions of greater importance. An extensive treatment of such questions is also found in combination with the general theory, in the excellent and more voluminous *Elementi* of Montanari.³ Gobbi, whose historical works I have already praised, has also published a *Sunto di Economia Politica*,⁴ which seems to me of much importance. It departs from the usual order of treatment, and shows an intelligent appreciation of German ideas and methods. A positive and practical spirit pervades the work, and its treatment of the theory of industrial enterprise is especially full and exact.

I have already had occasion to mention incidentally Lampertico's *Economia dei Popoli e degli Stati*, a work which occupies an important place in the contemporary economic literature of Italy. It is at the same time a treatise and a series of monographs; for while its five volumes contain a practically complete

¹ Milan, Hoepli.

² Milan, Hoepli, 1888.

³ Padua, Sacchetto, 1881; 3d edition.

⁴ Turin, Unione Tipografica, 1888.

system of political economy, each one of them is an independent work, treating special topics. The first volume constitutes a general introduction, in which are discussed the general theories of the science and the questions of method. The volume on "Labor" is a monograph on the history of labor and on industrial questions. The volume on "Property" deals with the distribution of wealth. Finally the last two volumes present all the theories and practical questions relative to commerce, transportation, means of communication, money and credit. I have spoken elsewhere of the ideas incorporated in this most notable work: be it sufficient to say here that while it shows a wide acquaintance with economic literature, especially with that of Germany, and a broad treatment of practical questions, its chief excellence lies in the author's full and frequently original investigations of the historical development of various economic institutions.¹

In Italy the theory of value has engrossed the attention of a large number of students. I may refer to Ferrara's profound researches, already mentioned, in which the "theory of the cost of reproduction" is developed, and which may especially interest American economists on account of their relation to Carey's theories; to Nazzani,² who has thrown light upon the "theory of the cost of production," perfected it by important distinctions and denied the possibility of covering the whole field with a single law; and finally to Loria, who has assigned to the theory of value an historical character. Wollemborg, Supino and Majorana have also written on value. The most recent contributions to the subject are those of Valenti,³ who supports the English theories, and of Alessio,⁴ who follows an eclectic tendency but leans rather toward the Austrian school.

¹ I do not mention here the treatise of Boccardo, nor the manuals of Pantaleoni and Ricca Salerno, because I have already touched upon them elsewhere. I must also forego speaking of other works which are deserving of mention, such as Professor Giacomo Luzzatti's *Lezioni di Economia Politica*, and Emilio Cossa's *Elementi di Economia Agraria*.

² *Saggi di Economia Politica* (Milan, Hoepli, 1881).

³ *La Teoria del Valore* (Rome, 1889).

⁴ *Studii sulla Teoria del Cambio Interno* (Turin, 1890).

Among the best Italian writings on money are the learned and profound works of Messedaglia¹ of which I have spoken above; the numerous publications of Professor Ferraris;² those of Luigi Luzzatti, Magliani, Stringher, all relating chiefly to practical questions, but having great scientific value; the investigations of Professor Giacomo Luzzatti on *Moneta Ideale*; and, among the more recent theoretical contributions, the important work of De Viti de Marco,³ in which the results of an increase in the gold supply are studied with much originality and learning, but in too abstract a method. This writer supports the quantity theory.

The studies relating to production are few in number. There is a valuable monograph by Gobbi, *Lavoro e la sua Retribuzione*;⁴ a very important study by Ricca Salerno,⁵ in which he analyzes capital in its genesis, its elements, its formation and its functions; also a contribution from Supino,⁶ who studies capital in the social economy of to-day by the historical and positive method, considers it also in the distribution of wealth, and gives a careful and clear *résumé*, in particular, of the theories of Rodbertus. Finally, we have two profound discussions by Cossa,⁷ on the limits of production and the theory of industrial enterprise.

More numerous are the researches relating to the distribution of wealth and to social institutions. The works of Loria, which should be described here, I pass over for a reason presently to be explained. Of peculiar value are the writings of Nazzani on rent and on the demand for labor. I must also allude to Toniolo's work on *La Distribuzione della Ricchezza*,⁸ and to that of Graziani on profit, which gives accurate *résumés* of all the theories on this subject.

Social and provident institutions have been extensively dis-

¹ *La Moneta ed il Sistema Monetario in generale* (Rome, 1881-1883).

² Cf., among others, *Moneta e Corso Forzoso* (Milan, 1879).

³ *Moneta e Prezzi* (Città di Castello, 1885).

⁴ Milan, Hoepli, 1881.

⁵ *Saggio sulla Teoria del Capitale* (Milan, Hoepli, 1877).

⁶ *Il Capitale* (Milan, Hoepli, 1886). I must mention another praiseworthy writing of Supino: *La Navigazione dell' Aspetto Economico* (Rome, 1890).

⁷ In his *Saggi di Economia Politica* (Milan, Hoepli).

⁸ Verona, 1878.

cussed by Italian economists. Thus for example, besides the numerous writings of Luigi Luzzatti on social legislation and on co-operation, studies upon co-operative associations have been published by Manfredi,¹ by Wollemborg² (the apostle of rural credit banks in Italy), by Rossi, by Ravà, by Levi³ and by the author of the present article. The general principles of insurance and the special question of the insurance of workmen against accident have been discussed in a series of valuable monographs. Zammarano⁴ has examined insurance from the industrial point of view, studying the conditions of its practice and its organization, as well as its general scientific theory. Wollemborg⁵ has studied it along the lines of industrial enterprise, contrasting mutual co-operative undertakings with the speculative enterprise of societies with fixed premiums; he devotes special attention to the insurance of cattle. Vivante has treated the subject very fully from the legal side in his masterly volumes on agricultural, marine and life insurance. But these subjects do not here concern us. As to the insurance of workmen against accidents, besides Ferrari's study, already mentioned, and works by Gobbi and Pisa, we have Mazzola's accurate monograph on the insurance of workmen in Germany.⁶ He studies the theoretical side of the question by considering the conceptions of Wagner, Brentano, Schäffle, *etc.*, and the practical side by examining the Bismarck laws.

I have had occasion to speak incidentally of the science of finance, and I have cited a few of the best theoretical works in this field. I will mention here only a few of the most valuable studies which deal with questions of Italian finance. Such are Messedaglia's account of the reorganization of the land tax,⁷ a masterly piece of work; Alessio's volumes on the *Sistema Tributario Italiano*,⁸ in which the taxes actually levied

¹ La Società Anonima Cooperativa (Milan, 1887).

² L' Ordinamento delle Casse di Prestiti (Padua, 1886).

³ Manuale per le Banche Popolari (Milan, 1886).

⁴ L' Intrapresa delle Assicurazioni (Turin, 1887).

⁵ Sull' Assicurazione, *etc.* (Udine, 1889).

⁶ L' Assicurazione degli Operaj in Germania (Rome, 1886).

⁷ Rome, 1884.

⁸ Turin, 1883-1888. Reviewed in the POLITICAL SCIENCE QUARTERLY, III, 532.

in Italy are minutely analyzed and subjected to scientific criticism; Zorli's study on the *Diritto Tributario Italiano*; and many works by Salandra, Luzzatti, Magliani, Ricca Salerno¹ and others.

It should be noted that much material of the utmost importance to financial and economic science is to be found scattered through the Italian parliamentary documents, in the form of reports upon bills. I would call especial attention to the reports on the land tax and on other taxes, on legal tender, on banks of issue, on railroads, *etc.*, and also to the reports of the governmental commissions on industry and agriculture.

I cannot close this bibliographical *résumé* without calling attention to the progress which statistical science has made in Italy. To Messedaglia are due valuable contributions to statistical research. Bodio has organized the service of Italian statistics, so that it compares favorably with that of the larger states. Morpurgo² has published a suggestive study upon the relations between statistics and social science. Gabaglio is the author of an important work on the history and method of statistics.³ Salvioni translated and completed the work of von Mayr. Other writers of prominence in this line are Ferraris, Rameri, Perozzo and Del Vecchio.

Finally we should not forget a periodical which has exerted and still exerts an excellent influence on economic studies in Italy, the *Giornale degli Economisti* of Bologna. Its early history has been sketched in the opening pages of this article. Through the activity of Professor Alberto Zorli, it resumed publication in 1886. Associated with Zorli in its management now are Pantaleoni, Mazzola and De Viti, and it has little reason to dread comparison with the leading foreign reviews devoted to political economy.

In the above pages I have mentioned incidentally, and in connection with a few special topics, one of the ablest Italian economists, Achille Loria, professor at the University of Siena.

¹ Cf. the review of Ricca Salerno's *Dottrine Finanziarie* in *Inghilterra* in the *POLITICAL SCIENCE QUARTERLY*, IV, 691.

² *La Statistica e la Scienze Sociali* (Florence).

³ *Storia e Teoria Generale della Statistica* (Milan, 1888).

My purpose was to close this article with a separate notice of his works. But as these works not only rank in originality and strength of thought among the best productions of the younger generation of Italian economists, but constitute in their entirety a complete system of social economy, — a system so novel and so important as to merit the serious attention of all economists, — and as it would be impossible to present this system adequately in a few pages, I shall devote a later article exclusively to the writings of Loria.

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